

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Membership Collective Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7011
(Primary Standard Industrial
Classification Code Number)

86-3664553
(I.R.S. Employer
Identification Number)

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(Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☐
Emerging growth company ☒

If an emerging growth company, indicate by checkmark if the registrant has not elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(2)
Class A Common Stock, par value \$0.01 per share	\$100,000,000	\$10,910

(1) Includes aggregate offering price of Class A Common Stock that the underwriters have an option to purchase. See "Underwriting."

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended, based on the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 21, 2021

PRELIMINARY PROSPECTUS

Class A Common Stock



This is our initial public offering. We are offering _____ shares of our Class A common stock.

Prior to this offering, there has been no public market for shares of our Class A common stock. We currently expect the initial offering price to be between \$ _____ and \$ _____ per share of our Class A common stock. We intend to list our Class A common stock on the New York Stock Exchange under the ticker symbol ‘MCG’ and International Security Identification Number (‘ISIN’)

We are an ‘emerging growth company’ as that term is used in the Jumpstart Our Business Startups Act of 2012 and under applicable Securities and Exchange Commission rules and have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings. See “Prospectus Summary—Emerging Growth Company Status.”

Following this offering, we will have two classes of authorized common stock. The holders of our Class A common stock offered hereby will be entitled to one vote per share of Class A common stock, and the holders of our Class B common stock will be entitled to ten votes per share of Class B common stock. Certain of our existing equity owners (and their affiliates) comprise the Voting Group (as described herein) that will hold all of our issued and outstanding shares of Class B common stock and will have the right pursuant to our Certificate of Incorporation to convert shares of their Class B common stock into shares of Class A common stock on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

After giving effect to the sale of the shares of Class A common stock offered hereby, the Voting Group will own Class B common stock, representing _____ % of the combined voting power of our common stock outstanding after this offering (_____ % if the underwriters exercise in full their option to purchase additional shares of Class A common stock). As a result, members of the Voting Group, when voting together as a group, will be able to control any action requiring approval of our stockholders so long as the Voting Group owns a requisite percentage of our total outstanding common stock, including the election and removal of directors and the size of our Board, any amendment of our Certificate of Incorporation, and the approval of any merger or other significant corporate transaction, including a sale of all or substantially all of our assets. Accordingly, we will be a ‘controlled company’ within the meaning of the corporate governance rules of the New York Stock Exchange. See “Management—Director Independence.”

Up to _____ % of the shares of our Class A common stock to be sold in this offering are being offered directly from us, at the initial public offering price, to eligible employees (‘UK Eligible Employees’) and eligible members of Soho House (‘UK Eligible Members’) and, together with UK Eligible Employees, ‘UK Eligible Participants’), in each case who are located in the United Kingdom, which sales will be made only pursuant to a prospectus prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the ‘FCA’) and made under section 73A of the Financial Services and Markets Act 2000 by a UK-based platform through a directed share program (the ‘UK Community Offer’). The underwriters will not receive any underwriting discounts or commissions from our sale of shares of our Class A common stock to such UK Eligible Participants. In addition, at our request, the underwriters have reserved up to _____ % of the shares of our Class A common stock to be sold in this offering for sale to eligible employees who are located outside the United Kingdom and eligible members of Soho House who are located in the United States of America (‘Non-UK Eligible Participants’) and, collectively with UK Eligible Participants, ‘Eligible Participants’), which sales will be made by Morgan Stanley & Co. LLC, an underwriter in this offering, through a directed share program (the ‘US Community Offer’ and, together with the UK Community Offer, the ‘Community Offers’, or the ‘Directed Share Program’). Subject to the following sentence, each Eligible Participant will be able to purchase 100 shares (but no other number) of our Class A common stock (or for UK Eligible Participants, as near 100 shares as possible based on foreign currency conversions) in this offering through the Directed Share Program. In the event the demand for shares of our Class A common stock in the Community Offers exceeds the number of shares of our Class A common stock reserved for sale in the Community Offers, we reserve the right to allocate shares in our sole discretion, which may result in each Eligible Participant receiving (and being obligated to pay for) fewer than 100 shares of our Class A common stock. We do not know if these parties will choose to purchase all or any portion of these offered shares, but any purchases these parties do make will reduce the number of shares of our Class A common stock available to the general public in this offering. Any portion of the shares of Class A common stock being offered pursuant to the US Community Offer which are not purchased by Non-UK Eligible Participants will be offered by the underwriters to the general public on the same terms as the other shares of our Class A common stock, and any portion of the shares of our Class A common stock being offered pursuant to the UK Community Offer which are not purchased by UK Eligible Participants will not be resold and will remain unissued. Shares sold through the Community Offers will not be subject to lockup restrictions. See the section titled “Underwriting—Community Offers” for additional information.

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks that we have described in “[Risk Factors](#)” beginning on page 33 of this prospectus, and under similar headings in any amendments or supplements to this prospectus, before making a decision to invest in our Class A common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus has not been approved by the FCA and does not constitute an offer to UK Eligible Participants or the general public in the United Kingdom. Any offer to UK Eligible Participants will be made only by means of a prospectus that has been approved by the FCA for use in the United Kingdom.

	Per Share	Total
Public offering price	\$ _____	\$ _____
Underwriting discounts and commissions(1)	\$ _____	\$ _____
Proceeds, before expenses	\$ _____	\$ _____

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See “Underwriting” for a detailed description of the compensation payable to the underwriters. The underwriters will not receive any underwriting discounts or commissions from our sale of shares directly to UK Eligible Participants.

We have granted the underwriters an option to purchase, within 30 days of the date of this prospectus, up to an additional _____ shares of Class A common stock from us, at the public offering price, less the underwriting discount, as described in “Underwriting.”

The underwriters expect to deliver the Class A common stock against payment in New York, New York on or about _____, 2021.

Joint Book-Running Managers

J.P. Morgan

Goldman Sachs & Co. LLC

BofA Securities

Morgan Stanley

HSBC

Co-Managers

Citigroup William Blair
The date of this prospectus is _____, 2021.

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ABOUT THIS PROSPECTUS

As used in this prospectus, unless the context otherwise indicates, any reference to ‘Membership Collective Group,’ ‘MCG,’ ‘our company,’ ‘the company,’ ‘us,’ ‘we’ and ‘our’ refers (i) prior to the exchange of equity interests by equity holders in Soho House Holdings Limited for shares of Class A common stock or Class B common stock (as applicable) in Membership Collective Group Inc. as described in this prospectus under “Prospectus Summary—Our Structure,” to Soho House Holdings Limited and its consolidated subsidiaries and (ii) following such exchange, to Membership Collective Group Inc., the issuer of the Class A common stock being offered hereby, together with its consolidated subsidiaries.

Neither we nor any of the underwriters have authorized anyone to provide you with any information other than the information contained in this prospectus or in any free writing prospectus that we authorize to be delivered to you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the Class A common stock offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume the information contained in this prospectus and any free writing prospectus we authorize to be delivered to you is accurate only as of their respective dates or the date or dates specified in those documents. Our business, financial condition, liquidity, results of operations or prospects may have changed since those dates.

For investors outside the United States (including UK Eligible Participants), with respect to this prospectus and other than as indicated below in respect of UK Community Offer, neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or the offer and sale of the Class A common stock in any jurisdiction where action with respect to this prospectus for that purpose is required, other than in the United States. Persons outside the United States (including UK Eligible Participants) who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the Class A common stock and the distribution of this prospectus outside the United States.

For UK Eligible Participants: This prospectus has not been approved by the FCA and does not constitute an offer to UK Eligible Participants or the general public in the United Kingdom. We have prepared a prospectus in accordance with the prospectus regulation rules of the FCA in connection with the offer and sale of the Class A common stock to UK Eligible Participants, made under section 73A of the Financial Services and Markets Act 2000. Any offer to UK Eligible Participants will be made only by means of the prospectus that has been approved by the FCA for use in the United Kingdom.

Unless otherwise indicated, all references in this prospectus to the number and percentages of shares outstanding following the completion of this offering:

- Reflects the initial public offering price of \$ _____ per share of Class A common stock, which is the mid-point of the price range set forth on the cover of this prospectus;
- Assumes the exchange or conversion of all outstanding senior convertible preference shares of Soho House Holdings Limited into an aggregate of _____ shares of Class A common stock of Membership Collective Group Inc. (the ‘Converted Preference Shares’) immediately upon the closing of this offering, based on the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated initial offering price range set forth on the cover page of this prospectus.
- Assumes no exercise of the underwriters’ option to purchase up to an additional _____ shares of Class A common stock from us; and
- Reflects the exchange immediately prior to the consummation of this offering of equity interests in Soho House Holdings Limited for all of the issued and outstanding Class A common stock or Class B common stock of Membership Collective Group Inc. (before giving effect to the issuance of shares of Class A common stock comprising the Converted Preference Shares as described above), as described more fully under “Prospectus Summary—Our Structure”.

GLOSSARY

As used in this prospectus, unless the context otherwise requires:

- *'Adult Paying Members'* refers to all Soho House members excluding child members and complimentary members.
- *'Cities Without Houses'* is a type of membership for people who live in cities where we do not have a physical House. Cities Without Houses members are able to access our existing Houses whenever they travel.
- *'Every House'* is a type of membership that entitles a member to access each of our Houses globally, provided that access to Little Beach House Malibu requires a membership supplement from existing Every House members.
- *'Frozen Members'* refers to Soho House members who have elected to suspend their membership payments on a six, nine or twelve month basis, during which period the member is not able to gain access to a Soho House site as a member, access our membership Apps, or book bedrooms or Cowshed treatments or products at discounted member rates.
- *'House'* refers to a physical Soho House location, where each club is based, that we own, lease or manage. We operate and own a non-controlling interest in several of our Houses with one or more unaffiliated partners, and in the cases of Soho House Istanbul and Soho House Mumbai, we have no ownership interest but manage the House through a management contract. When we refer to a 'House' in this prospectus, we refer to any House in operation, irrespective of whether our interest in that House is (i) controlling, (ii) operated through a non-controlling interest in a joint venture or (iii) operated through a management contract.
- *'Local House'* is a type of membership that entitles a member to access a single House in a particular city.
- *'Members'* refers to those members who pay their annual membership fees as well as members who were provided and retain complimentary memberships, which were primarily granted in the earlier years of our growth typically in exchange for services to us.
- *'Soho House Digital Membership'* is a paid digital-only membership that we plan to launch in late 2021, which will enable our Soho House members to connect, communicate and collaborate anywhere in the world.
- *'Soho Friends'* is a type of paid membership that offers access to certain physical spaces, including Soho House bedrooms and Soho Studios, and benefits at our restaurants and online retail brands, but does not offer full access to our Houses.
- *'SOHO HOME+'* is a type of paid membership that offers price discounts, free delivery and design advice in connection with our Soho Home retail brand.
- *'Soho House Design'* refers to our business segment that provides the design and, where applicable, build-out of our Houses and other units.
- *'Under-27'* refers to a membership for our Soho House members who are aged 27 years or younger with a membership rate that is applicable through to their 30th birthday.
- *'Voting Group'* refers collectively to our founder and Chief Executive Officer, Mr. Nick Jones, one of our directors, Mr. Richard Caring, and certain affiliates of our sponsor, The Yucaipa Companies, LLC, and its founder and our executive chairman and a director, Ron Burkle (and, in each case, certain affiliates and family members), acting together as a group pursuant to the provisions of a Stockholders' Agreement between us and each member of the Voting Group, so long as the Voting Group owns a requisite percentage of our total outstanding common stock. Immediately following the consummation of this offering, the

Voting Group will hold all of our issued and outstanding Class B common stock, and as a result, when voting together as a group, will be able to control any action requiring the approval of our stockholders in the circumstances described herein under “Certain Relationships and Related Party Transactions—Stockholders’ Agreement.”

- *‘Wait list’* refers to our waiting list of applicants who have not been admitted to membership and that have applied since January 1, 2016.

BASIS OF PRESENTATION

FISCAL PERIOD

We operate on a fiscal year calendar consisting of a 52- or 53-week period ending (in the case of a 52-week period) on the last Sunday in December of that calendar year or (in the case of a 53-week period) the first Sunday in January of the next calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations; in a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations. Our 2016 fiscal year ended on January 1, 2017 ('fiscal 2016') and our 2017 fiscal year ended on December 31, 2017 ('fiscal 2017'). Our 2018 fiscal year ended on December 30, 2018 ('fiscal 2018'), our 2019 fiscal year ended on December 29, 2019 ('fiscal 2019') and our 2020 fiscal year ended on January 3, 2021 ('fiscal 2020'). Fiscal 2019, fiscal 2018, fiscal 2017 and fiscal 2016 were each a 52-week year. Fiscal 2020 was a 53-week year. A 53-week year may cause our fiscal 2020 revenue, expenses and other results of operations to be higher in that fiscal period compared to 52-week fiscal periods due to an additional week of operations. Our 2021 fiscal year will end on January 2, 2022 ('fiscal 2021'). Our 2021 first quarter ended on April 4, 2021 ('first quarter 2021') and our 2020 first quarter ended on March 29, 2020 ('first quarter 2020').

PREDECESSOR

Soho House Holdings Limited, a private limited company incorporated under the laws of Jersey, Channel Islands on December 15, 2017, is the predecessor holding company of our group. Prior to this offering, we formed Membership Collective Group Inc., a Delaware corporation and the issuer of the Class A common stock offered hereby. Immediately prior to the consummation of this offering, (a) certain existing stockholders of Soho House Holdings Limited consisting of the Voting Group members will exchange their equity interests in Soho House Holdings Limited for a number of shares of Class B common stock of Membership Collective Group Inc. having an equivalent value and (b) certain other existing stockholders of Soho House Holdings Limited who are not members of the Voting Group will exchange their equity interests for a number of shares of Class A common stock, of Membership Collective Group Inc. having an equivalent value. Membership Collective Group Inc. is a holding company with nominal assets and no liabilities, contingencies, or commitments, which will not have conducted any operations prior to the consummation of this offering other than acquiring 100% of the equity interests of Soho House Holdings Limited. Following these exchanges, Soho House Holdings Limited will be a wholly-owned subsidiary of Membership Collective Group Inc.

These transactions will be accounted for as a reorganization of entities under common control. As a result, the consolidated financial statements of Membership Collective Group Inc. will recognize the assets and liabilities received in the exchanges at their historical carrying amounts, as reflected in the historical financial statements of Soho House Holdings Limited. Following the reorganization, Membership Collective Group Inc. will consolidate Soho House Holdings Limited on its consolidated financial statements. The consolidated financial statements of Soho House Holdings Limited are accordingly included elsewhere in this prospectus on the basis that it will be the predecessor to, and following the exchange of equity interests described above, a wholly owned subsidiary of, Membership Collective Group Inc.

FUNCTIONAL CURRENCY AND FOREIGN EXCHANGE

Our functional currency is the British pound sterling ('GBP') and our consolidated financial statements are presented in United States dollar ('USD'). The functional currency is the currency of the primary economic environment in which an entity's operations are conducted. The functional currency of our subsidiaries is generally the same as the local currency. We translate the financial statements of our subsidiaries into the functional currency using exchange rates in effect on the balance sheet date for assets and liabilities and average exchange rates for the period for statement of operations accounts, with the difference recognized in accumulated other comprehensive income. We translate our consolidated financial statements into the presentation currency (USD) using exchange rates in effect on the relevant balance sheet date for assets and liabilities and average exchange rates for the period for statement of operations accounts, with the difference recognized as a separate component of stockholders' equity.

The following exchange rates were used to translate our consolidated financial statements and other financial and operational data shown in constant currency:

	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
Great Britain pound sterling	\$ 1.38	\$ 1.24	\$ 1.37	\$ 1.31	\$ 1.27
Canadian dollar	0.80	0.71	0.78	0.77	0.73
Euro	1.18	1.11	1.22	1.12	1.14
Hong Kong dollar	0.13	0.13	0.13	0.13	0.13
Israeli new shekel	0.30	0.28	0.31	0.29	—

	Average for the 13-Weeks Ended		Average for the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
Great Britain pound sterling	\$ 1.38	\$ 1.28	\$ 1.28	\$ 1.28	\$ 1.34
Canadian dollar	0.79	0.74	0.74	0.75	0.77
Euro	1.20	1.10	1.14	1.12	1.18
Hong Kong dollar	0.13	0.13	0.13	0.13	0.13
Israeli new shekel	0.30	0.29	0.29	0.28	—

JOINT VENTURES AND VARIABLE INTEREST ENTITIES

We operate and own a non-controlling interest in several of our Houses with one or more partners. Specifically, Soho House Toronto, Soho House Barcelona, Little Beach House Barcelona, and the hotel rooms and restaurant at 56-60 Redchurch Street and Redchurch Townhouse, London, are owned through joint ventures and are not consolidated for purposes of the preparation of our consolidated financial statements. Accordingly, our share of the revenues for these Houses does not appear within our consolidated Total Revenues in our consolidated statement of operations for the financial periods shown in this prospectus. For purposes of calculating Adjusted EBITDA, however, our share of Adjusted EBITDA from these Houses in which we operate and own a non-controlling interest has been included. See “Non-GAAP Financial Measures” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

NON-GAAP FINANCIAL MEASURES

This prospectus contains certain financial measures, including Adjusted EBITDA, House-Level Contribution and Margin, Other Contribution and Margin and certain financial measures presented on a Constant Currency basis that are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ('GAAP'). We refer to these measures as 'non-GAAP financial measures.' We use these non-GAAP financial measures when planning, monitoring and evaluating our performance. We consider these non-GAAP financial measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period by excluding potential differences caused by variations in capital structures, tax position, depreciation, and amortization that we believe are not representative of our core business. We use these non-GAAP financial measures as operating metrics for business planning purposes and in measuring our performance.

The non-GAAP financial measures we use herein are defined by us as follows:

ADJUSTED EBITDA. Adjusted EBITDA is a supplemental measure of our performance. Adjusted EBITDA is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These other items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, share of equity method investments adjusted EBITDA and share-based compensation expense (See "Summary Historical Consolidated Financial and Operating Data" included elsewhere in this prospectus for further information). We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses (income) that do not relate to ongoing business performance.

HOUSE-LEVEL CONTRIBUTION AND MARGIN. House-Level Contribution is defined as House Revenues less In-House Operating Expenses, which includes expense items such as food and beverage costs, labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, or general and administrative expenses. House-Level Contribution Margin is defined as House-Level Contribution as a percentage of our House Revenues and is a key determinant of our performance and profitability and our return on the investment we make in each of our Houses. Given that all costs associated with providing our members with the Soho House experience, including the costs associated with maintaining our Houses and providing services to members while in Houses, are included in In-House Operating Expenses, we use House Revenues (inclusive of House Membership Revenues) in calculating House-Level Contribution and House-Level Contribution Margin to assess the overall profitability of our Houses. Accordingly, our management considers House-Level Contribution and House-Level Contribution Margin to be an important management measure to evaluate the performance of each House, and growth in aggregate House-Level Contribution allows us to leverage our general and administrative costs and improve overall profitability.

HOUSE MEMBERSHIP REVENUES. House Membership Revenues are comprised primarily of annual membership fees and one-time registration fees from Soho House members which are amortized over 20 years.

IN-HOUSE REVENUES. In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation and spa products and treatments.

HOUSE REVENUES. House Revenues is defined as House Membership Revenues plus In-House Revenues, less Non-House Membership Revenues. Our management views House Membership Revenues and In-House Revenues as interrelated and their aggregation as important in tracking House performance. Although there is no minimum spend for any member on In-House offerings, nevertheless in practice most members consume food and beverage, accommodations and other offerings at our Houses. The pricing of our In-House offerings is reflective of the fact that the significant majority of In-House offerings that generate In-House revenues are consumed by members who also pay a membership fee in relation to that House, with pricing of such In-House offerings being identical for both members and non-members.

OTHER CONTRIBUTION AND MARGIN. Other Contribution is defined as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, which includes expense items not related to the operation of Houses, such as labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, or general and administrative expenses. Other Contribution Margin defined as Other Contribution as a percentage of our Other Revenues and is a key determinant of our performance and profitability and our return on the investment in our non-House business. Our management considers Other Contribution and Contribution Margin to be an important management measure.

CONSTANT CURRENCY. Some of our financial and operational data that we disclose in this prospectus is presented on a ‘constant currency’ basis to isolate the effect of currency changes during the period. Where we refer to a measure being calculated in ‘constant currency,’ we are calculating the dollar change and the percentage change as if the exchange rate that is being used in the current period was in effect for all prior periods presented except where we discuss a comparison of our results comparing fiscal 2019 to fiscal 2018, in which case we calculate constant currency for fiscal 2018, using exchange rates in effect in 2019. We believe that this calculation provides a more meaningful indication of actual year over year performance and eliminates any fluctuations from currency exchange rates.

While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for revenues or net income (loss), in each case as recognized in accordance with GAAP. In addition, other companies may calculate one or more of these measures differently, which reduces the usefulness of any such measure as a comparative measure. For more information regarding these non-GAAP financial measures and a reconciliation of such measures to the most directly comparable GAAP financial measures, see our consolidated financial statements and notes thereto included elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition—Key Performance and Operating Metrics Evaluated by Management.”

ADDITIONAL FINANCIAL MEASURES AND OTHER DATA

Other financial measures and operating data that we use herein are defined by us as follows:

- *'Active App Users.'* Our digital platforms are an important driver of the expansion of our brands. We define Active App Users as unique users who have logged into any of our membership Apps, which currently includes our Soho House App ('SH.APP') and our Soho Friends App, within the last three months.
- *'Number of Houses and New House Openings.'* The number of Houses reflects the total number of Houses in operation and the number of new House openings in a given period, irrespective of whether our interest in the House is (i) controlling, (ii) operated through a non-controlling interest in a joint venture or (iii) operated through a management contract. Management reviews the number of members from all Houses to assess new member growth, total House Revenues and House-Level Contribution.
- *'Number of Members and Membership Growth.'* Our membership model is an integral part of our business and has a significant impact on our profitability and financial performance. Typically members hold an Every House membership or a Local House membership. Member count is the primary driver of Membership Revenues and is also a critical factor in In-House Revenues as members utilize the hospitality and service offerings that are provided within the Houses. The extent to which we achieve growth in our membership base, retain existing members and periodically increase our membership fee rates will impact our profitability. We have historically enjoyed strong member loyalty, reflected by very high retention rates, achieving an average annual Soho House Member Retention rate of 94% between fiscal 2016 and 2020, and robust demand for our memberships, as evidenced by the considerable wait lists for most of our Houses. The year-over-year increase in our total number of members is driven by a combination of increases in membership at existing Houses and members from new Houses.
- *'Soho House Member Retention.'* Soho House Member Retention is defined as the number of Adult Paying Members at the beginning of a period less the number of Adult Paying Members who cancelled their membership during that same period (without giving any effect to Adult Paying Members who froze their memberships during such period), as a proportion of total Adult Paying Members at the beginning of such period.

LETTER FROM OUR FOUNDER AND CHIEF EXECUTIVE OFFICER

**A letter from Nick Jones,
Founder and CEO**

Members are at the heart of everything we do

Since founding Soho House in 1995, I've been obsessed with making sure that our members are always at the heart of everything we do – we are nothing without them. This approach has continued to be our guiding principle over the last 25 years, from when we started as one small club in London, through our global expansion, to now becoming the Membership Collective Group.

All I've ever wanted to do is to continually make membership better and everything we have done has been led by our members. We opened Babington House, our second club in Somerset, UK after members kept saying 'wouldn't it be great to have a version of Soho House in the countryside?' Next it was, 'Well, how about one in New York, or one in west London?' Soho Home, our retail business, was born out of the frequent enquiries from our members and guests about where we sourced our mattresses, furniture, glassware and linens.

Much of the success of Soho House has been down to our ability to respond and adapt to shifting lifestyle trends as well as to the needs of our progressive and forward-thinking membership base. Over the years, the growth of our membership has reassured me that as we have expanded, we have also continued to add value to the member experience. It's hugely satisfying for me when people who have been members since the very beginning tell me their children are applying for membership. Aside from making me feel a little old, it speaks to our ability to stay relevant, and remain an ever-evolving part of the global cultural landscape.

My personal mantra, which I'm sure every member of my team has heard me say so often they repeat it in their sleep, is 'under promise, over deliver'. By this I mean I have never wanted to make grand statements, or shout from the rooftops that what we do is the best. Rather, Soho House has been built steadily on the strong foundations of warmth, quality, comfort and familiarity – and I firmly believe that it is these principles which have garnered such loyalty, support and a deep-rooted connection with our members.

The Membership Collective Group

After 25 years, we now find ourselves in the position of being a global platform for our memberships. I'm incredibly proud of how we've grown memberships for social, work, and retail under Soho House, and have evolved our platforms to create new opportunities for our existing members, as well as potential new members. Now, as MCG, we can leverage the expertise and infrastructure we have built, add new membership concepts such as The Ned and Scorpios, and enable our members to connect and flourish all over the world.

We will continue to open physical Houses – expanding our footprint across Europe, the Americas, Asia and Africa – and launch new types of membership that can be scaled globally. As well as guiding our decision-making on future House locations, the appetite for Cities Without Houses membership has also given us proof of concept for a digital membership, not tied to a physical space.

Offering a new digital-only option will make our membership truly global and diverse, enabling the best creatives from all over the world to make meaningful connections with each other: from an established producer in Ghana to a 22-year old scriptwriter in West Hollywood, or the founder of an emerging tech start-up in Jakarta to a digital designer in Beirut.

My vision for the Soho House app (SH.APP) has always been for it to be like having a House in your pocket. It's our central destination for members to make bookings and payments, to connect with each other and access video content and podcasts – made for our members by our members. With this digital infrastructure in place, and a membership that thrives within a virtual space, there is scope for highly scalable connection, all over the world.

The next 25 years

As the business has ‘grown up’, our culture has evolved whilst still retaining the unique energy that’s been integral in getting us to where we are today. We’ve strengthened our leadership team with new talent that complements the passion, experience and vision of our multiple long-standing employees who have grown up with the business themselves.

We’ve also put a renewed focus on our company values, and launched our social responsibility and sustainability program, House Foundations – which covers the important work we have started on diversity and inclusion, sustainability and mentorship. We are committed to reflecting a rich cross-section of people and experiences, from the members who sit on our committees to our employees around the world, and making a positive difference in the communities that we operate in. Creating opportunities for emerging talent from a diverse range of backgrounds to learn new skills, take the next step in their careers, or get a new project off the ground means a great deal to me personally and programs like Soho Chance and Soho Apprenticeship will enable us to make more progress in these areas.

Whilst we’ve expanded globally, we have been single-minded in retaining a local sensibility. Every new space or project receives the same dedicated focus and passion as our original House opening on Greek Street, Soho. We never take anything for granted, we’re grateful for every one of our members’ support, we’re always learning, listening and trying to improve.

As we ready ourselves to take the step of becoming a public company, our commitment to putting members at the heart of everything we do remains steadfast. This move will enable us to accelerate our investment in improving our member’s physical and digital experiences, always taking a long-term view on what is right for them and their membership.

As we grow, the value of our membership grows as members access new spaces, new communities, new connections, new content and new experiences. There is so much opportunity for growth, and this IPO means we can share this journey with our members, our teams and our new investors.

Best wishes,

A handwritten signature in black ink that reads "Nick .". The signature is written in a casual, cursive style.

Nick Jones
Founder and CEO

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before making a decision to invest in our Class A common stock. You should carefully read this prospectus in its entirety before making an investment decision. In particular, you should read “Risk Factors” beginning on page [33](#), “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 84 and the consolidated financial statements and notes thereto and other financial information included elsewhere in this prospectus.

In this prospectus, we make certain forward-looking statements, including expectations relating to our future performance. These expectations reflect our management’s view of our prospects and are subject to the risks described under “Risk Factors” and “Special Note Regarding Forward-Looking Statements and Market Data.” Our expectations of our future performance may change after the date of this prospectus and there is no guarantee that such expectations will prove to be accurate.

MEMBERSHIP COLLECTIVE GROUP (‘MCG’)

The Membership Collective Group (MCG) is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the MCG platform to both work and socialize, to connect, create, have fun and drive a positive change.

We began with the opening of the first Soho House in 1995 and remain the only company to have scaled a private membership platform with a global presence. Over the last 25 years, we have expanded our membership expertise and diversified our offerings — both physically and digitally. As of April 4, 2021, we have over 119,000 members (including over 111,300 Soho House members) who engage with MCG through our global portfolio of 28 Soho Houses, nine Soho Works, The Ned in London, Scorpios Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.



The central pillar of MCG is Soho House, which drives the majority of our membership and revenue today. Since the opening of our first House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we believe our membership offering, consistently high standards of service, and our global footprint remain unparalleled. As of April 4, 2021, Soho House is a membership of more than 111,300 creative and loyal individuals. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including our app (the ‘SH.APP’) and our website. Our vision for the SH.APP has always been for it to be like having a House in your pocket. It’s our central destination for members to make bookings and payments, to connect with each other and access video content and podcasts — made for our members, by our members. Annually, we host thousands of physical and digital member events worldwide, spanning film,

fashion, art, food and drink, well-being, work and music — and help our members forge connections to bring them closer together.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into the Membership Collective Group, a home to numerous memberships including Cities Without Houses, Soho Works, Soho Friends, Soho House Digital Membership (which we plan to launch in late 2021), SOHO HOME+ and Ned's Club. By designing, curating and growing our membership offering, our membership platform can quickly and easily respond to shifting lifestyle trends and the evolution of our members' needs. Our memberships work together, allowing us to reach new audiences with a set of interconnected offerings.



Everything we do across these memberships begins and ends with our members. The foundation of our member experience has been crafted over our 25-year history and is built on the following pillars:

Membership: We are in the business of forging connections and bringing people together. Our diverse global membership is the soul of our company. It is the people that define our culture and shape the experience — in turn attracting new members.

Physical and digital spaces: We create and operate interconnected spaces. Each of our physical locations is designed to reflect our members and the local community that they serve. Our digital platforms extend our connection with members beyond our physical spaces, in turn significantly enhancing the member experience.

Design: Our design DNA is instantly recognizable across all of our membership models, whether in our Houses, Soho Works, The Ned, Scorpios Beach Club or Soho Home. While each House is unique, they each have a consistency in their architectural and interior style that has come to define the Soho House experience. In each new House or site that we develop for our other brands, this style is interpreted for local tastes and preferences, reflecting the culture of the respective city.

Services, products and experiences: Our member-obsessed culture drives us to relentlessly improve the quality of the services, products and experiences we offer to our members. We do not cut corners or compromise on quality, taking the long-term view that there is no substitute for the highest quality services, products and experiences when it comes to fostering loyalty from our members.

Innovation: We have always strived to adapt and evolve by anticipating our members' needs and wants. Innovation has always been part of our culture and approach, and we have used that mindset to create new memberships to serve a wider audience of people who desire personal connection via new channels.

House Foundations: We are committed to integrating the pillars of our social responsibility and sustainability program, House Foundations, into everything we do.

Sitting at the heart of MCG, Soho House has a highly loyal membership base, with annual Soho House Member Retention rates averaging 94% between fiscal 2016 and 2020. Our membership has remained resilient through multiple economic cycles and the COVID-19 pandemic. When our physical sites were forced to close as a result of the COVID-19 pandemic, there was minimal impact on the retention of Soho House members, with the Soho House Member Retention rate remaining at 92% for fiscal 2020. We also saw the demand across all of our membership brands strengthen, with over 30,000 applications for our membership brands submitted during fiscal 2020. The power of our model is driven by the important role we believe that we play in our members' lives and the value we consistently provide them for their membership fees. We believe our retention compares favorably to leading consumer subscriptions or memberships—across music, media, fitness, entertainment and commerce.

The demand for our membership is also demonstrated by our large and growing global wait list, which as of January 1, 2021 stands at over 48,000 applicants. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage. With virtually no marketing or sales costs associated with acquiring new members, we have been able to grow our membership by a 16% compound annual growth rate ('CAGR') between fiscal 2016 and 2020, while expanding our Membership Revenue at a 24% CAGR during the same period.

There are multiple consumer forces at play that have increased the relevance of memberships. We have observed a secular shift in the ways that people live and work—with less time spent in traditional corporate offices and more time in social spaces that encourage creativity and mutual engagement. We believe that these trends will only accelerate, and that the freedom to be able to choose where to live and work—particularly in light of the COVID-19 pandemic—will likely have a significant impact on our target market. We believe this will create an even greater demand for curated communities that can grow and thrive in a more deliberate environment.

For first quarter 2021, we had total revenues of \$72 million, a net loss of \$93 million and Adjusted EBITDA of \$(23) million. For first quarter 2020, we had total revenues of \$142 million, a net loss of \$45 million and Adjusted EBITDA of \$(9) million. For fiscal 2020, we had total revenues of \$384 million, a net loss of \$235 million and Adjusted EBITDA of \$(44) million. For fiscal 2019, we had total revenues of \$642 million, a net loss of \$128 million, and Adjusted EBITDA of \$18 million. For fiscal 2018, we had total revenues of \$575 million, a net loss of \$90 million, and Adjusted EBITDA of \$37 million.

For first quarter 2021, of our \$72 million in revenue, \$40 million (56%) was attributable to Membership Revenues, \$16 million (22%) to In-House Revenues, and \$16 million to Other Revenues (22%). For first quarter 2020, of our \$142 million in revenue, \$48 million (34%) was attributable to Membership Revenues, \$68 million (48%) to In-House Revenues, and \$26 million to Other Revenues (18%). For fiscal 2020, of our \$384 million in revenue, \$177 million (46%) was attributable to Membership Revenues, \$127 million (33%) to In-House Revenues, and \$81 million to Other Revenues (21%). For fiscal 2019, of our \$642 million in revenue, \$168 million (26%) was attributable to Membership Revenues, \$312 million (49%) to In-House Revenues, and

\$162 million to Other Revenues (25%). For fiscal 2018, of our \$575 million in revenue, \$134 million (23%) was attributable to Membership Revenues, \$271 million (47%) to In-House Revenues, and \$170 million to Other Revenues (30%). Please see “—Summary Historical Consolidated Financial and Operating Data” for a definition of Non-GAAP Adjusted EBITDA and a reconciliation to net loss, the most directly comparable GAAP measure.

Membership Revenues are comprised of annual membership fees and one-time initial registration fees paid by members. In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation, and spa products and treatments. Other Revenues include all revenues not realized within our Houses, including Scorpions, Soho Works and standalone restaurants, design and procurement fees from Soho House Design and Soho Home among others. We view Membership Revenues and In-House Revenues as interrelated, insofar as although there is no minimum spend for any member on our In-House offerings that generate In-House Revenues, in practice the significant majority of In-House Revenues are generated by our members, and the pricing of our In-House offerings reflects that accordingly.

TOTAL MEMBERSHIP (THOUSANDS)



MEMBERSHIP REVENUE (MILLIONS)



OUR MEMBERSHIP PLATFORM

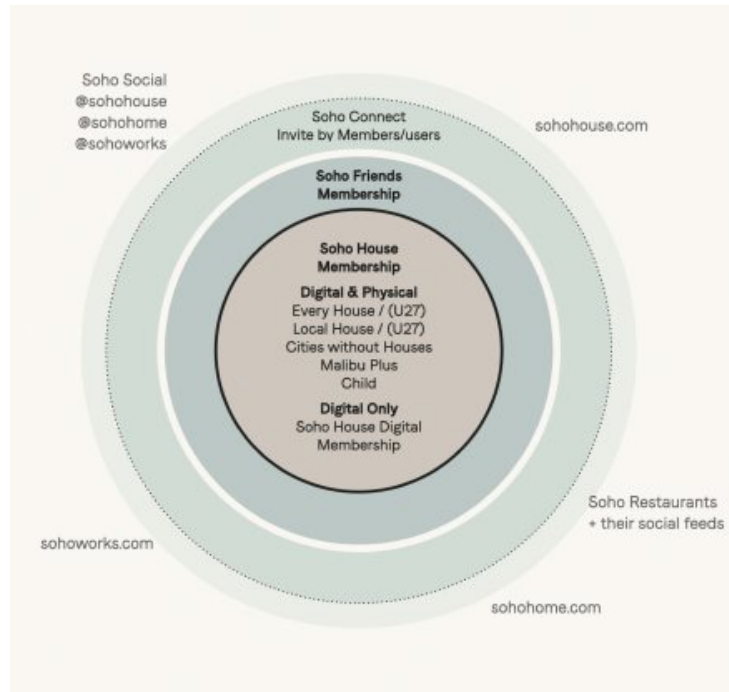
All of our memberships have been built to enrich the lives of their members, as well as expand our membership offering to a broader audience.

SOHO HOUSE

Soho House remains at the core of our membership platform by creating a foundation upon which additional membership businesses can be built and scaled. While our physical Houses provide our foundation, the people inside them are the soul of Soho House. As a membership founded for the creative industries, we are proud to have championed members who have gone on to shape our cultural landscape as world class writers, artists, performers, directors, founders, designers, and producers – all reflecting the spirit and energy of Soho House.

The membership of each House is assembled by a select committee of influential creatives and innovators that represent the local area in which the membership is founded. Our members actively engage in creating the culture of each House, helping to shape and localize it by participating in member events and contributing to editorial and digital content. We believe this adds to the value of each House, enriching the membership and

enhancing the attractiveness of membership to prospective members worldwide. With a current US Every House annual membership fee of approximately \$3,400 providing access to all of our Houses globally, we believe our membership offering provides compelling value to our members that increases as we add new Houses and more members to our global community. Our Houses attract members from every demographic, with members from “Generation Z” (21 years old and younger) and “Millennials” (22- to 37-year-olds) constituting the fastest-growing cohorts. We also believe that the pricing of our In-House offerings represents great value to our members because of the level of quality provided, reinforcing the overall membership experience, rewarding their brand loyalty and creating opportunities for future and recurring revenues.



Information on the websites and social media platforms referenced above is not incorporated by reference into this prospectus.

We created the following types of membership under Soho House to reach a broader audience and enhance the experience of our existing members:

- **CITIES WITHOUT HOUSES**

In 2017, we introduced a new type of Soho House membership known as Cities Without Houses (“CWH”), which opens up the Soho House membership to people who live in cities where we do not yet have a physical House. This membership allows us to welcome members to our global community in new geographies, generates additional revenues on our existing base of Houses and provides intelligence for future growth, which we have employed to open new Houses in certain locations, including in Austin, Texas and Paris, both of which are expected to open in 2021. We currently have more than 5,000 CWH members across 45 cities, paying an annual US membership price of \$2,630.

- **SOHO HOUSE DIGITAL MEMBERSHIP**

The ambition for Soho House has always been to create a truly global membership that brings creative people together, from all over the world. We believe that we will be able to achieve this through the introduction of Soho House Digital Membership—a new, paid digital-only membership that we plan to launch in late 2021. Not limited by our physical footprint, Soho House Digital Membership will expand our global reach, allowing us to move further into Asia, Africa and South America, adding fascinating creatives from dynamic cities to our membership.

Soho House Digital Membership will be subject to the same application and approval process as Soho House membership, allowing like-minded individuals to connect, communicate and collaborate with each other, in a purely digital space through the SH.APP. It will make our membership truly diverse, and will enable the best creatives from all over the world to make meaningful connections with each other. In the same way that we've grown Cities Without Houses membership in 45 cities around the world, we will use our connections and liaisons on the ground in new cities to build awareness of digital membership, growing it organically through existing creative communities.

By leveraging our digital platforms in this way, and removing the reliance on physical spaces to experience the benefits of our membership, we have created a gateway to previously untapped growth opportunities. We believe this new membership type will be attractive to potential members who are already used to socializing, networking and working digitally. Existing Soho House members will also receive the full functionalities of the Soho House Digital Membership, and therefore, the introduction of the Soho House Digital Membership only serves to improve the richness of their membership experience, making it more valuable – with new opportunities to connect with and consume content from a truly global and diverse membership base.

- **SOHO FRIENDS**

There are a significant number of people who enjoy the Soho House way of living and who have already visited our Houses as guests, stayed in our bedrooms, or visited our public restaurants and spas, but do not currently have a Soho House membership. To respond to this audience, we launched Soho Friends in November 2020 for an annual subscription cost of £100. We offer access to physical spaces, including Soho House bedrooms, and Soho Studios (our new social spaces for Soho Friends and Soho House members) that host curated programs of events and screenings, with additional benefits from our restaurants, spas and online retail brands, although Soho Friends do not have full access to our Houses. Between November 2020 and April 2021, we have received almost 6,000 applications, the majority of which originated from a recommendation of a Soho House member or a MCG employee, and accepted over 4,000 Soho Friends members. We intend to grow this membership brand in a measured way so that our Soho House members continue to account for the majority of visitors to our Houses and restaurants.

SOHO HOME

Soho Home was created as a result of the constant requests from our members to recreate the look and feel of the Houses in their own homes. Soho Home is an interiors and lifestyle retail brand that offers handcrafted furniture, lighting, textiles, tableware and accessories through e-commerce. Over the past year, we have transformed Soho Home into a high growth retail business, and in October 2020, we launched SOHO HOME+, which is a subscription-based membership platform with over 2,600 members as of April 4, 2021, that offers price discounts, free delivery, and expert design advice plus early access to new collections and seasonal sales for an annual price of £60.

SOHO WORKS

First launched in 2015, Soho Works provides its members with the space and resources to work alongside other like-minded individuals and businesses — facilitating connections and providing the tools to flourish. Aimed at

existing Soho House and Soho Friends members, Soho Works draws on the same design principles and membership ethos as Soho House, but is a space purposed entirely for work and creative collaboration.

Beginning with one location in London, we have since opened eight additional sites in London, New York and Los Angeles over the last two years and as of April 4, 2021, we had over 1,000 members. Soho Works membership rates vary by location and Soho House membership status. For Soho House members, a US Soho Works membership ranges from \$250—\$600 per month, depending on membership type.

SCORPIOS BEACH CLUB

Set in a cove on the southern tip of Mykonos, Scorprios offers a one of a kind beach experience with a well- established globally recognized brand. With a restaurant, terraces and daybeds, and a distinctive wellness offering, Scorprios enriches the lives of its guests who are looking to escape from their daily lives. We believe the Scorprios concept has significant potential to expand into additional locations as a key part of our platform and we expect to open our second site in Tulum, Mexico at the end of 2022. While we do not currently offer a standalone membership, there is significant interest from our customers to do so and we therefore plan to launch a unique Scorprios membership in 2022.

THE NED

The Ned has created a new space in the heart of the City of London for its members to meet, eat, drink and socialize. The Ned brand seeks to embody a “city within a city” full-service destination, by playing host to multiple restaurants, bedrooms, a range of grooming services, spa, gym and a full service members’ club. The membership offered by The Ned (‘Ned’s Club’) is aimed at a broader group of professional people. As of April 4, 2021, Ned’s Club had over 3,000 members paying an annual subscription price of £3,150, and intends to expand into additional cities beyond London, as well as launch Ned Friends – a more accessible membership similar to Soho Friends, for frequent visitors and customers of The Ned. We receive management fees under our hotel management contract for the operation of The Ned.

OUR STRENGTHS

We have eight core strengths that give the Membership Collective Group an enduring competitive advantage:

TWENTY-FIVE YEARS OF EXPERIENCE

We are the only company to have pioneered and scaled a private membership platform with a global presence, anchored in a loyal and diverse member community, and network of interconnected physical and digital spaces. Each of our communities serve as cultural cornerstones in their respective cities, and we attribute our success to the first-mover advantage, gained through identifying a unique opportunity in the marketplace early.

Crucially, the value of our membership and brand strengthens as we expand into new cities and properties, which is in contrast to other membership-based companies that may experience brand dilution as they scale. The value of an Every House membership becomes more compelling to both new and existing members as we grow our business, enhancing our revenue potential.

A GROWING AND LOYAL MEMBERSHIP

The MCG’s annual membership fees from our growing network of more than 119,000 members (including over 111,300 Soho House members) as of April 4, 2021, create a recurring and predictable revenue stream that has proven to be resilient across economic cycles. The stability of our Membership Revenue is further supported by our industry-leading retention rates, averaging approximately 94% for annual Soho House Member Retention between fiscal 2016 and 2020.

The broad appeal of our membership underpins our attractive long-term growth, and we have seen the relevance of our curated membership grow over time. Since we enabled non-members to register and create public accounts on our website for the first time in April 2020, we have seen approximately 242,000 non-members sign-up to our site as of January 2021. Our Membership Revenues have grown at a 24% CAGR between fiscal 2016 and fiscal 2020.

A WAY OF LIVING

We have established a distinctive style and way of living that has given our memberships a notable presence in popular culture, evidenced by our strong social media following. As of May 2021, we have almost 1 million Instagram followers across our global accounts. In 2020, our social media reach has grown by almost 25%, with our engagement rate increasing 63% year on year. Our brand recognition extends far beyond our current geographic footprint, providing a distinct advantage in the execution of our growth plan.

A PLATFORM TO LAUNCH NEW MEMBERSHIPS

We have developed a deep understanding of membership businesses, and built digital systems and in-house design and development teams, which together form the foundation of our membership platform. We are able to significantly reduce start-up costs and absorb expenses associated with launching and operating a new membership by leveraging our existing membership base and physical and digital assets, which we believe can lead to an attractive margin as the membership matures.

Over the last two years we have developed a digital platform which is feature rich, robust and scalable. The platform powers our member experiences – both on the SH.APP and on our web platforms and serves as the backbone for acquisition, membership management and member services. We have customized this platform through proprietary technology combined with best of class software. Our data warehouse and use of single-sign-on technology extends the platform allowing our members to use digital products seamlessly – whether in our Houses or outside – with their experiences appropriately personalized. We extended the platform for new types of memberships in 2020, and subsequently for associated businesses, and in late 2021 we plan to launch our new, paid digital-only Soho House Digital Membership.

A FLEXIBLE REAL ESTATE MODEL

Our highly stable and visible membership base enables us to consider non-traditional real estate and provides us with opportunities to create unique spaces with character and soul. Soho House Design, our talented team of in-house designers and architects have transformed a variety of historic or under-utilized buildings into vibrant spaces that have become cornerstones of their emerging and culturally rich neighborhoods. Given our market recognition, we are constantly approached by landlords and developers directly to consider their properties for our new locations, and act as anchor tenant, resulting in more efficient acquisition and development costs.

Our real estate partners benefit from the impact of the Soho House brand on the value of their underlying property and surrounding neighborhood. This enables us to achieve favorable lease agreements, increase tenant improvement allowances from landlords to support our capital light expansion, and in some cases receive a share of the upside in the value of the property. Such dynamics have allowed us to open multiple Houses in a capital efficient manner across Shoreditch, London, the Meatpacking district in New York, the Gothic Quarter in Barcelona and the downtown industrial arts district in Los Angeles. We expect to increasingly apply our capital light model to the future Houses in our pipeline. We typically enter into long-term leases (20-year initial term plus multiple extension options) that provide us with certainty of long-term usage of the real estate.

MULTIPLE PATHWAYS TO DRIVE GROWTH

We are currently present in 63 markets globally across our membership base, demonstrating our strong track record of international expansion but significant runway for growth ahead of us. We believe there is significant

white space both in countries and cities where we already operate, as well as in new geographies. Many major markets remain untouched, and we know from our Cities Without Houses membership and our broader digital offers that there is significant untapped potential for physical sites in cities and countries across the globe. Once Houses are opened, we have a track record of growing revenue sustainably—due to the strength of demand for our memberships, combined with our ability to add new members with limited incremental investment.

We are also able to expand our addressable market by launching new memberships that meet the needs of a broader audience and complement our current offering. This extends to the digital space, where we have created a gateway to previously untapped growth opportunities via our new digital membership. We are still in the early stages of growth, and these opportunities give us confidence in our ability to sustain attractive growth over the long-term. It is the complementary nature of these physical and digital platforms that drive operational efficiencies, and by moving members through our ecosystem, create multiple touchpoints for revenue generation.

AN ATTRACTIVE FINANCIAL MODEL

Our financial profile is characterized by high growth, recurring revenue and margin expansion, underpinned by the economics of our physical locations and membership.

Our unique business model provides compelling House-level economics driven by our ability to grow the member base of each House over long periods of time as operations are refined and frequency of use by existing members normalizes. The ability to add members to our Houses over time drives an increase in House-level contribution and House-level contribution margin over the long-term and sets us apart from traditional hospitality companies, which have more fixed occupancy profiles. To this end, our more mature Houses typically have larger membership bases and generate higher House-Level Contribution Margins. Notably, the membership list of our oldest House continues to grow and maintains a wait list, demonstrating the continued popularity of even our mature Houses.

For our larger, amenity-rich Houses that anchor our brand in a city, we target stabilized average revenues of \$20 million to \$30 million by the fifth year of operation. As at fiscal 2019 we achieved or exceeded this target for eight out of our nine large Houses that had been open for at least five years. We target House-Level Contribution Margins of 20% to 30% by the fifth year of operation and as at fiscal 2019, we achieved or exceeded this target for seven out of nine of our large Houses that had been open for at least five years. We target cash-on-cash returns in excess of 50% once membership reaches a level that we consider normalized based on the size of the House. Historically this goal has been achieved in six out of our nine large Houses within five to 11 years of opening. Under the new asset light strategy we believe this goal can be reached in three to five years, although none of our Houses opened under this strategy have been operating long enough to achieve this target. Due to the impact of the COVID-19 pandemic on our sales and profitability, the metrics above were not achieved in fiscal 2020 or in fiscal 2021 to date.

Historically we have made significant investments in the development of our Houses, either in purchasing an ownership position and/or making material investment in the build out of the property alongside our landlords. Beginning several years ago, with the growing reputation of Soho House as a marquee tenant, we began making a conscious shift to an asset light development model to conserve and drive improved return on our capital. Under this model, our landlord agrees to fund a substantial portion, or all, of the development costs of a House, to our design specifications, leaving us to fund only pre-opening expenses (and art and other unique interior design elements). Virtually all of the Houses that we plan to open over the next three years reflect this asset-light model.

While our investment in our full-size Houses has historically approached, or in certain cases exceeded, \$10 million, under our asset-light model we expect our contribution to open new Houses, comprised primarily of pre-opening expenses and art, will fall in the \$3 million to \$6 million range. Despite a modest increase in average rents from this strategy, we believe the considerably reduced capital investment will result in meaningfully improved cash-on-cash returns and capital efficiency.

A new Soho House membership incurs virtually no membership acquisition cost, since we do not conduct any paid marketing. Driven by consistently high retention and minimal costs associated with retaining or supporting our members, Soho House enjoys a very attractive member lifetime value. We believe new memberships will also provide compelling economics and be accretive to our profit, as they can be created and operated in an asset-light manner that leverages the existing platform.

AN EXPERIENCED AND FOUNDER-LED MANAGEMENT TEAM

Our executive management team is led by our Founder and Chief Executive Officer, Nick Jones, who has over 40 years of experience within the membership and hospitality businesses. While we were a privately-owned enterprise, Nick guided our international expansion through both strong and notably weak economic environments to build what has become one of the world's leading membership and lifestyle brands.

Our executive management team brings considerable and diverse experience gleaned from previous senior roles in the hospitality, retail, design, digital, creative and financial services industries. Andrew Carnie, our President, joined Membership Collective Group from retail brand Anthropologie, where he most recently served as Group President. Several other members of our senior team, including our Chief Membership Officers and Chief Operating Officer, have been with the company since the beginning, working their way up to become some of our most valued leaders.

We have built a world class in-house digital team that partners with our operational experts to create and grow our global platforms. We also leverage the expertise of our shareholders, who have an extensive operational track record in the hospitality sector. Ron Burkle, who is recognized as a leading investor in hospitality and related consumer industries, takes an active role as the Executive Chairman of our Board. Richard Caring, an investor since 2008 and one of the members of our Board, also brings years of industry and operating experience to the group.

OUR GROWTH PLAN

We are still in the early stages of our expansion and we believe our track record as well as our core capabilities have positioned us to achieve significant and sustained growth through the following initiatives:

OPEN NEW SOHO HOUSES

Expansion into new areas is exciting for us and our members, and furthers the reach of our brand. Opening Houses in existing cities satisfies unmet demand (as represented by our local wait lists), and leverages our existing infrastructure.

Since January 1, 2018, we have opened 10 new Houses, increasing our total House count by 56% to 28 Houses as of April 4, 2021. Our current pipeline anticipates opening eighteen new Houses in total by year-end 2023, which, if achieved, would increase our worldwide House total to 46, resulting in a 64% increase to our existing House base. Our development pipeline extends our global footprint to exciting cities such as Tel Aviv, Paris, Rome and Austin as well as new destination experiential Houses, such as a wellness retreat in Lake Arrowhead and a ranch in Sonoma. We continue to see substantial long-term growth opportunities in the Asia Pacific, Africa and South America regions. We currently anticipate a long-term growth target of three to five Soho House openings annually over time.

Notably, aside from the temporary closure of certain Houses for public health and safety reasons (including the COVID-19 pandemic) or for refurbishment, we have never closed a House at any point in our 25-year history.

We have a proven track record of consistently opening successful new sites that achieve member growth targets and generate strong long-term unit economics.

CONTINUOUSLY ENHANCE THE MEMBER EXPERIENCE

We maintain a relentless focus on enhancing the member experience and expanding the role we play in our members' lives. We continue to elevate the quality of our food and beverage, accommodation, spa services, events and other goods and services. In addition to adding new Houses and new experiential destinations, we are growing our wellness concept through the development of Soho Health Clubs, which will offer a unique socially optimized space for members to move their bodies, look after their health and well-being. Over the past twelve months, we have introduced a number of digital solutions to improve our member experience including 'House Pay', our proprietary digital payment service, 'House Guest', our global guest check in service, as well as other room and table booking functionalities on the SH.APP to make it easier for our members to stay or dine with us. We have also made the majority of our House spaces 'laptop free' areas, ensuring that we always maintain the ambience and social atmosphere of our spaces. In fiscal 2020, we hosted more than 300 digital events on the SH.APP, and a total of 827,000 bookings have been made on the SH.APP.

CONTINUE TO SCALE EXISTING MEMBERSHIPS

GROW SOHO FRIENDS MEMBERSHIP

In 2019, there were over one million non-member guests who visited our Houses, many of whom visited frequently. Our intention is to continue to convert these customers into Soho Friends members. We recently introduced our House Guest system to collect data and better understand our customers and visitors, which has created a foundation to scale Soho Friends. We will be launching Soho Friends membership in North America and Europe in 2021, as well as opening new Soho Studio spaces.

EXPAND SOHO HOME AND SOHO HOME+ MEMBERSHIP

Over the past year, we have transformed Soho Home into a high growth retail business with its own subscription-based platform. In fiscal 2020 and in first quarter 2021, Soho Home grew its online sales by 52% and 141%, respectively, benefiting both from a newly designed product range, a reinvigorated website as well as a favorable market backdrop due to more customers shopping online and shopping for homeware. In October 2020 we launched SOHO HOME+, the UK's first homeware subscription service, and gained over 2,600 members as of April 4, 2021, providing a recurring membership revenue stream.

Soho Home's brand awareness increased during fiscal 2020 due to the issuance of membership credits and the ability to redeem these on Soho Home online, particularly in North America where we were previously underpenetrated. Online sales in North America increased 188% during fiscal 2020 and 278% in first quarter 2021. We believe Soho Home has significant potential to continue its strong digital-first growth, followed by the expansion of physical retail spaces.

GROW SOHO WORKS

In recent years, we have expanded Soho Works by adding new locations as well as adding new members to the existing locations and developing our Soho Works digital platform. We believe there is a significant opportunity to grow Soho Works to 19 total locations by 2023 that are primarily located next to existing Soho House sites, due to changes in the way that people live and work – with less time spent in traditional corporate offices and more time in social communities.

OPEN NEW SCORPIOS BEACH CLUB SITES

Scorpios will play a critical role in providing a must-visit destination for many of our members, striving for a unique experience with a particular focus on wellness. Scorpios, in Mykonos, currently attracts an affluent, internationally diverse and loyal customer base, which gives us confidence in the appetite for future locations and a future membership brand. We plan to open one new Scorpios Beach Club per year from 2022 onwards with our second site due to open in Tulum, Mexico at the end of 2022. Given our customer base, we expect to open new locations and launch new membership types in the future.

EXPAND THE NED

The Ned has identified an additional site for opening by the end of 2021, and also plans to open another by the end of 2022. There are plans to continue opening one to two new sites for The Ned annually going forward. The Ned will play a meaningful role in broadening our target audience, who crave an authentic membership experience. We have a management contract for existing operation of The Ned in London and receive management fees for our operation of The Ned.

LAUNCH AND GROW NEW MEMBERSHIPS

In late 2021, we plan to launch Soho House Digital Membership. This digital-only membership will leverage our existing digital platform, which is being developed to include new features that enable meaningful digital exchange. Members with this membership will have an enriched profile, be able to search for other members, be recommended to other members, grow their digital network, and communicate through direct messaging, audio and video. Through proof of concept, we know that members see value in connecting for social, work and practical purposes. We are now building and finessing this membership type and are confident of launching a valuable digital product. Like our current membership types, the digital membership will continue to evolve post launch based on member feedback.

Our track record gives us the confidence to successfully scale new memberships globally, while providing us with the insight necessary to understand where to extend the Membership Collective Group platform. Our know-how of operating physical spaces and complementing that with sophisticated digital offerings, will help further extend our offer. For instance, the digital platform will extend Soho House's digital assets – in connections, bookings, content and payments – through the SH.APP and our websites – to new memberships, business areas (e.g. wellness) and business acquisitions.

HOUSE FOUNDATIONS

House Foundations is our social responsibility and sustainability program, the pillars of which form the foundations of our global membership platform. House Foundations brings together our work in diversity and inclusion and environmental sustainability – as well as coaching and nurturing talent in the industries that we operate in.

We are committed to building an inclusive culture and helping to make the creative industries more accessible to emerging creative talent around the world. We value diversity and want our members and teams to be represented in places where everyone feels at home.

Our mentorship program connects members to young people looking to start their careers in the creative industries. We focus on supporting people from marginalized or lower socioeconomic groups in the local communities around our Houses. We currently have over 300 mentees paired with our members in four cities and are expanding into six additional global cities in 2021. In our last London cohort pre-COVID-19, 94% of mentees received paid job offers as a result of the program.

Soho Chance is our latest initiative, designed to help entrepreneurs and creatives who are starting out, or starting again, to get a new project off the ground with coaching from our teams and access to our physical and digital platforms. In summer 2021, we expect to launch an entry-level training program called Soho Apprenticeships to provide practical skills, training and support to those with minimal to no experience or qualifications.

The work we do through House Foundations is underpinned by Soho Give, a charitable foundation supporting causes that align with Soho House's values. The charity will support three key areas; aiding development in the creative and hospitality industries for those from under-represented and lower socioeconomic backgrounds, helping to build a more sustainable world in the way Soho House runs its operations and giving support to the local communities where Soho House sites are located.

We are also in the process of embedding sustainable management practices across our business. This includes initiatives that range from where we source our food to how we design and build our Houses. We have taken steps to strengthen our local sourcing and supply chain policies and practices, reduce our environmental impact with changes to our waste management and energy efficiency, and we recently joined the United Nations Global Compact, thereby committing to tracking and measuring our social and environmental impact against the UN Sustainable Development Goals ('UN SDGs'). Our ambition is to aggregate the power of our business, suppliers, partners, employees and members to make a positive contribution to society and the environment.

Our House Foundations project is the vision of our Founder, Nick Jones, and is led and championed by the Board and the leadership team. Our team, supported by our expert advisors (The Sustainability Group) reports to the Chief Operating Officer, and aims to ensure the Company's environmental, social and corporate governance ('ESG') program has a positive impact on the environment, the lives of our members, and the wider communities in which we operate.

RESILIENCE THROUGH THE COVID-19 PANDEMIC

The COVID-19 pandemic has acted as a catalyst for a period of significant transformation across MCG and clearly demonstrated the resilience of our membership-led business model.

Despite the significant impact on our sales and profitability that the pandemic had in fiscal 2020 and continues to have in fiscal 2021, it has allowed us to accelerate changes within the business, both to focus even greater energy on improving our offer for members, and to drive sustainable efficiencies through a lower cost base. We accelerated our digital expansion and launched new membership types, Soho Friends and SOHO HOME+, and we have further digital projects ready to launch in 2021.

In response to the pandemic, we made significant changes to lower our cost base in a structured way. We implemented an extensive staff restructuring program, through which we reduced the number of roles in our support office and reorganized the team structures at our sites. As a result, we expect our annual salaries and wage cost as a percentage of sales excluding membership to run at a lower percentage when we fully reopen. We have hired a new procurement team focused on delivering a program to reduce our indirect costs through initiatives such as vendor consolidation, renegotiation of existing contracts, as well as other cost reduction measures. We have also lowered our cost of sales on food and beverage through menu simplification as well as through better stock and waste procedures at our sites. We believe we will be able to maintain these lower cost ratios when our business levels return to pre-COVID-19 levels.

While the pandemic has allowed us to implement these changes at pace, it has adversely affected our near-term operating and financial results. As a result of the government-imposed lockdowns in many of the territories in which our properties are located, a majority of our sites have been forced to temporarily close or operate under restricted hours and with social distancing regulations in place throughout much of 2020 and into 2021. As a

result of the forced closures and restricted hours, our In-House Revenues declined significantly. In addition, for paying members, we issued membership credits in fiscal 2020 and during fiscal 2021 equivalent to the face value of their membership for the period of time their local House was closed that can be redeemed on Soho Home online as well as redeemed for food and beverage purchases (but not membership fees) once the Houses reopen.

In light of these forced closures for extended periods, we have seen a small increase in attrition among existing members, as well as an increase in the number of members freezing their memberships. Each Soho House member may request a temporary freeze to their membership on a six, nine or twelve month basis during which time the member will not be required to pay membership fees but will not have access to the Houses or any of our membership apps, and will not receive any communications from us. At the end of the freeze period the member will either resume their membership and continue paying membership fees, or their membership will be cancelled.

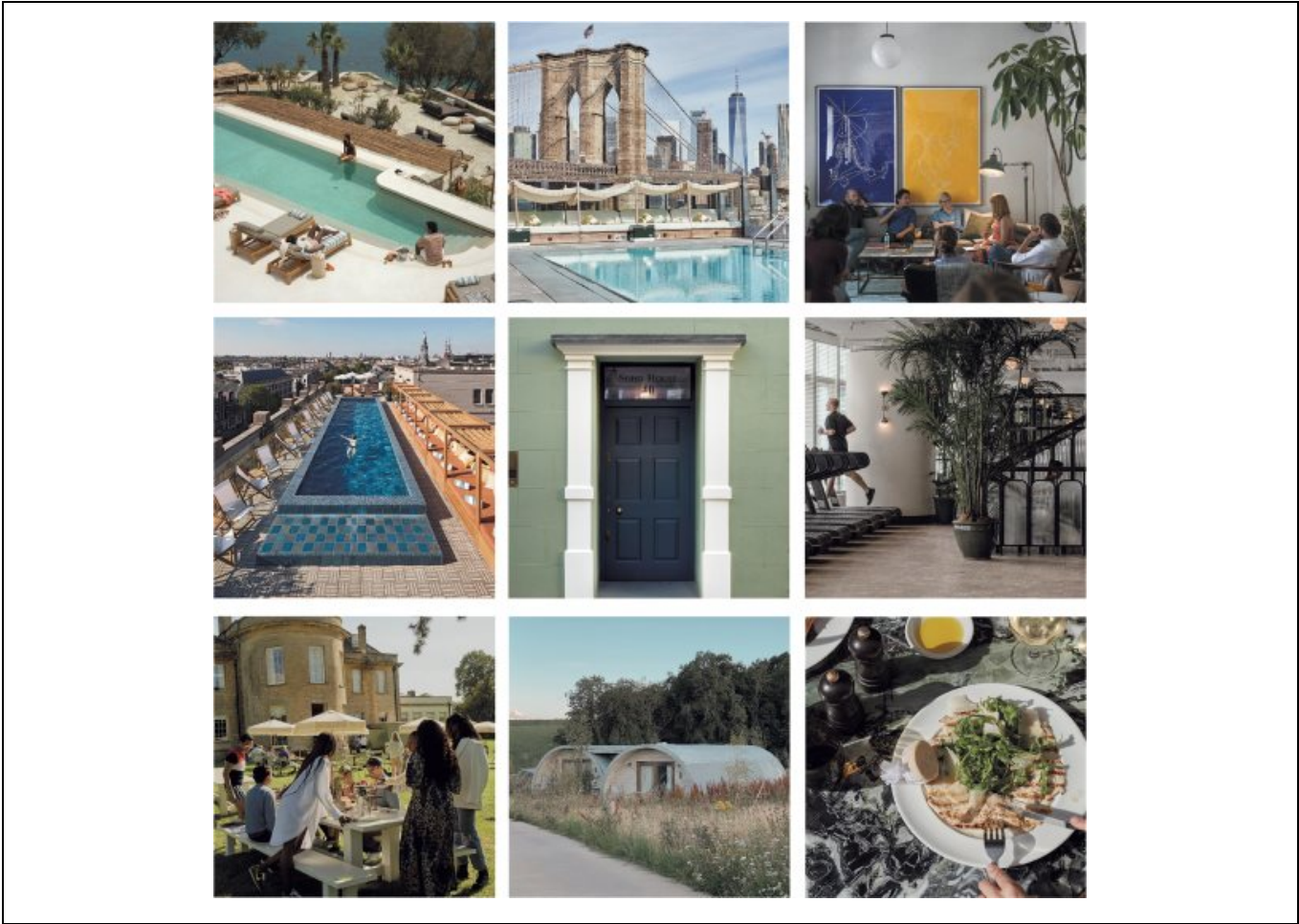
Our 25-year track record of membership growth and loyalty leads us to believe that these impacts are likely to be short term in nature. We note that through the course of 2020, and in spite of the pandemic, we saw further additions to our member waitlist, attesting to the continued desirability of our platform.

So, while COVID-19 has clearly been and continues to be a challenge in the near-term, we expect the ways in which we have improved our business to benefit us in the medium- to long- term. We believe the pandemic has not only underlined the resilience of our business model and the significant and sustained attraction of our memberships, but it has also created a greater demand for curated membership that can grow and thrive in a more deliberate environment.

Recent Developments

Repayment of US PPP Loans

On April 24, 2020, in respect of our various US subsidiaries, we received 11 Payroll Protection Plan loans (“PPP loan”) totaling \$22 million, as a 1% interest rate and a maturity of 2 years. Payments under these loans were deferred for the first 6 months for both principal and interest. We used amounts under these PPP loans for qualifying expenses, including, but not limited to, payroll costs, rent, interest on mortgage debt and utilities over the 24-week eligibility period. We repaid these PPP loans in full on April 1, 2021.



SUMMARY RISKS ASSOCIATED WITH OUR BUSINESS

An investment in our Class A common stock involves numerous risks described in “Risk Factors” and elsewhere in this prospectus. You should carefully consider these risks before making a decision to invest in our Class A common stock. Key risks include, but are not limited to, the following:

- the current outbreak of COVID-19 or the future outbreak of any other highly infectious or contagious diseases, has caused, and will continue to cause, disruption to our business, liquidity, financial condition and results of operation. Further, the spread of the COVID-19 outbreak has caused severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues of an as yet unknown magnitude and duration;
- we have incurred net losses in each year since our inception, and we may not be able to achieve profitability;
- our planned growth could put strains on our senior management, employees, information systems and internal controls which may adversely impact our business and operations;
- our success depends on the strength of our name, image and brands, and if the value of our name, image or brands diminishes, our business and operations would be adversely affected;
- our intellectual property rights are valuable, and any failure to obtain, maintain, protect, defend and enforce our intellectual property, including due to ‘brand squatting,’ could have a negative impact on the value of our brand names and adversely affect our business;
- we depend on our senior management for the future success of our business, and the loss of one or more of our key personnel could have an adverse effect on our ability to manage our business and implement our growth strategies;
- changes in consumer discretionary spending and general economic factors may adversely affect our results of operation;
- increased use of social media could create and/or amplify the effects of negative publicity and have a material adverse effect on our business, financial condition or results of operation;
- we identified material weaknesses in connection with our internal controls over financial reporting. Although we are taking steps to remediate these material weaknesses, there is no assurance we will be successful in doing so in a timely manner, or at all, and we may identify other material weaknesses;
- our future performance depends in part on our ability to respond to changes in consumer tastes, preferences and perceptions;
- difficult conditions in the global financial markets and the economy generally could affect our ability to obtain capital or financing and materially adversely affect our business and results of operation;
- our continued growth depends on our ability to expand our presence in new and existing markets and develop complementary properties, concepts and product lines;
- foreign currency fluctuations may reduce our net income and our capital levels, adversely affecting our financial condition;
- Yucaipa, through its participation in the Voting Group, will have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote;
- we have substantial debt, and we may incur additional indebtedness, which may negatively affect our business and financial results as well as limit our ability to pursue our growth strategy;

- restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities;
- the use of joint ventures or other entities, over which we may not have full control, for development projects or acquisitions could prevent us from achieving our objectives;
- a cybersecurity attack, ‘data breach’ or other security incident experienced by us or our third-party service providers may result in negative publicity, claims, investigations and litigation and adversely affect our results of operation and financial condition;
- if we fail to properly maintain the confidentiality and integrity of our data, including member and customer credit or debit card and bank account information and other personally identifiable information (‘PII’), or if we fail to comply with applicable laws, rules, regulations, industry standards and contractual obligations relating to data privacy, protection and security, it may adversely affect our reputation, business and operations;
- we could face costs, liabilities and risks associated with, or arising out of, environmental, health and safety laws and regulations;
- litigation concerning food quality, health and safety, employee conduct and other issues could require us to incur additional liabilities or cause customers to avoid our restaurants;
- anticipated changes in effective tax rates or adverse outcomes resulting from our exposure to various tax regimes in the countries in which we operate; and
- the other factors discussed under “Risk Factors” beginning on page 33.

SPONSOR OVERVIEW

The Yucaipa Companies, LLC (‘Yucaipa,’ or our ‘Sponsor’) is a premier investment firm that has established a record of fostering economic value through the growth and responsible development of companies. Founded in 1986 by Ron Burkle, the firm has completed mergers and acquisitions valued at more than \$40 billion and is widely recognized as one of the preeminent investors in the hospitality, retail, distribution, technology, entertainment and sports industries. As an investor, Yucaipa works with management to strategically reposition businesses and implement operational improvements, resulting in value creation for investors.

Yucaipa manages a substantial portfolio of hospitality related assets with dedicated resources focused on improving the operating performance of its investments. Yucaipa’s hospitality portfolio includes over 75 properties currently operating or under development, totaling over 15,000 rooms. Yucaipa continues to grow these platforms while seeking new ways to leverage its investment and operational expertise to further improve the value of its assets.

Yucaipa’s principal address is 9130 W. Sunset Blvd., Los Angeles, CA 90069.

After giving effect to the reorganization transactions described below under “—Our Structure” and after giving effect to the sale of the shares of Class A common stock offered hereby, Yucaipa will own approximately shares of Class B common stock, or approximately % of the combined voting power of our common stock outstanding after this offering (% if the underwriters exercise in full their option to purchase additional shares of Class A common stock). As a result, we expect to be a ‘controlled company’ within the meaning of the corporate governance standards of the New York Stock Exchange (‘NYSE’), on which we intend to list our Class A common stock under the ticker symbol ‘MCG.’ See “Risk Factors—Risks Related to our Common Stock.”

EMERGING GROWTH COMPANY STATUS

We are an ‘emerging growth company,’ as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not ‘emerging growth companies,’ including, but not limited to: presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley; having reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy or information statements; being exempt from the requirements to hold a non-binding advisory vote on executive compensation or seek stockholder approval of any golden parachute payments not previously approved; and not being required to adopt certain accounting standards until those standards would otherwise apply to private companies.

Although we are still evaluating our options under the JOBS Act, we may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an ‘emerging growth company’ and thus the level of information we provide may be different than that of other public companies. If we do take advantage of any of these exemptions, some investors may find our securities less attractive, which could result in a less active trading market for our Class A common stock, and the price of our Class A common stock may be more volatile. As an ‘emerging growth company’ under the JOBS Act, we are permitted to delay the adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. Section 107 of the JOBS Act provides that our decision to not take advantage of the extended transition period for complying with new or revised accounting standards is irrevocable.

We could remain an ‘emerging growth company’ until the earliest to occur of:

- the last day of the fiscal year following the fifth anniversary of this offering;
- the last day of the first fiscal year in which our annual gross revenues exceed \$1.07 billion;
- the day we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the ‘Exchange Act’), which would occur if the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the last business day of the second fiscal quarter of such fiscal year; and
- the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the preceding three-year period.

OUR STRUCTURE

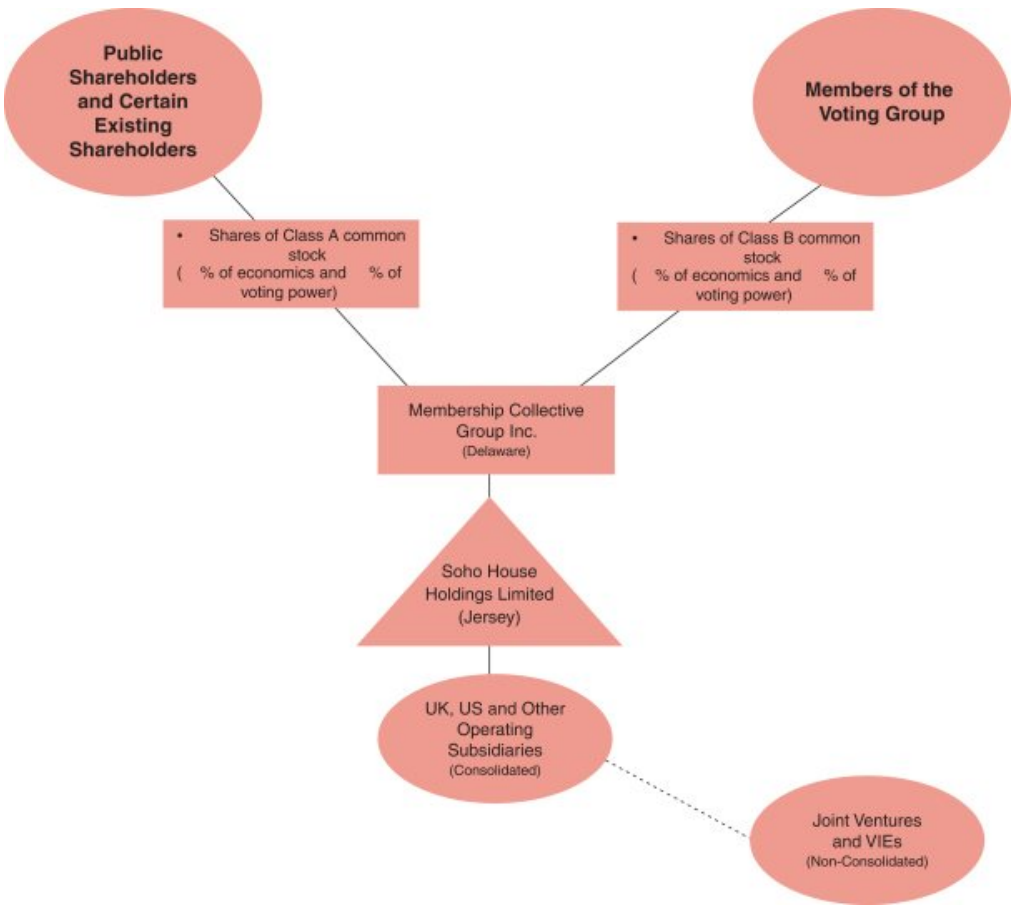
Our business to date has been conducted through Soho House Holdings Limited, a Jersey, Channel Islands private limited company, and its subsidiaries and joint ventures. In connection with this offering, we have formed Membership Collective Group Inc., a Delaware corporation and the issuer of the shares of Class A common stock offered hereby. Immediately prior to the consummation of this offering, (a) certain existing equity holders of Soho House Holdings Limited consisting of the Voting Group members will exchange their equity interests in Soho House Holdings Limited for a number of shares of Class B common stock of Membership Collective Group Inc. having an equivalent value and (b) the other existing equity holders of Soho House Holdings Limited who are not members of the Voting Group will exchange their equity interests for a number of shares of Class A common stock of Membership Collective Group Inc. having an equivalent value. These transactions will be accounted for as a reorganization of entities under common control. As a result, the consolidated financial

statements of Membership Collective Group Inc. will recognize the assets and liabilities received in the exchanges at their historical carrying amounts, as reflected in the historical financial statements of Soho House Holdings Limited. Membership Collective Group Inc. will consolidate Soho House Holdings Limited on its consolidated financial statements. Membership Collective Group Inc. is a holding company with nominal assets and no liabilities, contingencies, or commitments, which will not have conducted any operations prior to the consummation of this offering other than acquiring 100% of the equity interests of Soho House Holdings Limited. Based upon the assumed initial public offering price of \$, which is the midpoint of the estimated initial offering price range (the midpoint of the initial public offering price range set forth on the cover of this prospectus), there will be (a) newly-issued shares of Class A common stock issued to existing equity holders of Soho House Holdings Limited and (b) newly-issued shares of Class B common stock issued to existing equity holders of Soho House Holdings Limited, consisting of members of the Voting Group. The Class B common stock has the same rights to dividends and distributions, whether in cash or stock, as the Class A common stock, but entitle the holder of Class B common stock to ten votes per share on matters presented to stockholders of Membership Collective Group Inc. See “Description of Capital Stock.”

Pursuant to our Certificate of Incorporation, each holder of our Class B common stock shall have the right to convert its Class B common stock into Class A common stock, at any time, upon notice to Membership Collective Group Inc., on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

Concurrently with the consummation of this offering, we and the holders of our Class B common stock, consisting of affiliates of The Yucaipa Companies, LLC, and its founder and our executive chairman and director, Ron Burkle, our founder and Chief Executive Officer, Nick Jones, and one of our directors, Richard Caring (and in each case, certain affiliates and family members) (collectively, the ‘Voting Group’), will enter into a Stockholders’ Agreement pursuant to which the Voting Group will agree to vote together as a group with respect to certain matters so long as the Voting Group owns a requisite percentage of our total outstanding common stock. Immediately following the consummation of this offering, and the issuance of the Converted Preference Shares, the Voting Group will hold all of our issued and outstanding Class B common stock, representing approximately % of the combined voting power of our common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock). Once the Voting Group owns less than 15% of the shares of our total outstanding common stock, all remaining Class B common stock will automatically convert on a one-for-one basis into Class A common stock. See “Certain Relationships and Related Party Transactions—Related Party Transactions—Stockholders’ Agreement.”

The following reflects our organizational structure immediately following the consummation of reorganization transactions and this offering, and the issuance of the Converted Preference Shares:



CORPORATE INFORMATION

Membership Collective Group Inc. is a company incorporated on February 10, 2021 under the laws of the State of Delaware, United States of America, with file number 4945249, pursuant to the Delaware General Corporation Law and subordinate legislation thereunder. Our registered address in the state of incorporation is at 1209 Orange Street, City of Wilmington, County of New Castle, 19801 Delaware, United States of America, and our principal executive offices are located at 180 Strand, London, WC2R 1EA, United Kingdom. Our legal entity identifier ('LEI') is 213800XNSPPBRF2E5A41. Our telephone number is +44 (0207) 8512300 and our website is www.membershipcollectivegroup.com. Information on, or accessible through, our website is not part of this prospectus, nor is such content incorporated by reference herein.

THE OFFERING

CLASS A COMMON STOCK

shares of Class A common stock (shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), including shares of our Class A common stock to be sold to the underwriters and shares of our Class A common stock to be sold directly by us to UK Eligible Participants. The Shares of Class A common stock will be in registered form and not certificated.

UNDERWRITERS' OPTION TO PURCHASE ADDITIONAL SHARES

We have granted the underwriters a 30-day option to purchase up to additional shares of Class A common stock from us at the initial public offering price less the underwriting discount.

CLASS A COMMON STOCK PUBLIC OFFERING \$ PRICE

per share, which is the mid-point of the price range set forth on the cover page of this prospectus.

CLASS A COMMON STOCK TO BE OUTSTANDING AFTER THIS OFFERING⁽¹⁾

shares of Class A common stock (shares of Class A common stock if the underwriters exercise in full their option to purchase an additional shares of Class A common stock) or shares of Class A common stock if each outstanding share of Class B common stock were converted into one share of Class A common stock (as permitted under our Certificate of Incorporation).

CLASS B COMMON STOCK TO BE OUTSTANDING AFTER THIS OFFERING⁽¹⁾

shares of Class B common stock.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our Class A common stock to the underwriters and shares of our Class A common stock directly to UK Eligible Participants will be approximately \$ million after deducting the underwriting discounts and commissions and our other estimated offering expenses (assuming an initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus). If the underwriters exercise in full their option to purchase an additional shares of Class A common stock from us, we estimate the net proceeds to us will be approximately \$ million.

We intend to use the net proceeds we receive from this offering to repay certain outstanding indebtedness and the remainder for general corporate purposes. See "Use of Proceeds" for further detail.

⁽¹⁾ The number of shares of Class A common stock and shares of Class B common stock outstanding after this offering is based on shares of Class A common stock and Class B common stock outstanding as of , 2021, after giving effect to the reorganization transactions, the sale of the shares of Class A common stock offered hereby and the conversion of all outstanding Senior Preference Shares of Soho House Holdings Limited into an aggregate of shares of Class A common stock of Membership Collective Group Inc. immediately upon closing of this offering, based on the assumed initial public offering price of \$ per share, which is the midpoint of the estimated initial offering price range set forth on the cover page of this prospectus.

LISTING

We intend to list our shares of Class A common stock on the NYSE under the ticker symbol ‘MCG.’

VOTING RIGHTS

Upon the consummation of this offering, the holders of our Class A common stock will be entitled to one vote per share of Class A common stock, and the holders of our Class B common stock will be entitled to ten votes per share of Class B common stock. Pursuant to our Certificate of Incorporation, each holder of our Class B common stock shall have the right to convert its shares of Class B common stock into shares of Class A common stock, at any time, upon notice to us, on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

Pursuant to the Stockholders’ Agreement described under “Certain Relationships and Related Party Transactions—Related Party Transactions—Stockholders’ Agreement,” the Voting Group and certain members thereof will be entitled to designate a number of individuals to be included in the nominees recommended by our Board for election to our Board (including a majority of such nominees immediately following the consummation of this offering), so long as the Voting Group owns a requisite percentage of our total outstanding common stock. Following the consummation of this offering, the Voting Group and its members will be entitled to designate individuals for nomination for election to our Board as follows:

- so long as the Voting Group owns at least 35% of our total outstanding shares of common stock, it will be entitled to designate nine directors for nomination, of which Yucaipa shall have the right to designate seven directors for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 35% but at least 15% of our total outstanding shares of common stock, it will be entitled to designate six directors for nomination, of which Yucaipa shall have the right to designate four directors for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 15% but at least 9% of our total outstanding shares of common stock, it will continue to vote as a group and be entitled to designate three directors for nomination, of which Yucaipa shall have the right to designate one director for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination; and
- in the event that the Voting Group owns less than 9% of our total outstanding shares of common stock, neither the Voting Group nor

any member (subject to the following paragraph) will be entitled to designate any individuals for nomination for election to the Board;

provided, however, that in the event at any time either Mr. Caring or Mr. Jones (in the case of Mr. Jones, at such time as Mr. Jones is not also our Chief Executive Officer) (including their respective affiliates and family members) shall own less than 5% of our total outstanding shares of common stock, such member shall no longer have the nominee designation rights set forth above and such designation shall instead be made by Yucaipa.

Separately, in any case where any individual member of the Voting Group owns more than 5% of the total number of our outstanding shares of common stock at any time after the Voting Group owns less than 9% of the total number of our outstanding shares of common stock, each such member shall be entitled to nominate one director for election. However, the other Voting Group members shall have no obligation to vote in favor of any such nomination. Additionally, for so long as Mr. Jones serves as our Chief Executive Officer, he will be entitled to remain as a director on our Board.

The members of the Voting Group will agree in the Stockholders' Agreement to vote their shares of the common stock in favor of the directors nominated as set forth above.

In the event that the Voting Group owns less than 15% of the shares of our total outstanding common stock, all remaining shares of Class B common stock will automatically convert on a one-for-one basis into shares of Class A common stock. The Stockholders' Agreement will automatically terminate once the Voting Group owns less than 9% of the shares of our total outstanding common stock.

Holders of Class A common stock and Class B common stock will vote together as a single class on all matters requiring approval by our stockholders unless otherwise required by law.

Upon consummation of this offering, assuming no exercise of the underwriters' option to purchase an additional shares of our Class A common stock, holders of our Class A common stock will hold approximately % of the combined voting power of our outstanding common stock, and holders of our Class B common stock will hold approximately % of the combined voting power of our outstanding common stock.

If the underwriters exercise in full their option to purchase an additional shares of our Class A common stock, holders of our Class A common stock will hold approximately % of the combined voting power of our outstanding common stock, and holders of our Class B common stock will hold approximately % of the combined voting power of our outstanding common stock.

	For a description of the rights of the holders of our Class A common stock and our Class B common stock, see “Description of Capital Stock—Class A Common Stock and —Class B Common Stock.”
DIVIDEND POLICY	We do not currently pay dividends on any of our common stock and we currently intend to retain all available funds and any future earnings for use in the operation of our business. We may, however, pay cash dividends on our common stock, including our Class A common stock, in the future. Any future determination to pay dividends will be made at the discretion of our Board and will depend upon many factors, including our financial condition, earnings, legal and regulatory requirements, restrictions in our debt agreements and other factors our Board deems relevant. See “Dividend Policy.”
CONTROLLED COMPANY	Following this offering, we will be a ‘controlled company’ within the meaning of the corporate governance rules of the NYSE. We intend to rely upon the ‘controlled company’ exception relating to the Board and committee independence requirements under the listing rules of the NYSE. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our Board consist of a majority of independent directors and that our compensation committee and nominating and corporate governance committee be composed entirely of independent directors. The ‘controlled company’ exception does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Exchange Act and the listing rules of the NYSE, which require that our audit committee have at least one independent director upon the listing of our Class A common stock on the NYSE, a majority of independent directors within 90 days following the effective date of the registration statement relating to this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering. See “Management—Director Independence.”
COMMUNITY OFFERS	Up to % of the shares of our Class A common stock to be sold in this offering are being offered directly from us, at the initial public offering price per share set forth on the cover page of this prospectus, to certain UK Eligible Employees and UK Eligible Members, in each case who are located in the United Kingdom, which sales will be made only pursuant to a prospectus prepared by us in accordance with the prospectus regulation rules of the FCA and made under section 73A of the Financial Services and Markets Act 2000 by applying through PrimaryBid Limited, a UK-based platform (or applying as otherwise described in the prospectus), through a directed share program, which we refer to as the UK Community Offer. The underwriters will not receive any underwriting discounts or commissions from our sale of shares of our Class A common stock to such UK Eligible Participants. In addition, at our request, the underwriters have reserved up to % of the shares of our Class A

common stock to be sold in this offering for sale to certain eligible employees who are located outside the United Kingdom and eligible members who are located in the United States, which sales will be made by Morgan Stanley & Co. LLC, an underwriter in this offering, through a directed share program, which we refer to as the US Community Offer. Subject to the following sentence, each Eligible Participant will be able to purchase 100 shares (but no other number) of our Class A common stock (or, for UK Eligible Participants, as near 100 shares as possible based on foreign currency conversions) in this offering through the Directed Share Program. In the event the demand for shares of our Class A common stock in the Community Offers exceeds the number of shares of our Class A common stock reserved for sale in the Community Offers, we reserve the right to allocate shares in our sole discretion, which may result in each Eligible Participant receiving (and being obligated to pay for) fewer than 100 shares of our Class A common stock. We do not know if these parties will choose to purchase all or any portion of these offered shares, but any purchases they do make will reduce the number of shares of our Class A common stock available to the general public in this offering. Any portion of the shares of our Class A common stock being offered pursuant to the US Community Offer which are not purchased by Non-UK Eligible Participants will be offered by the underwriters to the general public on the same terms as the other shares of our Class A common stock, and any portion of the shares of our Class A common stock being offered pursuant to the UK Community Offer which are not purchased by UK Eligible Participants will not be resold and will remain unissued. Shares sold through the Community Offers will not be subject to lockup restrictions. See “Underwriting” for additional information.

This prospectus has not been approved by the FCA and does not constitute an offer to UK Eligible Participants or the general public in the United Kingdom. We have prepared a prospectus in accordance with the prospectus regulation rules of the FCA in connection with the offer and sale of the Class A common stock to UK Eligible Participants, made under section 73A of the Financial Services and Markets Act 2000. Any offer to UK Eligible Participants will be made only by means of the prospectus that has been approved by the FCA for use in the United Kingdom.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. Please refer to the information contained under the caption “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before making a decision to invest in our Class A common stock.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables set forth our summary historical consolidated financial and operating data in both actual results and constant currency. The summary historical consolidated financial data as of and for fiscal 2020, fiscal 2019 and fiscal 2018 have been derived from our historical audited consolidated financial statements and notes thereto included elsewhere in this prospectus which is derived from our historical consolidated financial statements not included in this prospectus. The summary historical unaudited consolidated financial data as of April 4, 2021 and for each of the 13-week periods ended April 4, 2021 and March 29, 2020 has been derived from our historical consolidated unaudited financial statements and notes thereto included elsewhere in this prospectus. The summary historical unaudited consolidated financial data as of March 29, 2020 has been derived from the Company's internal management accounts. These historical consolidated unaudited financial statements and internal management accounts were prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that we consider necessary for a fair presentation of the financial position and results of operations as of and for those periods. Operating results for the 13-week period ended April 4, 2021 are not necessarily indicative of the results that may be expected for the entire year or any future period.

The following summary financial and operating data should be read in conjunction with, and are qualified in their entirety by reference to, the information included under the headings "Basis of Presentation," "Selected Historical Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical audited consolidated financial statements and notes thereto included elsewhere in this prospectus. Our historical results are not necessarily indicative of our financial condition or operating results for any future period.

Summary historical consolidated financial and operating data, in both actual results and constant currency, are as follows:

	As of and For the 13-Weeks Ended		As of and For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(Unaudited)				
(Dollar amounts in thousands, except per share data)					
Consolidated Statements of Operations Data					
Revenues					
Membership revenues	\$ 40,493	\$ 47,752	\$ 176,910	\$ 167,582	\$ 134,060
In-House revenues	16,259	67,871	126,774	312,330	271,392
Other revenues	15,649	25,929	80,692	162,123	169,853
Total revenues	<u>\$ 72,401</u>	<u>\$ 141,552</u>	<u>\$ 384,376</u>	<u>\$ 642,035</u>	<u>\$ 575,305</u>
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)(1)	(45,809)	(95,469)	(220,036)	(379,985)	(310,923)
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(26,129)	(109,251)	(144,455)	(147,776)
General and administrative expenses	(16,505)	(24,147)	(74,954)	(75,506)	(62,443)
Pre-opening expenses	(4,825)	(5,687)	(21,058)	(23,437)	(20,323)
Depreciation and amortization	(17,845)	(14,949)	(69,802)	(57,139)	(48,387)
Other	(22,784)	(2,323)	(44,005)	(20,371)	(17,838)
Total operating expenses	<u>(135,961)</u>	<u>(168,704)</u>	<u>(539,106)</u>	<u>(700,893)</u>	<u>(607,690)</u>
Operating loss	<u>\$ (63,560)</u>	<u>\$ (27,152)</u>	<u>\$ (154,730)</u>	<u>\$ (58,858)</u>	<u>\$ (32,385)</u>
Business interruption income	—	—	—	—	650

	As of and For the 13-Weeks Ended		As of and For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(Unaudited)				
	(Dollar amounts in thousands, except per share data)				
Interest expense, net	(29,604)	(17,756)	(77,792)	(64,108)	(57,700)
Gain (loss) on sale of property and other, net	—	1	98	(1,340)	(639)
Share of (loss) profit of equity method investments	(696)	(176)	(3,627)	774	270
Total other expense, net	(30,300)	(17,931)	(81,321)	(64,674)	(57,419)
Loss before income taxes	(93,860)	(45,083)	(236,051)	(123,532)	(89,804)
Income tax benefit (expense)	823	103	776	(4,468)	(43)
Net loss	\$ (93,037)	\$ (44,980)	\$ (235,275)	\$ (128,000)	\$ (89,847)
Net loss attributable to Soho House Holdings Limited	(90,479)	(43,631)	(228,461)	(127,742)	(91,356)
Net loss per share					
Basic and diluted	\$ (0.49)	\$ (0.26)	\$ (1.24)	\$ (0.76)	\$ (0.56)
Pro forma weighted average ordinary shares, basic and diluted					
Pro forma basic and diluted earnings per share	\$		\$		
Consolidated Balance Sheet Data					
Cash and cash equivalents	\$ 71,674	\$ 46,250	\$ 52,887	\$ 44,050	\$ 47,748
Restricted cash	\$ 7,029	\$ 7,694	\$ 7,083	\$ 12,265	\$ 23,709
Total assets	\$ 2,122,162	\$ 1,918,641	\$2,104,445	\$ 1,964,977	\$ 1,435,107
Total liabilities	\$ 2,186,750	\$ 2,035,041	\$2,303,333	\$ 2,064,830	\$ 1,512,921
Redeemable preferred shares	\$ 176,274	\$ 14,700	\$ 14,700	\$ 14,700	\$ 29,700
Redeemable C ordinary shares	\$ 207,405	\$ 67,416	\$ 160,405	\$ 67,416	\$ —
Total non-current liabilities	\$ 1,806,135	\$ 1,721,615	\$1,950,375	\$ 1,762,191	\$ 1,176,010
Total shareholders' deficit	\$ (448,267)	\$ (198,516)	\$ (373,993)	\$ (181,969)	\$ (107,514)
Total liabilities, redeemable preferred and ordinary shares and shareholders' deficit	\$ 2,122,162	\$ 1,918,641	\$2,104,445	\$ 1,964,977	\$ 1,435,107
Other Operating Data (unaudited)					
Number of Houses	28	26	27	26	23
Number of Soho House Members	111,311	123,357	113,509	119,832	101,968
Number of Other Members	7,874	586	5,252	424	241
Soho House Member Retention	n/a	n/a	92%	95%	95%
House-Level Contribution ⁽²⁾	\$ 10,123	\$ 19,352	\$ 81,159	\$ 97,946	\$ 94,529
As a percentage of House Revenues	18%	17%	27%	20%	23%
Total Other Contribution	\$ (11,724)	\$ 602	\$ (26,070)	\$ 19,649	\$ 22,077
Adjusted EBITDA⁽³⁾	\$ (22,792)	\$ (8,943)	\$ (44,080)	\$ 17,650	\$ 37,288
As a percentage of Total Revenue	(31)%	(6)%	(11)%	3%	6%
Number of Active App Users	76,308	79,184	77,226	90,885	76,021

- (1) In-House operating expenses includes our rent expense of \$29,155 and \$26,382 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$110,707, \$88,761 and \$61,097 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. Rent expense under ASC 842 includes an amount related to future rent increases and free-rent periods of \$10,423 and \$7,896 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$15,627, \$33,128 and \$9,434 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. These amounts are not related to the total contractual rent cashflows for the periods presented in the Consolidated Statements of Operations above.

- (2) 'House-Level Contribution' is defined as House Revenues (which we define as Membership Revenues plus In-House Revenues, less Non-House Membership Revenue) less 'In-House Operating Expenses,' which includes expense items such as food and beverage costs, labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, business interruption income or general and administrative expenses. Our management considers House-Level Contribution to be an important management measure to evaluate the performance and profitability of each House, and growth in aggregate House-Level Contribution allows us to leverage our general and administrative costs and improve overall profitability. For a reconciliation of House-Level Contribution to Operating Loss see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."
- (3) 'Adjusted EBITDA' is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, share of equity method investments adjusted EBITDA and share-based compensation expense (See "Summary Historical Consolidated Financial and Operating Data" included elsewhere in this prospectus). We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses (income) that do not relate to ongoing business performance. A reconciliation of Adjusted EBITDA to Net Loss is presented below.

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
In Constant Currency (Unaudited) ⁽¹⁾ (Dollar amounts in thousands, except per share data)					
Consolidated Statements of Operations Data					
Revenues					
Membership revenues	\$ 40,493	\$ 49,417	\$ 176,910	\$ 168,037	\$ 131,862
In-House revenues	16,259	70,753	126,774	313,631	273,184
Other revenues	15,649	27,424	80,692	163,045	156,594
Total revenues	<u>\$ 72,401</u>	<u>\$ 147,594</u>	<u>\$ 384,376</u>	<u>\$ 644,713</u>	<u>\$ 561,640</u>
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization) ⁽²⁾	(45,809)	(99,394)	(220,036)	(381,472)	(312,917)
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(27,614)	(109,251)	(145,161)	(134,489)
General and administrative expenses	(16,505)	(26,340)	(74,954)	(75,804)	(60,643)
Pre-opening expenses	(4,825)	(6,203)	(21,058)	(23,529)	(19,960)
Depreciation and amortization	(17,845)	(15,637)	(69,802)	(57,302)	(47,125)
Other	(22,784)	(2,607)	(44,005)	(20,446)	(17,126)
Total operating expenses	<u>(135,961)</u>	<u>(177,795)</u>	<u>(539,106)</u>	<u>(703,714)</u>	<u>(592,260)</u>
Operating loss	<u>\$ (63,560)</u>	<u>\$ (30,201)</u>	<u>\$ (154,730)</u>	<u>\$ (59,001)</u>	<u>\$ (30,620)</u>
Business interruption income	—	—	—	—	650
Interest expense, net	(29,604)	(18,887)	(77,792)	(64,276)	(55,667)
Gain (loss) on sale of property and other, net	—	2	98	(1,343)	(644)
Share of (loss) profit of equity method investments	(696)	(230)	(3,627)	717	265
Total other expense, net	<u>(30,300)</u>	<u>(19,115)</u>	<u>(81,321)</u>	<u>(64,902)</u>	<u>(55,396)</u>

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	In Constant Currency (Unaudited) ⁽¹⁾ (Dollar amounts in thousands, except per share data)				
Loss before income taxes	(93,860)	(49,316)	(236,051)	(123,903)	(86,016)
Income tax benefit (expense)	823	113	776	(4,536)	(26)
Net loss	<u>\$ (93,037)</u>	<u>\$ (49,203)</u>	<u>\$ (235,275)</u>	<u>\$ (128,439)</u>	<u>\$ (86,042)</u>
Net loss attributable to Soho House Holdings Limited	<u>\$ (90,479)</u>	<u>\$ (47,840)</u>	<u>\$ (228,461)</u>	<u>\$ (128,193)</u>	<u>\$ (87,483)</u>
Net loss per share					
Basic and diluted	\$ (0.49)	\$ (0.26)	\$ (1.24)	\$ (0.76)	\$ (0.56)
Other Operating Data					
House-Level Contribution ⁽³⁾	\$ 10,123	\$ 19,912	\$ 81,159	\$ 98,208	\$ 92,130
As a percentage of House Revenues	18%	17%	27%	20%	23%
Total Other Contribution	\$ (11,724)	\$ 674	\$ (26,070)	\$ 19,872	\$ 22,105
Adjusted EBITDA ⁽⁴⁾	<u>\$ (22,792)</u>	<u>\$ (11,068)</u>	<u>\$ (44,080)</u>	<u>\$ 17,738</u>	<u>\$ 37,012</u>
As a percentage of total revenue	(31)%	(8)%	(11)%	3%	7%

- (1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for an explanation of our constant currency results.
- (2) In-House operating expenses includes our rent expense of \$29,155 and \$27,223 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$110,707, \$89,179 and \$60,067 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. Rent expense under ASC 842 includes an amount related to future rent increases and free-rent periods of \$10,423 and \$8,189 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$15,627, \$33,284 and \$9,275 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. These amounts are not related to the total contractual rent cashflows for the periods presented in the Consolidated Statements of Operations above.
- (3) ‘House-Level Contribution’ is defined as House Revenues (which we define as Membership Revenues plus In-House Revenues, less Non-House Membership Revenue) less ‘In-House Operating Expenses,’ which includes expense items such as food and beverage costs, labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, business interruption income or general and administrative expenses. Our management considers House-Level Contribution to be an important management measure to evaluate the performance and profitability of each House, and growth in aggregate House-Level Contribution allows us to leverage our general and administrative costs and improve overall profitability. For a reconciliation of House-Level Contribution to Operating Loss see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”
- (4) ‘Adjusted EBITDA’ is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, share of equity method investments adjusted EBITDA and share-based compensation expense (See “Summary Historical Consolidated Financial and Operating Data” included elsewhere in this prospectus). We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses (income) that do not relate to ongoing business performance.

Below is a reconciliation to Adjusted EBITDA from Net Loss for first quarter 2021 and first quarter 2020.

	April 4, 2021	March 29, 2020		March 29, 2020	
	Actual	Actual	Change %	In Constant Currency ⁽¹⁾	Change %
(Unaudited, dollar amounts in thousands)					
Net Loss	\$ (93,037)	\$ (44,980)	n/m	\$ (49,203)	n/m
Depreciation and amortization	17,845	14,949	19%	15,637	14%
Interest expense, net	29,604	17,756	67%	18,887	57%
Income tax (benefit) expense	(823)	(103)	n/m	(113)	n/m
EBITDA	(46,411)	(12,378)	n/m	(14,792)	n/m
Gain on sale of property and other, net	—	(1)	n/m	(2)	n/m
Share of loss of equity method investments	696	176	n/m	230	n/m
Foreign exchange	14,867 ⁽²⁾	391	n/m	437	n/m
Share of equity method investments	871	1,210	(28)%	1,267	(31)%
Share-based compensation expense	2,129	—	n/m	—	n/m
Membership credits expense ⁽³⁾	2,750	—	n/m	—	n/m
COVID-19 related charges ⁽⁴⁾	31	1,162	n/m	1,255	n/m
Corporate financing and restructuring costs ⁽⁵⁾	2,275	497	n/m	537	n/m
Adjusted EBITDA	\$ (22,792)	\$ (8,943)	n/m	\$ (11,068)	n/m

- (1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for an explanation of our constant currency results.
- (2) The increase in foreign exchange period on period is driven by an increase in non-USD denominated borrowings, which have increased since the preceding period, foreign exchange volatility, and an out of period adjustment as described in Note 2 of the Company’s condensed consolidated financial statements included elsewhere in this document.
- (3) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.
- (4) Represents items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.
- (5) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In first quarter 2021, these costs consisted of certain items relating to acquiring shareholdings of joint ventures and non-controlling interests of \$250 not held by the Company and refinancing fees incurred totalling \$2,025. In first quarter 2020, we commenced an internal restructuring to simplify the business in terms of headcount and cost structure, incurring costs of \$497.

Below is a reconciliation to Adjusted EBITDA from Net Loss for fiscal 2020 and fiscal 2019; see “Selected Historical Consolidated Financial and Operating Data” for a reconciliation for fiscal 2018:

	January 3, 2021	December 29, 2019		December 29, 2019	
	Actual	Actual	Change %	In Constant Currency (1)	Change %
(Unaudited, dollar amounts in thousands)					
Net Loss	\$ (235,275)	\$ (128,000)	84%	\$ (128,439)	83%
Depreciation and Amortization	69,802	57,139	22%	57,302	22%
Interest expense, net	77,792	64,108	21%	64,276	21%
Income tax (benefit) expense	(776)	4,468	n/m	4,536	n/m
EBITDA	(88,457)	(2,285)	n/m	(2,325)	n/m
(Gain) loss on sale of property and other, net	(98)	1,340	n/m	1,343	n/m
Share of loss (profit) from equity method investments	3,627	(774)	n/m	(717)	n/m
Foreign exchange	(3,354)	(3,465)	(3)%	(3,468)	(3)%
Share of equity method investments Adjusted EBITDA	3,563	6,747	(47)%	6,771	(47)%
Share-based compensation expense	2,618	—	n/m	—	n/m
Membership credits expense ⁽²⁾	12,156	—	n/m	—	n/m
COVID-19 related charges ⁽³⁾	4,606	—	n/m	—	n/m
Corporate financing and restructuring costs ⁽⁴⁾	14,147	6,127	n/m	6,145	n/m
Abandoned project and site closure costs	7,111	—	n/m	—	n/m
Impairment charge on receivables	—	9,960	n/m	9,989	n/m
Adjusted EBITDA	\$ (44,080)	\$ 17,650	n/m	\$ 17,738	n/m

- (1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for an explanation of our constant currency results.
- (2) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.
- (3) Represent items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.
- (4) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In fiscal 2020, we undertook an internal restructuring to simplify the business in terms of headcount and cost structure incurring \$5,956, as well as \$3,323 of losses in respect of contractual arrangements and \$2,992 of site restructuring and closure costs, further we began preparations for a refinancing transaction incurring \$1,551 as well as including establishing an equity compensation plan, incurring \$325. In fiscal 2019, this included fees in respect of the Scorpions acquisition of \$6,127.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk, including the potential loss of all or part of your investment. Before making a decision to invest in our Class A common stock, you should carefully read and consider all of the risks and uncertainties described below, as well as other information included in this prospectus, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and notes thereto included elsewhere in this prospectus. The occurrence of any of the following risks or additional risks and uncertainties that are currently immaterial or unknown could materially and adversely affect our business, financial condition, liquidity, results of operations, cash flows or prospects. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below. See “Special Note Regarding Forward-Looking Statements and Market Data.”

Risks Related to Our Business

The current outbreak of COVID-19, or the future outbreak of any other highly infectious or contagious diseases, has caused, and will continue to cause, disruption to our business, financial condition, liquidity, results of operations, cash flows or prospects. Further, the spread of the COVID-19 outbreak has caused severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues of an as yet unknown magnitude and duration.

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including every state in the United States (“US”). On March 11, 2020 the World Health Organization declared COVID-19 to be a pandemic.

The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has evolved rapidly and many countries, including the United Kingdom (“UK”) and the US, reacted by instituting quarantines, mandating business and school closures, and restricting travel. Many experts predict that the outbreak will trigger a period of global economic slowdown or a global recession.

The COVID-19 pandemic has adversely affected our near-term operating and financial results and will continue to adversely impact our long-term operating and financial results. As a result of the imposition of government-imposed lockdowns in many of the territories in which our properties are located, a majority of our sites have been forced to close or operate under restricted hours and with social distancing regulations in place throughout much of 2020 and into 2021. As a result of the forced closures and restricted hours, our In-House Revenues declined significantly.

The forced closure of many of our Houses for extended periods of time has also resulted in an increase in attrition among existing members as well as an increase in the number of members freezing their memberships. Each member may request a temporary freeze to their membership on a six, nine or twelve month basis during which time the member will not be required to pay membership fees but will not have access to the Houses or any of our membership Apps, and will not receive any communications from us. At the end of the freeze period the member will either resume his or her membership and continue paying membership fees, or his or her membership will be cancelled. As of April 4, 2021, we had over 16,500 Frozen Members. Due to the uncertainty of the COVID-19 pandemic, we may continue to see higher than average levels of attrition, increasing delinquencies in the payment of member dues, or we may encounter difficulties in attracting new members, any of which may materially and adversely affect our business, financial condition, liquidity, results of operation, cash flows or prospects.

In light of the evolving nature of COVID-19 and the uncertainty it has caused around the world, we do not believe it is possible to predict the COVID-19 pandemic's cumulative and ultimate impact on our future business, results of operation, financial condition and cash flows. The extent of the impact of the COVID-19 pandemic on our business financial results and cash flows will depend largely on future developments, including the duration and extent of the spread of COVID-19 globally, the prevalence of local hospitality restrictions, the availability and adoption of effective vaccines, local, global and international travel restrictions, the impact on capital and financial markets and on the US and global economies, foreign currencies exchange, and governmental or regulatory orders that impact our business, all of which are highly uncertain and cannot be predicted. Moreover, even after restrictions are lifted, demand for our offerings may remain depressed for a significant length of time, and we cannot predict if and when demand will return to pre-COVID-19 levels. In addition, we cannot predict the impact the COVID-19 pandemic has had and will have on our business partners and third-party vendors and service providers, and we may continue to be materially adversely impacted as a result of the material adverse impact our business partners and third-party vendors suffer now and in the future.

In response to the economic challenges and uncertainty resulting from the COVID-19 pandemic and its impact on our business, we accelerated our cost efficiencies programs. During fiscal 2020, we implemented four rounds of redundancies; which reduced Group Head Office employee headcount by 19%. This reduction in headcount has resulted in the loss of institutional knowledge, relationships, and expertise for certain critical roles, which may not have been effectively transferred to continuing employees and may divert attention away from operating our business, create personnel capacity constraints, and hamper our ability to grow, develop innovative products or membership platforms, and compete. Any of these impacts could materially adversely impact our business and reputation and impede our ability to operate or meet strategic objectives. This has led to increased attrition and could lead to reduced employee morale and productivity, as well as problems with retaining existing employees and recruiting future employees, all of which could have a material adverse impact on our business, results of operation, and financial condition.

To the extent the COVID-19 pandemic continues to materially adversely affect our business, results of operation, financial condition and cash flows, it may also have the effect of heightening many of the other risks described in these "Risk Factors" or elsewhere in this prospectus. Any of the foregoing factors, or other knock-on effects of the COVID-19 pandemic that are not currently foreseeable, will materially adversely impact our business, results of operation, and financial condition.

We have incurred net losses in each year since our inception, and we may not be able to achieve profitability.

We have incurred net losses of \$93 million for first quarter 2021 and net losses of \$235 million for fiscal 2020. As of April 4, 2021, we had an accumulated deficit of \$848 million and as of January 3, 2021, we had an accumulated deficit of \$757 million. Historically, we have invested significantly in efforts to open new Houses, launch and grow complimentary businesses, hire additional employees, and enhance our membership experience. Beginning in the second quarter of 2020, as a response to the COVID-19 pandemic we significantly reduced our fixed and variable costs including by reducing discretionary capital spend. Nevertheless, we have continued to make significant investments in our membership platforms, including through our digital platforms and in new Houses. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue from these investments or otherwise sufficiently offset these expenses. While we have enacted measures to reduce our expenses, we expect to continue to incur a net loss in fiscal 2021, and we are utilizing a significant portion of our cash to support our operations in fiscal 2021 as a consequence of suffering a material decrease in revenues.

Our planned growth could put strains on our senior management, employees, information systems and internal controls which may adversely impact our business and operations.

We have experienced significant growth in our business activities and operations in the past few years, including the number of Houses and new business areas that form part of our operations. Our past expansion has placed, and our planned future expansion, including our investments in our digital platforms and new Houses, will place, significant demands on our administrative, operational, financial and other resources. Any failure by us to

manage growth effectively could seriously harm our business. To be successful, we will need to continue to implement management information systems and improve our operating, administrative, financial and accounting systems and controls.

As a result of our planned growth, we will need to recruit and train new employees and maintain close coordination among our executive, accounting, finance, legal, human resources, risk management, marketing, technology, sales, membership and operations functions. These processes may be extremely time consuming and expensive, increase management responsibilities and require significant management attention, and we may not realize a return on our investment in these processes and there can be no assurance that such processes will be successful.

Our success depends on the strength of our name, image and brands, and if the value of our name, image or brands diminishes, our business and operations would be adversely affected.

Our trademarks, trade names, image and brands, including Soho House, Soho Home and Scorpions, have been associated with creativity, design, quality, exclusivity, service and style, and we have been recognized for providing our members with access to a community that provides curated member events programming and services, including high-quality food and beverage offerings, accommodation, working spaces, luxury beach settings, and wellness and beauty-care services. Our Houses have regularly attracted international press and social media coverage as a result of our association with leading cultural and creative influencers and innovators, exclusive events and—we believe—exceptionally high service standards. A key component of our image and brands lies in our ability to develop and offer dining and lifestyle experiences that cater to our members and guests. There can be no assurance that we will continue to be successful in this regard or that we will be able to maintain such levels of quality and exclusivity and avoid the dilution, infringement, misappropriation or other violation of our names, image, brands, trademarks or other intellectual property rights, particularly as we continue to expand.

Our success largely depends on our membership bases. The strength of our name, images, brands, trademarks and other intellectual property rights are a fundamental part of our ability to attract new members and retain current members, and our businesses would be adversely affected if our public image, reputation, brands, trademarks or other intellectual property rights were to be diminished, infringed, misappropriated or otherwise violated. If an event occurs that negatively affects our members' perception of our name, images or brands, members may cancel their memberships or visit our properties and use our other offerings less frequently, or public perception of our names, images or brands may be negatively impacted which, in turn, could result in reduced traffic at our stand-alone restaurants, working spaces and/or spas, adversely affecting our business, financial condition, liquidity, results of operation, cash flows or prospects. Further, we are also at risk that the public may confuse our name, images, brands, trademarks and other intellectual property with other similarly-named brands. Such similarly-named brands may not operate at the same high standards that we do, resulting in negative goodwill for our name, images and brands.

In general, incidents that could be damaging to our brand may arise from events that are or may be beyond our ability to control, such as:

- actions taken (or not taken) by our employees relating to health, safety, construction, welfare, or otherwise;
- security or data breaches or incidents, fraudulent activities associated with our membership database or electronic payment systems or unauthorized access to or use or disclosure of confidential, sensitive or PII;
- litigation and legal claims, regardless of the merits or the outcome;
- third-party misappropriation, dilution, infringement or other violation of our intellectual property; and
- illegal activity targeted at us or others.

Our brand value could be diminished significantly if any such incidents or other matters erode confidence in our systems, which could result in fewer memberships being sold or renewed and ultimately lower Membership Revenues, which may adversely affect our business, results of operations and financial condition.

Finally, if we expand too rapidly we are susceptible to the perceived erosion of the desirability of our brand. In any such event, attrition among existing members may increase markedly, and we may encounter difficulties in attracting new members, any of which may adversely affect our business, results of operation and financial condition.

We may have to significantly increase our advertising, communications and marketing costs to prevent our name, image and brand value from diminishing, which may adversely affect our business and operations.

We largely rely on our existing membership base and our members' personal networks for public relations and advertising our products and services and, as a result, we have virtually no marketing or sales costs associated with acquiring new members, and very low sales costs to market our products. However, as our business continues to grow and we seek to attract a larger membership or customer base for our different services and products, we may need to significantly increase and evolve our advertising, communications and marketing strategies, and more traditional advertising and marketing campaigns may not be successful, particularly in jurisdictions where the membership model for private clubs is not well known or is less developed. This may result in us incurring significantly more costs and expending other resources and investment to attract and retain members and other customers, which may adversely affect our business, results of operations and financial condition.

Our intellectual property rights are valuable, and any failure to obtain, maintain, protect, defend and enforce our intellectual property, including due to 'brand squatting,' could have a negative impact on the value of our brand names and adversely affect our business.

We rely on intellectual property registrations and trademark, trade dress and copyright laws in the US and internationally, as well as technological measures and contractual provisions, such as confidentiality agreements with our employees, contractors and consultants, to establish and protect our brands, maintain our competitive position and protect our intellectual property from infringement, misappropriation or other violation. The success of our business depends partly upon our continued ability to obtain and use our trademarks, service marks and trade names to increase awareness of our brands and to assist with their roll out and expansion across the world. Effective protection of intellectual property rights is expensive and difficult to maintain, both in terms of application and registration costs as well as the costs of defending and enforcing those rights. It is challenging for us to monitor the unauthorized use of our intellectual property for every brand in our business across multiple jurisdictions, and we will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use, infringement, misappropriation or other violation of our intellectual property rights. We rely on, and will continue to rely on, litigation and regulatory actions to enforce our intellectual property rights against third parties who infringe, misappropriate or otherwise violate our intellectual property rights, which could result in substantial costs and diversion of resources (particularly management time) for us, may result in counterclaims or other claims against us, and may also harm our reputation or limit our business operations.

As we have grown, we have sought to register and protect our intellectual property rights in an increasing number of jurisdictions, a process that can be expensive and may not always be successful. In particular, the legal systems of some foreign countries can make it difficult to protect our intellectual property rights to the same degree as under the laws of the UK, the EU and the US, and we may fail to maintain or be unable to obtain adequate protections for certain of our intellectual property rights in all countries in which we operate. Brand squatting has been an issue for us in places such as South America and Asia, and particularly in China and Australia, where the presence of pre-existing third-party rights holders with 'Soho' trademarks has made registering our 'Soho House' trademark a challenge. We cannot be certain that all the steps we take and have

taken to date are adequate to prevent imitation, use, infringement, misappropriation or other violation of our trademarks by others.

Currently, we do not own registered trademarks for all of our Houses and other brands, and while we may have unregistered rights in these trademarks, it may be harder for us to rely on any such unregistered rights to prevent third parties from copying or using our trademarks or logos without our permission. We have not been able to protect our trademarks in significant jurisdictions, such as China and Mexico. Our trademarks may be opposed, contested, circumvented or found to be unenforceable, weak or invalid, and we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our trademarks or using similar trademarks in a manner that causes confusion or dilutes the value or strength of our brand. Failing to adequately obtain, maintain, protect, defend and enforce our portfolio of our brands and other intellectual property could diminish their value, goodwill and market acceptance and may also result in customer confusion. This may adversely affect our business and operations or our ability to implement our growth strategy. For more information, see “Business—Intellectual Property.”

In addition to registered intellectual property rights, we rely on non-registered proprietary information, technology and intellectual property rights, including with respect to the SH.APP and our other software, such as unregistered copyrights, confidential information, trade secrets, know-how and technical information. We attempt to protect our intellectual property, technology, and confidential information in part through confidentiality, non-disclosure and invention assignment agreements with our employees, consultants, contractors, corporate collaborators, advisors and other third parties who develop intellectual property on our behalf or with whom we share information. However, we cannot guarantee that we have entered into such agreements with each party who has developed intellectual property on our behalf or each party that has or may have had access to our confidential information, know-how and trade secrets. These agreements may not be self-executing or may be insufficient or breached, or may not effectively prevent unauthorized access to or unauthorized use, disclosure, misappropriation or reverse engineering of, our confidential information, intellectual property, or technology. Moreover, these agreements may not provide an adequate remedy for breaches or in the event of unauthorized use or disclosure of our confidential information or technology or infringement of our intellectual property. Additionally, individuals not subject to invention assignment agreements may make adverse ownership claims in respect of our current and future intellectual property, and, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information, see “Business—Intellectual Property.”

We may have disputes with, or be sued by, third parties for infringement, misappropriation or other violation of their intellectual property or proprietary rights, which could have a negative impact on our business.

Third parties may assert claims that we are infringing, misappropriating or otherwise violating their trademark, copyright or other intellectual property rights, and any claims or litigation, regardless of the outcome, may cause us to incur significant expenses and have a negative impact on our business. We cannot assure you that third parties will not seek to block, enjoin, oppose, or invalidate our use of certain trademarks or other intellectual property, seek monetary damages or other remedies for the prior use of our brand names or other intellectual property, or allege that the sale of our products or services is a violation of their trademark, copyright or other intellectual property rights. Defending any claims or litigation, even those without merit, could divert our management’s attention, consume significant time, result in costly legal fees or settlement, licensing, royalty or damages payments, restrict our business by requiring us to cease offering or re-design certain products or services, impose other unfavorable terms, require us to satisfy indemnification obligations and damage our reputation, which may materially adversely affect our business, results of operations and financial condition.

We depend on our senior management for the future success of our business, and the loss of one or more of our key personnel could have an adverse effect on our ability to manage our business and implement our growth strategies.

Our future success and our ability to manage future growth depend, in large part, upon the efforts of our senior management team. Our senior management team is comprised of highly regarded and experienced figures within our industry with proven track records of successful international expansion. They have extensive experience with, and an understanding of, our members and customers who appreciate high quality alternatives to the traditional dining, entertainment and accommodation options and the price points at which such members and customers are willing to pay for the distinctiveness of the products or services. It could be difficult for us to find appropriate replacements for our senior management, as competition for such personnel is intense. For example, we currently depend on our CEO and founder, Nick Jones, for his continued service and performance. Although we have entered into an employment agreement with Mr. Jones, the agreement has no specific duration and constitutes at-will employment. The loss of the services of one or more members of our senior management team, including Mr. Jones, could have an adverse effect on our ability to manage our business and implement our growth strategies.

We identified material weaknesses in connection with our internal control over financial reporting. Although we are taking steps to remediate these material weaknesses, there is no assurance we will be successful in doing so in a timely manner, or at all, and we may identify other material weaknesses.

In connection with the audits of our consolidated financial statements for fiscal 2020, fiscal 2019 and fiscal 2018, our management and independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. The material weaknesses related to (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience in the application of GAAP, commensurate with our financial reporting requirements and (ii) the fact that policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place, or not operating effectively. As a result, numerous adjustments to our consolidated financial statements were identified and made during the course of the audit process.

We are currently not required to comply with Section 404 of the Sarbanes-Oxley Act, and are therefore not required to make an assessment of the effectiveness of our internal control over financial reporting. However, as a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. In addition, we will be required to furnish a report by our management on the effectiveness of our internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act, at the time we file our second annual report on Form 10-K with the SEC, which be for the year ending December 31, 2022. Further, our independent registered public accounting firm is not required and has not been engaged to express, nor have they expressed, an opinion on the effectiveness of our internal control over financial reporting. Had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional control deficiencies may have been identified by our management or independent registered public accounting firm, and such control deficiencies could have also represented one or more material weaknesses in addition to those previously identified. We are currently in the process of remediating these material weaknesses and we are taking steps that we believe will address their underlying causes. We have enlisted the help of external advisors to provide assistance in the areas of internal controls and GAAP accounting in the short term, and are evaluating the longer-term resource needs of our accounting staff, including GAAP expertise. These remediation measures may be time-consuming and costly, and might place significant demands on our financial, accounting and operational resources. In addition, there is no assurance that we will be successful in hiring any necessary finance and accounting personnel in a timely manner, or at all.

Assessing our procedures to improve our internal control over financial reporting is an ongoing process. We can provide no assurance that our remediation efforts described herein will be successful and that we will not have material weaknesses in the future. Any material weaknesses we identify could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated financial statements.

We have incurred significant losses as a consequence of the COVID-19 pandemic.

During first quarter 2021, we incurred a consolidated net loss of \$93 million and negative cash flows from operations of \$104 million. During fiscal 2020, we incurred a consolidated net loss of \$235 million and negative cash flows from operations of \$38 million. Our financial statements have been prepared on the basis that we will continue to operate as a going concern, contemplate the realization of assets and the satisfaction of liabilities in the normal course of our business and make certain assumptions surrounding working capital events, projected cash flows and our ability to control expenses as necessary. While we believe these assumptions are reasonable, many of them relate to the effects that we expect loosening COVID-19 restrictions to have on our business and we can make no assurance that they will ultimately prove to be true. In particular, key factors such as the timing of the reopening of Houses in a manner compliant with local laws and regulations (as well as anticipated demand), the level of in-House sales (primarily sales of food and beverage) that, even after reopening, may be subject to reduced capacity as a result of ongoing restrictions, the continued high level of membership retention and renewals and the implementation of extensive cost reduction measures that continue to support the timing of House re-openings and anticipated levels of activities will all affect our future cash flows and accordingly our ability to continue to operate as a going concern.

Our future performance depends in large part on our ability to respond to changes in consumer tastes, preferences and perceptions.

Our industry is driven in large part by consumer preferences and perceptions. Our success depends significantly on our ability to anticipate and respond to dynamic and evolving consumer tastes and preferences in a timely manner. If we fail to continue to create and offer quality Houses, restaurants, co-working spaces, wellness and other offerings, among other offerings, or provide superior service, we may not be able to sustain or increase membership and other member traffic, which may adversely affect our business, results of operation and financial condition. With respect to our restaurants, we may invest in the development of menu items and concepts which may not be as successful as we anticipate. If consumer tastes and preferences change, we may be required to adapt our offerings and we may not be able to do so quickly or successfully at a manageable cost. Moreover, if prevailing preferences and perceptions cause consumers to avoid our Houses, restaurants and other offerings in favor of alternatives, our business would materially suffer.

The growth of our business presents many risks, including risks related to the incurrence of debt or the expenditure of cash on new businesses, the risk that we may not be able to integrate new membership concepts into our existing business, which may prevent us from realizing the strategic and financial goals contemplated at the time of any such transaction and thus adversely affect our business.

Our business has grown, in part, through a number of carefully selected investment opportunities several of which we have financed through the incurrence of indebtedness. Any strategic transaction we may undertake in the future could likewise result in the incurrence of debt and contingent liabilities or in the use by us of available cash on hand to finance any such acquisitions or other opportunities. We may experience difficulties in integrating new Soho House, Ned's Club, Scorpios, Soho Home, digital or other membership concepts into our business. In addition, our management may be distracted by the development and opening of new Houses and growth of new businesses. Thus, if we fail to integrate new membership concepts, there could be a material adverse effect on our business, results of operation, and financial condition.

In addition, our debt burden may increase if, as we have from time to time in the past, we borrow funds to finance any future investment or expansion opportunities, which could have a negative impact on our cash flows and our ability to finance our overall operations. Although we analyze and conduct due diligence (including detailed feasibility studies and site visits) on potential new Houses and other opportunities, our assessments are subject to a number of assumptions, including but not limited to, profitability, growth, interest rates and company valuations, and our inquiries may fail to uncover relevant information. There can be no assurance that our assessments or due diligence of and assumptions regarding new Houses or other opportunities will prove to be correct, and actual developments may differ significantly from our expectations.

Our continued growth depends on our ability to expand our presence in new and existing markets and develop complementary properties, concepts and product lines.

A substantial amount of our historical growth has been due to successfully establishing Houses in key cultural cities around the world and integrating our complementary products and services inside and outside of our Houses. We intend to replicate our model on an individualized but consistent basis in each city and continue focusing on the cross-selling opportunities created by our comprehensive portfolio of offerings. Our continued growth is dependent upon a number of factors, many of which are beyond our control, including our ability to: find quality locations and reach commercially acceptable agreements regarding the lease or, more rarely, the purchase of locations; compete for appropriate sites; convey the appeal and exclusivity of each of our brands to new markets to attract our target membership; comply with applicable zoning, land use, environmental, health and safety laws, and data privacy, protection and security laws, regulations and requirements; obtain, maintain, protect, defend and enforce our intellectual property rights, raise or have available an adequate amount of money for construction, development and/or opening costs; obtain appropriate permits and licensing, secure acceptable suppliers, particularly in emerging markets; and timely hire, train and retain the skilled management, chefs and other employees necessary to meet staffing needs. Any failure on our part to recognize or respond to each of these challenges may adversely affect the success of any new properties.

Typically, there has been a ‘ramp-up’ period of time before we consider a House to be ‘mature’ and expect it to achieve our targeted level of performance. Consumer recognition of our brand has been important in the success of our Houses in our existing markets and recognition may be lacking in new geographic markets. We believe pent-up demand supports our continued growth but there can be no assurance we will successfully attract enough members and guests to new Houses and associated offerings, or that the operating results generated at new Houses and associated offerings will meet our expectations or equal the operating results generated at our existing Houses and offerings or that we will successfully complete development and expansion projects on a timely basis. Our capital and other expenditures may also be higher than expected due to cost overruns, unexpected delays or other unforeseen factors. We may also incur costs for Houses and other concepts which fail to open due to unforeseen circumstances, which could lead to material adverse effects on our business, financial condition, liquidity, results of operation, cash flows or prospects.

We are exposed to the risks that pertain to the specific jurisdictions in which we currently or may in the future operate, which could hinder our ability to maintain and expand our international operations.

We currently have owned or leased Houses or other properties in the UK, the US, Canada, Turkey, Spain, the Netherlands, Germany, Greece, India and Hong Kong and plan in the next few years to expand to other international markets, including France, Italy, Israel and Mexico. The success and profitability of our current and future international operations are subject to numerous risks and uncertainties in each of these jurisdictions, many of which are outside of our control, such as exchange rate fluctuations, local economic conditions, availability of talented and qualified employees, import and export restrictions and tariffs, litigation in foreign jurisdictions, differing or limited protection of our intellectual property rights, cultural differences, increased expenses from inflation, political or economic instability, taxes and payment terms. Furthermore, changes in policies and/or laws in the UK, the US or other foreign jurisdictions resulting in, among other things, higher taxation or currency conversion limitations could reduce the anticipated benefits of our international operations. Any actions by countries or other jurisdictions in which we conduct or plan to conduct business to reverse policies that encourage foreign trade and investment could adversely affect our business relationships and gross profit. We may not be able to maintain and expand our international operations successfully or on economically favorable terms and, as a result, our business, results of operation and financial condition could be adversely affected.

Foreign currency fluctuations may reduce our net income and our capital levels, adversely affecting our financial condition.

Our financial statements are prepared, and our financial results will be reported in, US dollars. As a result, we are exposed to foreign currency exchange rate risk both as a result of our operations in a variety of non-US countries,

and our investments that are denominated in currencies other than the US dollar. We currently have no hedging arrangements in place to manage our exposure to foreign currency exchange risk.

Our results or equity may be reduced by fluctuations in foreign currency exchange rates that could materially adversely affect our business, results of operation and financial condition.

The UK's withdrawal from the European Union ('EU') could have an adverse effect on our business.

In June 2016, UK voters approved a referendum to withdraw the UK's membership from the EU, which is commonly referred to as "Brexit." The UK's withdrawal from the EU occurred on January 31, 2020, but the UK remained in the EU's customs union and single market for a transition period that expired on December 31, 2020. On December 24, 2020, the UK and the EU entered into a trade and cooperation agreement (the 'Trade and Cooperation Agreement'), which was applied on a provisional basis from January 1, 2021. While the economic integration does not reach the level that existed during the time the UK was a member state of the EU, the Trade and Cooperation Agreement sets out preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property. Negotiations between the UK and the EU are expected to continue in relation to the relationship between the UK and the EU in certain other areas which are not covered by the Trade and Cooperation Agreement. The long term effects of Brexit will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the UK and the EU.

We have operations in the UK and the EU and, as a result, we face risks associated with the potential uncertainty and disruptions that may follow Brexit and the implementation and application of the Trade and Cooperation Agreement, including with respect to volatility in exchange rates and interest rates, disruptions to the free movement of data, goods, services, people and capital between the UK and the EU and potential material changes to the regulatory regime applicable to our operations in the UK. The uncertainty concerning the UK's future legal, political and economic relationship with the EU could adversely affect political, regulatory, economic or market conditions in the EU, the UK and worldwide and could contribute to instability in global political institutions, regulatory agencies and financial markets. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the UK financial and banking markets, as well as to the regulatory process in Europe. Asset valuations, currency exchange rates and credit ratings may also be subject to increased market volatility.

We may also face new regulatory costs and challenges as a result of Brexit that could have a material adverse effect on our operations. For example, as of January 1, 2021, the UK lost the benefits of global trade agreements negotiated by the EU on behalf of its members, which may result in increased trade barriers that could make our doing business in areas that are subject to such global trade agreements more difficult. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which laws of the EU to replace or replicate. There may continue to be economic uncertainty surrounding the consequences of Brexit that adversely impact customer confidence resulting in customers reducing their spending budgets on our services, which could materially adversely affect our business, financial condition and results of operation.

Similarly, the curtailment of freedom of movement and the imposition of restrictions on the ability of EU nationals to live and work in the UK may have an impact on our ability to recruit and retain staff in the UK, which could materially adversely affect our business.

The ongoing instability and uncertainty surrounding Brexit and the implementation and application of the Trade and Cooperation Agreement, could require us to restructure our business operations in the UK and the EU and could have an adverse impact on our business and employees in the UK and EU.

We have certain fixed costs which we may be unable to adjust in a timely manner in response to a reduction in revenue.

The costs associated with owning, leasing and/or operating our Houses are significant, some of which may not be altered in a timely manner in response to changes in demand for our services. Rent expenses and property taxes constitute our primary fixed costs, and our profitability is dependent on our ability to anticipate and react to increases in food, labor, employee benefits and similar costs over which we have limited or no control. Food and beverage costs are a significant part of our operating expenses and have increased significantly in recent years and we anticipate those increases may continue. If our revenues decline and we are unable to reduce our expenses in a timely manner, or are unable or unwilling to pass these costs on to our members and guests, our business, results of operation and financial condition may be materially and adversely affected.

Food shortages or increases in food costs could slow our growth or harm our business.

A key part of our business is the supply of quality food that meets our requirements at prices that remain attractive to our customers. This means we need to achieve favorable commercial terms with our suppliers and ensure there is an uninterrupted supply chain which keeps pace with our growth in each of the jurisdictions in which we are based. If there is an interruption to food supply or a food shortage on a local or global scale (including as a result of inclement weather, issues in production or distribution, unanticipated demand or other conditions), this could reduce the availability of food in, and increase the pricing of, the food chain supplies that we use to run our operations. As we continue to expand into new territories in lesser developed countries, the risk of an interruption in our supply chain is more likely. Failure to source quality food at prices that are attractive to our customers may force us to increase our own pricing or remove certain items from our menus. This could make us less attractive to our members and customers who may then choose to reduce their dining in our businesses. Alternatively, we may be unwilling to pass these increased costs on to our members and customers, which would decrease our profit margins. In either case, this could have a material adverse effect on our business, results of operation and financial condition.

We are a holding company and our principal asset after the completion of this offering will be our direct ownership of Soho House Holdings Limited and the other operating companies. We will accordingly be dependent upon distributions from our subsidiaries to pay dividends (if any) taxes and other expenses.

Membership Collective Group Inc. is a holding company and, upon completion of this offering, our principal asset will be our direct ownership of Soho House Holdings Limited and the other operating companies. We have no independent means of generating revenue. We intend to cause Soho House Holdings Limited and the other operating companies to make distributions to us in an amount sufficient to allow us to pay our taxes and operating expenses, but we are limited in our ability to cause Soho House Holdings Limited and the other operating companies to make these and other distributions to us (including for purposes of paying corporate and other overhead expenses and dividends) under our credit facilities. Our existing credit facilities and any future indebtedness we may incur may restrict the ability of Soho House Holdings Limited and the other operating companies to make distributions to us. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Yucaipa, through its participation in the Voting Group, will have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.

We are currently controlled by Yucaipa, our Sponsor, and after the completion of this offering, we will be controlled by the Voting Group of which Yucaipa is a part. The Voting Group has agreed to vote with the other members of the Voting Group in favor of the election of Directors nominated by members of the Voting Group in accordance with a Stockholders’ Agreement entered into between us and each member of the Voting Group. After giving effect to the reorganization transactions described in “Prospectus Summary—Our Structure” and giving effect to the sale of the Class A common stock offered hereby, and the conversion of all outstanding Senior Preference Shares of Soho House Holdings Limited into shares of Class A common stock of Membership Collective Group Inc., Yucaipa will own approximately % of our Class B common stock, or approximately % of the combined voting power of our common stock outstanding after this offering (or approximately %

of the combined voting power of our common stock if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock), and the Voting Group will own Class B common stock representing approximately _____ % of the combined voting power of our common stock outstanding after this offering (or approximately _____ % of the combined voting power of our common stock if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock). Once the Voting Group owns less than 15% of the shares of our total outstanding common stock, all remaining Class B common stock will automatically convert on a one-for-one basis into Class A common stock, however the Voting Group will continue to be entitled to certain board nomination rights for so long as it continues to own at least 9% of the shares of our total outstanding common stock.

The holders of our Class B common stock, which comprise certain affiliates of Yucaipa, our CEO (Mr. Jones), and a member of our Board (Mr. Caring), will be entitled to ten votes per share, whereas the holders of our Class A common stock offered hereby will be entitled to one vote per share of Class A common stock. As long as the Voting Group owns or controls common stock representing at least a majority of our outstanding combined voting power, and its members agree to act together, it will have the ability to exercise substantial control over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the election and removal of directors and the size of our Board and the approval of any significant corporate transaction, including a sale of all or substantially all of our assets. Even if the Voting Group's ownership falls below 50% of the combined voting power of our outstanding common stock, acting together, it may continue to be able to strongly influence or effectively control our decisions, including as a result of the right of the Voting Group to nominate individuals for election to our board of directors. Additionally, the Voting Group's interests may not align with the interests of our other stockholders. Yucaipa and Mr. Caring are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Yucaipa and Mr. Caring may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Following this offering, our audit committee will be responsible for reviewing all related party transactions for potential conflict of interest situations and approving all such transactions. See "Certain Relationships and Related Party Transactions." Our audit committee will consist of directors who are independent as required by SEC and the listing rules of the NYSE, subject to the permitted phase-in period afforded by such rules. In addition, our code of ethics, following this offering, will contain provisions designed to address conflicts of interest. However, such provisions may not be effective in limiting Yucaipa's significant influence over us.

Risks Related to Our Indebtedness

We have substantial debt, and we may incur additional indebtedness, which may negatively affect our business and financial results as well as limit our ability to pursue our growth strategy.

We have a substantial amount of debt, which requires significant principal and interest payments. As of April 4, 2021, we had \$826 million of total debt (net of issuance costs) excluding operating leases outstanding (see Note 12 to our audited consolidated financial statements included elsewhere in this prospectus). Subject to the restrictions contained in our debt facilities, we may be able to incur additional indebtedness from time to time to finance working capital, capital expenditure or investments, or for other purposes. These restrictions will not prevent us from incurring obligations that do not constitute indebtedness, may be waived by certain votes of debt holders and, if we refinance our existing indebtedness, such refinancing indebtedness may contain fewer restrictions on our activities. To the extent new indebtedness or other financial obligations are added to our and our subsidiaries' currently anticipated indebtedness levels, the related risks that we and our subsidiaries face could intensify.

Our substantial debt could adversely affect our financial condition and increase the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on, or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our other existing and any future financial obligations and contractual commitments, could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under our credit facilities, including restrictive covenants, could result in an event of default under such facilities;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have proportionately less indebtedness;
- require the dedication of a substantial portion of our cash flow from operations towards the payment of amounts due on our indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures and development or other corporate purposes;
- increase our cost of borrowing and cause us to incur substantial fees from time to time in connection with debt amendments or refinancing;
- increase our exposure to rising interest rates because a portion of our borrowings is at variable interest rates;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a competitive disadvantage compared to our competitors that are less highly leveraged and that, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting, including acquiring new assets;
- restrict us from making strategic acquisitions or cause us to make non-strategic divestitures to service or repay such indebtedness; and
- limit our ability to borrow additional funds, or dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, and other corporate purposes.

Each of these factors may have a material adverse effect on our business, results of operation and financial condition.

Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities.

The terms of our outstanding indebtedness restrict us from engaging in specified types of transactions. These covenants restrict our ability, among other things, to:

- incur indebtedness or guarantees or engage in sale and leaseback transactions;
- incur liens;
- engage in mergers, acquisitions and asset sales;
- alter the business conducted today by the company and its restricted subsidiaries;
- make investments and loans;
- declare dividends or other distributions;
- enter into agreements limiting restricted subsidiary distributions; and
- engage in certain transactions with affiliates.

Our indebtedness limits our ability to engage in these types of transactions even if we believe that a specific transaction would contribute to our future growth or improve our results of operation. We believe that we will be

able to operate our business without breaching the terms of our indebtedness. In addition, the credit agreements governing our credit facilities require us to meet specified financial and operating results and maintain compliance with specified financial covenants and ratios. In particular, under our Revolving Credit Facility (as defined in the section entitled “Description of Certain Indebtedness and Preferred Equity—Revolving Credit Facility” in the prospectus), from March 31, 2020 we are required to maintain a Consolidated Obligor EBITDA (as defined in the Revolving Credit Facility) at or above a certain level. This level is £5 million (\$7 million) at April 4, 2021 and scales up to £32 million (\$44 million) from December 31, 2021 in line with the anticipated recovery from the pandemic. We are currently in compliance with such covenants.

A breach of any of the restrictive covenants in our credit facilities or senior secured notes could result in an event of default, which could trigger acceleration of our indebtedness and may result in the acceleration of, or default under, any other debt we have incurred or we may incur in the future to which a cross-acceleration or cross-default provision applies, which could have a material adverse effect on our business and operations. In the event of any default under our credit facilities or senior secured notes, the applicable lenders or notes purchasers could elect to terminate borrowing commitments and declare all borrowings and loans outstanding, together with accrued and unpaid interest and any fees and other obligations, to be immediately due and payable. In addition, or in the alternative, the applicable lenders or agents could exercise their rights under the security documents, entered into in connection with our credit facilities and our senior secured notes. We have pledged a significant portion of our assets as collateral under our credit facilities and our senior secured notes.

If we were unable to repay or otherwise refinance these borrowings and loans when due, the applicable lenders or agents could proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders or agents accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the agreements governing our credit facilities or senior secured notes or the exercise by the applicable lenders or agents of their rights under the security documents would likely have a material adverse effect on our business and operations. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing on terms acceptable to us, or at all, to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Borrowings under our credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

Borrowings under the Revolving Credit Facility bear interest at a floating rate equal to a minimum LIBOR of 0% of the relevant currency or EURIBOR (as the case may be) plus an applicable margin of 3.35%. If the specified LIBOR or EURIBOR rate were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

We may enter into interest rate swaps, caps or other derivative financial instruments that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we currently have no hedging arrangements in place, and as such do not maintain derivative financial instruments with respect to all of our variable rate indebtedness, and any swaps we enter into in the future may not fully mitigate our interest rate risk.

We will require a significant amount of cash to service our indebtedness. The ability to generate cash or refinance our indebtedness as it becomes due depends on many factors, some of which are beyond our control.

We are a holding company, and as such have no independent operations or material assets other than our ownership of equity interests in our subsidiaries and joint ventures, and our subsidiaries' and our joint ventures' contractual arrangements with members and customers, and we will depend on our subsidiaries and joint ventures to distribute funds to us so that we may pay our obligations and expenses.

Our ability to make scheduled payments on, or to refinance our respective obligations under, our indebtedness and to fund planned capital expenditures and other corporate expenses will depend on the ability of our subsidiaries and joint ventures to make distributions, dividends or advances to us, which in turn will depend on our subsidiaries' and joint ventures' future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control.

For the purposes of our going concern assessment, we have considered the on-going impact of the COVID-19 pandemic and the resultant global economic uncertainties on our business and have undertaken a detailed assessment of cash flow and other forecasts covering a period of at least the next 12 months. As part of the going concern assessment, we have modelled a number of different scenarios. Given current economic conditions, including but not limited to the continued impact of the COVID-19 pandemic, our modelling of various scenarios, as compared to detailed forecasts, considers the potential impact of such generalized economic uncertainties on our business across all regions and the extent to which this could adversely affect House openings and cash flows. However, we can provide no assurance that the scenarios included in our models will ultimately provide to be true, our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized, or that future borrowings will be available to us in an amount sufficient to enable us to satisfy our respective obligations under our indebtedness or to fund our other needs without taking other steps to reduce or delay expenditure. In order for us to satisfy our obligations under our indebtedness and fund planned capital expenditures, we must continue to execute our business strategy or take such other steps to reduce or delay expenditure. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or refinance all or a portion of our indebtedness on or before maturity. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, we can provide no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Risks Related to Our Properties

Our properties are currently geographically concentrated in a limited number of cities and, accordingly, we could be disproportionately harmed by an economic downturn in these cities or by a disaster, such as a hurricane, earthquake or terrorist attack, among other catastrophes.

The concentration of our properties in a limited number of cities exposes us to greater risk to local economic, business and other conditions than more geographically diversified companies. For example, an economic downturn, a natural disaster, a terrorist attack, civil disturbances or similar catastrophes in London, New York or Los Angeles would likely have a disproportionate effect on our overall results of operation. In addition, certain of our properties are located in markets that are more susceptible to natural disasters than others, which could adversely affect those properties, the local economies, or both. Specifically, the Miami, Florida area, where Soho Beach House is located, is susceptible to hurricanes, such as those that occurred in 2017; West Hollywood, California, where Soho House West Hollywood is located, and Istanbul, Turkey, where Soho House Istanbul is located, are susceptible to earthquakes; and there have been multiple terrorist attacks in areas where a number of our Houses are located, including London, Istanbul and Mumbai. Our properties are also at risk of man-made disasters, particularly fires. Our properties are also at risk of being negatively impacted by civil disturbances, protest or rioting, such as the 2019 political protests which impacted Soho House Hong Kong. While we maintain property and business interruption insurance, we carry large deductibles, and there can be no assurance that if an

earthquake, hurricane or other natural or man-made disaster or other catastrophe should affect our geographical areas of operations, we would be able to maintain our current level of operations or profitability, or that property and business interruption insurance would adequately reimburse us for our losses. Any such economic downturn, disaster or other catastrophe could adversely affect our business, results of operation and financial condition.

We own some of our properties, which exposes us to a fall in property prices which could harm our business.

While our model is to lease our properties, there are certain properties within our portfolio—Babington House (Somerset, England), High Road House (London, England), Soho Beach House (Miami, US), Ludlow House (New York, US) and Soho House Barcelona (Barcelona, Spain)) that we own, whether wholly-owned or by way of a joint venture. The property market in any jurisdiction may fall resulting in an erosion of value that we have built up in the owned properties and therefore adversely impacting our business, results of operations and financial condition.

Our efforts to develop, redevelop or renovate our owned and leased properties could be delayed or become more expensive, which could reduce revenues or impair our ability to compete effectively.

The condition of aging properties could negatively impact our ability to attract members, or result in higher operating and capital costs, either of which could reduce revenues or profits. While we have budgeted for replacements and repairs to furniture, fixtures and equipment at our properties, there can be no assurance that these replacements and repairs will occur, or even if completed, will result in improved performance. In addition, these efforts are subject to a number of risks, including:

- construction delays or cost overruns (including with respect to labor and materials) that may increase project costs;
- obtaining zoning, occupancy, and other required permits or authorizations;
- changes in economic conditions that may result in weakened or lack of demand or negative project returns;
- governmental restrictions on the size or kind of development;
- lack of availability of rooms or spaces for revenue-generating activities during construction, modernization or renovation projects;
- environmental conditions of properties being developed;
- force majeure events, including earthquakes, tornadoes, hurricanes, floods or tsunamis; and
- design defects that could increase costs.

If properties under development or renovation are delayed in opening as scheduled, or if renovation investments adversely affect or fail to improve performance, this could lead to material adverse effects on our business, results of operation and financial condition.

Because most of our properties are leased, we are subject to the risk that these leases could expire or be terminated, including as a result of our default on payments under the lease, either of which would cause us to lose the ability to operate these properties.

Most of our Houses and the properties from which we operate our businesses are occupied under leases and the operation of our businesses in those Houses depends on our right to use the premises demised by the relevant lease. We are subject to the risk that a lessor could refuse to extend the agreed term of any lease agreement or that a lease agreement could be terminated before expiration of the lease term (e.g., due to a contractual break option available to the lessor or a breach of a statutory provision applicable to certain fixed-term lease agreements in the UK and Germany) or not be renewed on commercially reasonable terms or at all. Under the

typical terms of the relevant leases, in the event of certain material breaches by us, the landlord may enforce its right to forfeit or terminate the lease. In some instances, the tenant has customary rights to apply for relief from any such forfeiture or termination, which application is likely to be successful if the relevant breach is remedied at the same time. However, more generally, there can be no assurances that any affected landlord would continue to allow us to use the land demised by the lease if we fail to meet our contractual obligations thereunder.

We are subject to the risk of condemnation or compulsory forfeiture.

Our business would be materially adversely affected if a condemnation or compulsory purchase order occurs in respect of any properties in which we have a long leasehold or freehold interest, since we would no longer be able to use and occupy the relevant property, and it would be unlikely that the amount received pursuant to the condemnation or compulsory purchase would represent the fair market value of the relevant property. Any property in any jurisdiction in which we operate may at any time be expropriated or compulsorily acquired by, among others, a local authority or a governmental department in connection with redevelopment or infrastructure projects which are of public benefit. Any of these developments could have a material adverse effect on our business, or results of operation and financial condition.

Any mortgage debt obligations we incur will expose us to increased risk of property losses due to foreclosure, including as a result of our cross-defaults to other indebtedness which could have a material adverse effect on us, including our financial condition, liquidity and results of operation.

Incurring mortgage debt increases our risk of property losses because any defaults on indebtedness secured by our owned properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing the loan for which we are in default. For tax purposes, a foreclosure of any non-recourse mortgage on any of our properties may be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. In certain of the jurisdictions in which we operate, if any such foreclosure is treated as a sale of the property and the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we could recognize taxable income upon foreclosure but may not receive any cash proceeds.

In addition, any default under our mortgage debt obligations may increase the risk of cross-default on our other indebtedness, including other mortgage debt. If this occurs, we may not be able to satisfy our obligations under our indebtedness, which could have a material adverse effect on us, including our business, results of operation and financial condition.

We believe that we will be able to operate our business without breaching the terms of any of our mortgage debt obligations. We are currently in compliance with all such terms.

The use of joint ventures or other entities, over which we may not have full control, for development projects or acquisitions could prevent us from achieving our objectives.

We have in the past and may in the future acquire, develop or redevelop properties through joint ventures with third parties, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a House, joint venture or other entity. To the extent we own or lease properties through joint ventures or other entities, we may not be in a position to exercise sole decision-making authority regarding the ownership or operations of such House or property, joint venture or other entity. Investments in joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners might become bankrupt or fail to fund their share of required capital contributions. Likewise, partners may have economic or other business interests or goals which are inconsistent or compete with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of creating impasses on decisions if neither we nor our partner have full control over the joint venture or other entity. Disputes between us and our partners may result in litigation or arbitration that

would increase our expenses and prevent management from focusing their time and effort on our business. Consequently, actions by, or disputes with, our partners might result in subjecting Houses or other properties owned or leased by the joint venture to additional risk. In addition, we may, in certain circumstances, be liable for the actions of our partners. See “Business—Joint Ventures, Operating Agreements and Partnership Agreements.”

Preparing our consolidated financial statements requires us to have access to information regarding the results of operation, financial position and cash flows of our joint ventures. Any deficiencies in our joint ventures’ internal controls over financial reporting may affect our ability to report our financial results accurately or prevent or detect fraud. Such deficiencies also could result in restatements of, or other adjustments to, our previously reported or announced operating results, which could diminish investor confidence and reduce the market price for our shares. Additionally, if our joint ventures are unable to provide this information for any meaningful period or fail to meet expected deadlines, we may be unable to satisfy our financial reporting obligations or timely file our periodic reports.

We may be subject to unknown latent defects or contingent liabilities related to our existing properties or properties that we acquire, which could have a material adverse effect on us, including our business, financial condition, liquidity, results of operation and prospects.

Our properties or properties that we may in the future acquire may be subject to unknown latent defects or contingent liabilities for which we may have no recourse, or only limited recourse, against the sellers. In general, the representations and warranties provided under the transaction agreements related to our existing properties and any future acquisitions of properties by us may not survive the closing of the transactions. Furthermore, indemnification under such agreements may not exist or be limited and subject to various exceptions or materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the transferors or sellers of their representations and warranties or other prior actions by the sellers. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with these properties may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may materially and adversely affect us, including our business, results of operation and financial condition.

Our properties or properties that we may lease or acquire may contain or develop harmful mold that could lead to liability for adverse health effects and costs of remediating the problem, either of which could have a material adverse effect on us, including our results of operation.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. Some of the properties in our portfolio or properties that we may acquire or lease may contain microbial matter, such as mold and mildew, which could require us to undertake a costly remediation program to contain or remove the mold from the affected property. Furthermore, we can provide no assurances that we will be successful in identifying harmful mold and mildew at properties that we seek to acquire or lease in the future, which could require us to take remedial action at such properties. The presence of mold could expose us to liability from guests, employees, contractors and others if property damage or health concerns arise, which could have a material adverse effect on us, including our results of operation and financial condition.

Risks Related to our Technology and Data

Our business relies heavily on information systems and technology, and any failure, interruption or weakness in our or our third-party service providers’ information systems or technology may prevent us from effectively operating our business and damage our reputation. A failure to adequately update our existing systems and implement new systems could harm our businesses and adversely affect our results of operation.

We increasingly rely on information technology (“IT”) systems, including our point-of-sale processing systems in our Houses, restaurants and other businesses and other information systems managed by third-party service

providers, to interact with our members and customers and collect, maintain, store, transfer, disclose and otherwise process customer and member information and other PII, including for our operations, collection of cash, management of our supply chain, accounting, staffing, payment obligations, Automated Clearing House ('ACH') transactions, credit and debit card transactions, and other processes and procedures. We leverage our internal IT systems, and those of our third-party service providers, to enable, sustain, and support our business interests.

Given the communication channels through which we engage with our members, customers and employees, and other aspects of our business, it is important that we and our third-party service providers maintain uninterrupted operation of our business-critical computer systems. Our operations depend upon our ability, and the ability of our third-party service providers, to protect our computer equipment and other systems against damage, failure, interruption and other security incidents. However, our systems, and those of our third-party service providers, including back-up systems, are subject to damage, interruption, disruption or outage from, among other things, physical theft, human error, power outages and loss, computer and telecommunications failures, computer viruses and worms, installation of malicious software, internal or external security or data breaches, phishing, ransomware, malware, social engineering attacks, credential stuffing, denial-of-service attacks, catastrophic events and natural disasters such as fires, floods, earthquakes, tornadoes and hurricanes, wars, terrorism, fraud, negligence, misconduct or errors by our employees or other third parties, including state-sponsored organizations with significant financial and technological resources, and other disruptive problems or security breaches. If our or our third-party service providers' systems are damaged or cease to function properly, we may have to make significant investments to fix or replace them, and we may suffer interruptions in our operations in the interim. Any interruption in such systems could have a material adverse effect on our business, results of operation and financial condition.

The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, expanding our systems as we grow, security breaches or other security incidents of our and our third-party service providers' systems, or other unanticipated problems, could result in interruptions to, or delays in, our business and member and customer service, unauthorized access or misuse of data, including PII, and may reduce efficiency in our operations.

In addition, the implementation of technology changes and upgrades to maintain current systems and integrate new systems, as well as transitions from one service provider to another, may also cause service interruptions, disruptions or outages, operational delays due to the learning curve associated with using a new system, transaction processing errors and system conversion delays, and may cause us to fail to comply with applicable laws, rules, regulations, policies, industry standards, contractual obligations and other legal requirements related to data privacy, protection and security. If our information systems or those of our third-party service providers fail, and our or our third-party service providers' back-up or disaster recovery plans are not adequate to address such failures, such events may adversely affect our business and operations. If we need to move to a different third-party system, our operations, including electronic funds transfer drafting, could be interrupted. In addition, remediation of such problems could result in significant, unplanned operating or capital expenditures, which may have an adverse effect on our business, results of operations and financial condition.

A cybersecurity attack, 'data breach' or other security incident experienced by us or our third-party service providers may result in negative publicity, claims, investigations and litigation and adversely affect our business, results of operation and financial condition.

Our IT and other systems, and those of our third-party service providers, are vulnerable to cybersecurity risks. For example, certain persons and entities may attempt to penetrate our network, the systems hosting our website, the SH.APP or our other networks and systems, and may otherwise seek to misappropriate our proprietary or confidential information, including PII, or cause interruptions of our service. Because the techniques used by such persons and entities to access or sabotage networks and systems are increasingly diverse and sophisticated, change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Back-up and redundant systems may be insufficient or may fail, which may result in a disruption of availability of our products or services to our members or compromise the integrity or availability of our members' information.

In addition, sophisticated operating system software and applications that we procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of our networks, system, or our processing of personal information or other data. Furthermore, we depend upon our employees, independent contractors, consultants and other third parties with whom we do business to appropriately handle confidential data and deploy our IT resources in a safe and secure fashion that does not expose our network systems to security breaches and the loss of data. Accordingly, if any of our IT or cybersecurity systems, processes or policies, or those of any of our manufacturers, logistics providers, customers, independent contractors or other third-party service providers fail to protect against or effectively and timely remediate unauthorized access, sophisticated hacking or terrorism, the mishandling, misuse or misappropriation of data, including PII, by employees, contractors or other persons or entities, software errors, failures or crashes, interruptions in power supply, virus proliferation or malware, communications failures, acts of war or sabotage, denial-of-service attacks or other cybersecurity breaches or security incidents, our ability to conduct our business effectively could be damaged in a number of ways, including:

- sensitive data regarding our business, including intellectual property, personal information (including PII), and other confidential and proprietary data, could be stolen;
- our electronic communications systems, including email and other methods, could be disrupted, delayed, or damaged, and our ability to conduct our business operations could be seriously damaged until such systems can be restored;
- our ability to process customer orders and our distribution channels could be disrupted, interrupted or damaged, resulting in delays in revenue recognition, harm to our relationships with customers and prospective customers and harm to our reputation;
- accidental release or loss of or access to information maintained in our or third-party service providers’ information systems and networks, including PII of our employees and our members, may occur; and
- PII relating to various parties, including members, customers, employees and business partners, could be compromised, and we may be found to be in violation of applicable data privacy, security and protection laws, rules, regulations, industry standards, policies or contractual obligations.

Furthermore, outside parties may attempt to fraudulently induce our employees or employees of our third-party service providers to disclose sensitive or confidential information in order to gain access to our or our third-party service providers’ systems and processes. The number and complexity of these threats continue to increase over time. Although we develop, maintain and regularly monitor systems and controls designed to prevent cybersecurity events from occurring, and we have policies and processes to identify and mitigate threats, such efforts may not be adequate and may not be able to prevent security breaches or unauthorized access to important and confidential data, including PII. The development and maintenance of our IT systems, controls, and processes require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, including the implementation of threat protection, information and network security measures and business continuity and disaster recovery plans, our systems and those of our third-party service providers may be vulnerable, and we cannot guarantee that the inadvertent or unauthorized use of confidential, sensitive or personal information, including PII, will not occur, or that third parties will not gain unauthorized access to such information.

A number of the states, counties and cities in which we maintain facilities have issued “shelter in place” and similar orders in response to the recent global outbreak of COVID-19. As a result, a proportion of our employees are currently working remotely on less secure systems, and we may need to devote additional resources to enhance the security of our IT systems, which may not successfully prevent against all risks. This transition to a remote work environment may exacerbate certain risks to our business, including increasing the stress on, and our vulnerability to disruptions of, our IT infrastructure and computer systems, increased risk of phishing and other cybersecurity attacks, and increased risk of unauthorized dissemination of personal or confidential information. Additionally, our third-party vendors are experiencing similar challenges as they provide services to us.

Should any of the above events occur, we could be subject to significant claims for liability from our customers, members, employees or other third parties and legal or regulatory investigations, inquiries or actions from governmental agencies or competent courts. In addition, our ability to protect our intellectual property rights could be compromised and our reputation and competitive position could be significantly harmed. Any regulatory, contractual or other actions, litigations, investigations, fines, penalties and liabilities relating to any actual or alleged misuse or misappropriation of PII or other confidential or proprietary information could be significant in terms of monetary exposure and reputational impact, and may necessitate changes to our business operations that may be disruptive to us. Additionally, we could incur significant costs in order to upgrade our cybersecurity systems, processes, policies and procedures and remediate damages. While we maintain cyber risk insurance, in the event of a significant security or data breach, this insurance may not cover all of the losses that we may suffer. The successful assertion of one or more large claims against us that exceed our available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation and our business, financial condition and results of operations. We also cannot ensure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims related to a security incident or breach, or that the insurer will not deny coverage as to any future claim. Consequently, our financial performance and results of operations could be materially adversely affected.

In addition, certain jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. For example, the General Data Protection Regulation (2016/679) ('GDPR') and national laws supplementing the GDPR across the European Economic Area ('EEA'), require companies to notify individuals of data security breaches that are likely to result in a high risk to the rights and freedoms of these individuals. Additionally, laws in all 50 US states require businesses to provide notice to customers whose PII has been disclosed as a result of a data breach. In some cases our agreements with certain customers may require us to notify them in the event of a security incident. Such mandatory disclosures could lead to negative publicity and may cause our current and prospective customers to lose confidence in the effectiveness of our data security measures. Moreover, if we, or a third-party service provider or a similar provider in our industry were to experience a security breach, customers may lose trust in the security of the business model and underlying technology generally, which could adversely impact our ability to retain existing customers or attract new ones.

Any actual or perceived threat of breach or disruption to our services or any compromise of personal data, including PII, or any actual or perceived violations of cybersecurity laws, rules or regulations, could impair our reputation, cause us to lose customers, members or revenue, cause us to face costly litigation or administrative or regulatory proceedings, result in member complaints, necessitate customer service or repair work, require increased security protection costs by deploying additional personnel and modifying or enhancing our protection technologies, require the investigation and remediation of any information security vulnerabilities and defending against and resolving legal and regulatory claims, all of which would involve substantial costs, divert our management's attention and resources and have a material adverse effect on our business, financial condition and results of operations.

If we fail to properly maintain the confidentiality and integrity of our data, including member and customer credit or debit card and bank account information and other PII, or if we fail to comply with applicable laws, rules, regulations, industry standards and contractual obligations relating to data privacy, protection and security, it may adversely affect our reputation, business and operations.

In the ordinary course of business, we collect, use, transmit, store, share and otherwise process member, customer and employee data, including credit and debit card numbers, bank account information, dates of birth, location information and other highly sensitive information, including PII, in IT systems that we maintain, with third-party service providers with whom we contract to provide services, and in connection with the SH.APP. Some of this data is sensitive and could be an attractive target for criminal attack by malicious third parties with a

wide range of expertise and motives (including financial gain), including organized criminal groups, hackers, disgruntled current or former employees, and others. In particular, the increasing sophistication and resources of cyber criminals and other non-state threat actors and increased actions by nation-state actors make keeping up with new threats difficult and could result in a breach of security. The integrity, protection and security of such member, customer and employee data is critical to us.

Despite the security measures we and our third-party service providers have in place to protect confidential information and PII and to comply with applicable laws, rules, regulations, industry standards and contractual obligations relating to data privacy, protection and security, our facilities and systems and those of our third-party service providers, as well as the SH.APP, may be vulnerable to security or data breaches, acts of cyber terrorism or sabotage, vandalism or theft, computer viruses, misplaced, corrupted or lost data, programming or human errors or other similar events. Furthermore, the size and complexity of our IT systems and those of our third-party service providers make such systems potentially vulnerable to security or data breaches and other security incidents from inadvertent or intentional actions by our employees or third-party service providers or from attacks by malicious third parties. Because such attacks are increasing in sophistication and change frequently in nature, we and our third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of our systems, or those of our third-party vendors, may not be discovered, mitigated or remediated promptly or effectively.

Additionally, the collection, maintenance, use, disclosure, storage, transmission, disposal and other processing of PII by our businesses are regulated at the federal, state local, provincial and international levels as well as by certain industry groups, such as the Payment Card Industry organization and the National Automated Clearing House Association, and we cannot guarantee that we have been and will be in compliance with all such applicable laws, rules, regulations and standards. The regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events and the development of evolving technologies often rapidly drives the adoption of legislation or regulation affecting the use, collection or other processing of data. New laws, amendments to or reinterpretations of existing laws, regulations, standards and other obligations may require us to change our business operations with respect to how we use, collect, store, transfer or otherwise process certain types of PII, implement new processes, and incur additional costs to comply with those laws and our members' exercise of their rights thereunder.

Foreign data protection, privacy, consumer protection and other laws and regulations are often more restrictive than those in the United States. In particular, the EEA (comprised of the EU member states and Iceland, Liechtenstein and Norway) and the UK, have traditionally taken broader views as to types of data that are subject to privacy and data protection. The EU has adopted the GDPR, which went into effect in May 2018 and contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs. The GDPR requires data controllers to implement more stringent operational requirements for processors and controllers of personal data, including, for example, transparent and expanded disclosure to data subjects (in a concise, intelligible and easily accessible form) about how their personal information is to be used, imposes limitations on retention of information, introduces mandatory data breach notification requirements, and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the US. In 2016, the EU and US agreed to a transfer framework for data transferred from the EEA to the US, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the EU ("CJEU") in its Schrems II ruling. We continue to evaluate the impact of the Schrems II decision and are considering whether any additional steps need to be taken to continue to comply with applicable regulations in light of Schrems II. The standard contractual clauses issued by the European Commission for the transfer of personal data, a potential alternative to the Privacy Shield, may be similarly invalidated by the CJEU, and it remains to be seen whether additional means for lawful data transfers will become available. Fines for noncompliance with the GDPR are significant and can be up to the greater of €20 million or 4% of annual global

turnover. We may also be liable should any individual who has suffered financial or non-financial damage arising out from our violation of the GDPR exercise their right to receive compensation against us. The GDPR also provides that EU member states may introduce further conditions, including limitations, and make their own laws and regulations further limiting the processing of 'special categories of personal data,' including personal data related to health, biometric data used for unique identification purposes and genetic information. The EU has also proposed the draft ePrivacy Regulation, which will replace both the ePrivacy Directive and all the national laws implementing this directive. The ePrivacy Regulation, as proposed, would impose strict opt-in marketing rules, change rules about cookies, web beacons and related technologies, and significantly increase penalties for violations. Such regulations could limit our ability to collect, use and share EU data, could cause our compliance costs to increase and could increase our potential liability, ultimately having an adverse impact on our business, and harm our business and financial condition.

Further, the UK's vote in favor of exiting the EU, often referred to as Brexit, and ongoing developments in the UK have created uncertainty with regard to data protection regulation in the UK. As of January 1, 2021, following the expiry of transitional arrangements agreed to between the UK and EU, data processing in the UK is governed by a UK version of the GDPR (combining the GDPR and the UK's Data Protection Act 2018), exposing us to two parallel regimes, each of which authorizes similar fines and other potentially divergent enforcement actions for certain violations. Pursuant to the Trade and Cooperation Agreement, which went into effect on January 1, 2021, the UK and the EU agreed to a specified period during which the UK will be treated like an EU member state in relation to transfers of personal data to the UK for four months from January 1, 2021. This period may be extended by two further months. Unless the European Commission makes an 'adequacy finding' in respect of the UK before the expiration of such specified period, the UK will become an 'inadequate third country' under the GDPR and transfers of data from the EEA to the UK will require a transfer mechanism, such as the standard contractual clauses. Furthermore, following the expiration of this specified period, there will be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the UK and EEA. Other countries have also passed or are considering passing laws requiring local data residency or restricting the international transfer of data.

In the US, numerous states have enacted or are in the process of enacting state level data privacy laws and regulations governing the collection, use, and other processing of personal information. For example, the California Consumer Privacy Act (the 'CCPA'), which came into effect on January 1, 2020, established a new privacy framework for covered businesses such as ours, and may require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides new and enhanced data privacy rights to California residents, such as affording California residents the right to access and delete their information and to opt out of certain sharing and sales of personal information. The law also prohibits covered businesses from discriminating against California residents (for example, by charging more for services) for exercising any of their rights under the CCPA. The CCPA imposes severe civil penalties and statutory damages, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. However, it remains unclear how various provisions of the CCPA will be interpreted and enforced. Furthermore, in November 2020, California voters passed the California Privacy Rights Act of 2020 ('CPRA'). Effective in most material respects starting on January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding the CCPA to include additional data privacy compliance requirements that may impact our business. The CPRA also establishes a regulatory agency dedicated to enforcing the CCPA and the CPRA.

We make public statements about our use, collection, disclosure and other processing of PII through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or it may be alleged that we have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices.

Many of these laws and regulations are still evolving and being tested in courts and could be interpreted or applied in ways that could harm our business, particularly in the new and rapidly evolving industry in which we operate. Federal, state, local, provincial, and international regulators and industry groups may also consider and implement from time to time new data privacy, security and protection laws, rules, regulations and requirements that apply to our businesses, and we cannot yet determine the impact that such future laws, regulations and standards may have on our business. For example, laws in all 50 US states require businesses to provide notice under certain circumstances to customers whose PII has been disclosed as a result of a data breach. Compliance with evolving data privacy and security laws, rules, requirements and regulations may result in cost increases due to necessary changes to our systems and practices, new limitations or constraints on our business models, the development of new administrative processes and may prevent us from providing certain offerings in certain jurisdictions in which we currently operate and in which we may operate in the future. They also may impose further restrictions on our processing, sharing, transmission, collection, disclosure and use of PII in connection with the SH.APP or that are housed in one or more databases maintained by us or our third-party service providers. Any actual or perceived noncompliance with applicable data privacy, security and protection laws, rules and regulations, industry group requirements, contractual obligations, consent requirements or a security or data breach involving the misappropriation, loss or other unauthorized disclosure of personal, sensitive or confidential information, including PII, whether by us or by one of our third-party service providers, could have a material adverse effect on our business, operations, brand, reputation and financial condition, including decreased revenue, material fines and penalties, litigation, increased financial processing fees, compensatory, statutory, punitive or other damages, adverse actions against our licenses to do business and injunctive relief by court or consent order.

Regulatory Risks

We are subject to unionization and labor and employment laws and regulations, which could increase our costs and restrict our operations in the future.

Currently, none of our employees are represented by a union. Attempts may be made to organize all or part of our employee base. As we continue to expand and enter new territories, unions may make further attempts to organize all or part of our employee base. If some or all of our workforce were to become unionized, and the terms of the collective bargaining agreement were significantly different from our current compensation arrangements, it would likely increase our costs and adversely impact our profitability. Additionally, responding to such organization attempts could distract our management and would likely result in increased legal and other professional fees, and potential labor union contracts could put us at increased risk of labor strikes and disruption of our operations.

Our business is subject to a variety of employment laws and regulations and may become subject to additional requirements in the future. Although we believe we are in material compliance with applicable employment laws and regulations, in the event of a change in requirement, we may be required to modify our operations or to utilize resources to maintain compliance with such laws and regulations. Moreover, we may be subject to various employment-related claims, such as individual or class actions or government enforcement actions relating to alleged employment discrimination, employee classification and related withholding, wage-hour, labor standards or healthcare, pension and benefit issues. We may not be able to successfully defend such claims. We also may not be able to maintain a level of insurance that would provide adequate coverage against such potential claims. Our failure to comply with applicable employment laws and regulations and related legal actions against us may affect our ability to compete or have a material adverse effect on our business, results of operation and financial condition.

The industries in which we operate are heavily regulated and a failure to comply with regulatory requirements and protocols may result in an adverse effect on our business.

Our various properties are subject to numerous federal, state and local laws and regulations, including those relating to the preparation and sale of food and beverages, and specifically alcohol. The failure to comply with

any such laws or regulations could subject us to a number of adverse consequences, including revocation or suspension of our liquor licenses by the relevant authorities and potential litigation. We are also subject to laws governing our relationship with our employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and firing employees and work permits. Also, our ability to remodel, refurbish or add to our existing properties may be dependent upon our ability to obtain necessary building permits or other authorizations from local authorities. In addition, we are subject to the numerous rules and regulations relating to taxation. Finally, the products that we sell as part of our retail offerings are subject to various laws and regulations, including with regard to product and fire safety and labelling. We expect our business to expand into new and complementary lines of businesses which may subject us to additional laws and regulations and further increase the regulatory burden on us. Any failure to comply with these and other regulatory requirements may result in an adverse effect on our business, results of operations and financial condition.

We could face costs, liabilities and risks associated with, or arising out of, environmental, health and safety laws and regulations.

We are subject to various federal, state, local and foreign environmental, health and safety laws and regulations that, among other matters, (i) regulate certain activities and operations, such as the use, management, generation, release, treatment, storage or disposal of, and exposure to, regulated or hazardous materials, substances or wastes, (ii) impose liability for costs of investigating and cleaning up, and for damages to natural resources from, spills, contamination from waste disposals on and off-site, or other releases of hazardous materials or regulated substances, and (iii) regulate workplace safety. Compliance with these laws and regulations could increase our cost of operation. Violation of these laws and regulations may subject us to sanctions or liabilities, including significant fines, penalties or other costs, suspension of our business or activities, or restrictions or revocation of licenses or permits, which could negatively impact our business, financial condition, liquidity, results of operation, cash flows or prospects. We could also be responsible for the investigation and remediation of environmental conditions at currently or formerly owned, operated or leased sites, as well as for associated liabilities, including liabilities for natural resource damages, third-party property damage or personal injury. Given that joint and several liability for contamination under certain environmental laws can be imposed on current or past owners or operators of a site without regard to fault, we may be subject to these liabilities regardless of whether we lease or own the property, and regardless of whether such environmental conditions were created by us or by a prior owner or tenant, third-party or a neighboring facility whose operations may have affected such property. We can also be liable for contamination at third-party sites to which we sent waste. In addition, from time to time, we may be required to remove, abate or manage certain substances such as asbestos, mold, radon gas, lead, or hazardous building materials or other hazardous conditions at our properties. We cannot assure you that environmental conditions relating to our prior, existing or future sites or those of predecessor companies whose liabilities we may have assumed or acquired will not have a material adverse effect on our business, results of operation and financial condition.

In addition, new laws, regulations or policies or changes in existing laws, regulations or policies or in their enforcement, future spills or accidents or the discovery of currently unknown conditions or non-compliances may give rise to investigation and remediation liabilities, compliance costs, fines and penalties or other sanctions, or liability and claims for alleged natural resource damages, personal injury or property damage, any of which may have a material adverse effect on our business, results of operations and financial condition.

Litigation concerning food quality, health and safety, employee conduct and other issues could require us to incur additional liabilities or cause customers to avoid our restaurants.

Companies operating restaurants have from time to time faced lawsuits alleging that a guest suffered illness or injury during or after a visit to a restaurant, including actions seeking damages resulting from food borne illness and relating to notices with respect to chemicals contained in food products required under applicable laws. Similarly, food tampering, employee hygiene and cleanliness failures or improper employee conduct at the

restaurants we operate could lead to product liability or other claims. We cannot guarantee to our customers that our internal controls and training will be fully effective in preventing such issues and associated claims. Regardless of whether any claims against us are valid or whether we are ultimately held liable, claims against us may receive significant media focus and publicity, may be expensive to defend and may divert management attention and other resources from our operations and hurt our business, brand, financial condition, liquidity, results of operation, cash flows or prospects. A judgment or settlement significantly in excess of our insurance coverage for any claims could materially adversely affect our business, results of operation and financial condition. We may not be able to successfully defend such claims. We also may not be able to maintain a level of insurance that would provide adequate coverage against such potential claims.

Failure to comply with the US Foreign Corrupt Practices Act ('FCPA'), the UK Bribery Act 2010 ('Bribery Act') and similar laws associated with our activities could subject us to penalties and other adverse consequences.

We face significant risks if we fail to comply with the FCPA, the Bribery Act and other laws that prohibit improper payments or offers of payment to governments and their officials and political parties by us and other business entities for the purpose of obtaining or retaining business. In many countries, particularly in countries with developing economies, some of which represent significant markets for us, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA, the Bribery Act or other laws and regulations. Although we have implemented a company policy requiring our employees and consultants to comply with the FCPA, the Bribery Act and similar laws, such policy may not be effective at preventing all potential FCPA, Bribery Act or other violations. We also cannot guarantee the compliance by our vendors, suppliers and joint venture partners with applicable US laws, including the FCPA, the Bribery Act or other applicable non-US laws, including the Bribery Act. Therefore, there can be no assurance that none of our employees or agents will take actions in violation of our policies or of applicable laws, for which we may be ultimately held responsible. As a result of our focus on managing our growth, our development of infrastructure designed to identify FCPA and Bribery Act matters and monitor compliance is at an early stage. Any violation of the FCPA or the Bribery Act and related policies could result in severe criminal or civil sanctions, which could have a material and adverse effect on our business, results of operation and financial condition.

Taxation Risks

Anticipated changes in effective tax rates or adverse outcomes resulting from our exposure to various tax regimes in the countries in which we operate.

We will be subject to income taxes in the US, the UK and other jurisdictions in which we operate, and our domestic and foreign tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations and double taxation agreements, or in the interpretation, administration, or application thereof (in particular, as a result of Brexit); or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by US federal and state and foreign authorities. Outcomes from these audits could have an adverse effect on our business, results of operation and financial condition.

Net operating losses and excess interest deductions to offset future taxable income may be subject to certain limitations or forfeiture.

Realization of these tax losses and interest deductions depends on future income, and there is a risk that our existing NOLs in certain jurisdictions including the US and the Netherlands could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our operating results.

A portion of the Company's US deferred tax assets relates to NOLs, the use of which may not be available as a result of limitations on the use of acquired losses under Section 382 of the Internal Revenue Code of 1986, as amended (the 'Code'). With respect to these operating losses, there is no assurance that they will be used given the current assessment of the limitations on their use or the current projection of future taxable income in the entities to which these losses relate. In addition, this offering, as well as future changes in our stock ownership, the causes of which may be outside of our control, could result in an additional ownership change under Section 382 of the Code. Our NOLs may also be impaired under US state laws. In addition, under the 2017 Tax Cuts and Jobs Act, NOLs generated in taxable years beginning after December 31, 2017 may be utilized to offset no more than 80% of taxable income annually. However, under the CARES Act, NOLs generated in taxable years 2018, 2019 and 2020 are not subject to this 80% limitation.

There is a risk that our UK losses and interest loss carryforwards may be restricted as a result of the changes in our stock ownership as a result of the offering process and/or as a result of the changes in the group structure as outlined in "Prospectus Summary—Our Structure."

Risks Related to Being a Public Company

We will incur increased costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices of which we have limited experience.

As a public company, and increasingly after we cease to be an 'emerging growth company,' we will incur significant legal, accounting, administrative and other costs and expenses that we have not previously incurred or experienced as a private company. We will be subject to the reporting requirements of the Exchange Act, which will require, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, and rules subsequently implemented by the SEC and the NYSE, impose numerous requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Further, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory 'say on pay' voting requirements that will apply to us when we cease to be an emerging growth company. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and may impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to compliance with these laws and regulations. These requirements have increased and will continue to increase our legal, accounting and financial compliance costs and have made and will continue to make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our Board or our board committees, or as executive officers.

The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements and appropriately train our employees and management or bring in additional resources. However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application

in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

If we do not have sufficiently experienced employees in the business or are not able to hire additional qualified employees, we may not be able to successfully manage our businesses and pursue our strategic objectives.

The financial and legal workforce of our business are predominantly based in the UK and historically our business has been subject to accounting principles generally accepted in the UK and English law. We also report our financial results under GAAP and, upon consummation of this offering, will be subject to US-related regulations, including applicable SEC and NYSE regulations. As a result, we will need to hire new employees with sufficient expertise to ensure our compliance with these and other regulations. Competition for such employees can be intense, and an inability to attract or recruit additional qualified employees in order to ensure regulatory compliance, to ensure the integrity of our own financial reporting processes and to expand our business, or the loss of any existing employees experienced in these fields, could adversely affect our business, financial condition, liquidity, results of operation, cash flows or prospects.

If our existing material weaknesses persist or we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operation, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock and our overall business.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404(a) of the Sarbanes-Oxley Act, or Section 404(a), will require us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting. Section 404(b) of the Sarbanes-Oxley Act, or Section 404(b), also requires our independent registered public accounting firm to attest to the effectiveness of our internal control over financial reporting. As an ‘emerging growth company’ we expect to avail ourselves of the exemption from the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404(b). However, we may no longer avail ourselves of this exemption when we are no longer an ‘emerging growth company.’ When our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of our compliance with Section 404(b) will correspondingly increase. Our compliance with applicable provisions of Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements.

Furthermore, investor perceptions of our company may suffer if additional deficiencies are found in our internal control over financial reporting, and this could cause a decline in the market price of our Class A common stock and accordingly our overall business. Regardless of compliance with Section 404, our failure to remediate the material weaknesses which have been identified or any additional failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our business, financial condition, liquidity, results of operation, cash flows or prospects and could result in an adverse opinion on our internal controls from our independent registered public accounting firm.

We are an ‘emerging growth company,’ and the reduced disclosure requirements applicable to such companies could make our Class A common stock less attractive to investors.

We are an ‘emerging growth company,’ as defined in the Jumpstart Our Business Startups, or JOBS Act, enacted in April 2012, and may remain an ‘emerging growth company’ until the last day of the fiscal year following the

fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a 'large accelerated filer,' our annual gross revenues equals or exceeds \$1.07 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an 'emerging growth company' prior to the end of such five-year period. For as long as we remain an 'emerging growth company,' we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not 'emerging growth companies.'

These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of operation" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. In addition, the JOBS Act provides that an 'emerging growth company' can take advantage of an extended transition period for complying with new or revised accounting standards, thereby delaying the adoption of these accounting standards until they would apply to private companies. We cannot predict if investors will find our Class A common stock less attractive because we may rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and the price of our Class A common stock may be more volatile.

Risks Related to Our Common Stock

The dual class structure of our common stock has the effect of concentrating voting control with the Voting Group, including control over decisions that require the approval of stockholders; this will limit or preclude your ability to influence corporate matters submitted to a stockholder vote.

Each share of our Class B common stock is entitled to ten votes, and each share of our Class A common stock, which are the shares we are selling in this offering, is entitled to one vote per share. After giving effect to the sale of the Class A common stock offered hereby, and the issuance of the Converted Preference Shares, stockholders who beneficially own Class B common stock, including affiliates of Yucaipa and certain other stockholders (including Mr. Caring and Mr. Jones and their respective affiliates and family members) who together constitute the Voting Group, will control approximately % of the combined voting power of our outstanding common stock following this offering (or approximately % of the combined voting power of our outstanding common stock if the underwriters exercise in full their option to purchase an additional shares of Class A common stock).

Pursuant to our Certificate of Incorporation, each holder of our Class B common stock shall have the right to convert its shares of Class B common stock to shares of Class A common stock on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

Because of the 10:1 voting ratio between shares of our Class B common stock and Class A common stock, the Voting Group (which collectively holds all of our outstanding shares of Class B common stock) will collectively

control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders so long as the Voting Group owns a requisite percentage of our total outstanding common stock. Pursuant to the terms of the Stockholders' Agreement, the Voting Group and its members will be entitled to designate individuals to be included in the nominees recommended by our Board for election to our Board as follows:

- so long as the Voting Group owns at least 35% of our total outstanding shares of common stock, it will be entitled to designate nine directors for nomination, of which Yucaipa shall have the right to designate seven directors for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 35% but at least 15% of our total outstanding shares of common stock, it will be entitled to designate six directors for nomination, of which Yucaipa shall have the right to designate four directors for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 15% but at least 9% of our total outstanding shares of common stock, it will be entitled to designate three directors for nomination, of which Yucaipa shall have the right to designate one director for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination; and
- in the event that the Voting Group owns less than 9% of our total outstanding shares of common stock, neither the Voting Group nor any member will be entitled to designate any individuals for nomination for election to the Board; provided, however, that in the event at any time either Mr. Caring or Mr. Jones (in the case of Mr. Jones, at such time as Mr. Jones is not also our Chief Executive Officer) (including their respective affiliates and family members) shall own less than 5% of the shares of our outstanding common stock, such member shall no longer have the nominee designation rights set forth above and such designation shall instead be made by Yucaipa, unless, in each case, any individual member of the Voting Group owns more than 5% of our total outstanding common stock (at such time after the Voting Group owns less than 9% of our total outstanding shares of common stock), in which case such member will be entitled to nominate one director for election (though no other Voting Group member shall have any obligation to vote in favor of such nomination). In addition, for so long as Mr. Jones serves as our Chief Executive Officer, he shall remain a director on our Board.
- Once the Voting Group owns less than 15% of the shares of our total outstanding shares of common stock, all remaining shares of Class B common stock will automatically convert on a one-for-one basis into shares of Class A common stock. Until such time as no members of the Voting Group are entitled to designate individuals to be included in the nominees recommended by our Board for election to our Board, or the Stockholders' Agreement is otherwise terminated in accordance with its terms, the Voting Group acting together will agree to vote their Class B common stock in favor of the election of the nominees selected by the Voting Group as set forth above. As a result, for so long as any shares of Class B common stock remain outstanding, the Voting Group will have the ability to elect all of the members it nominates to our Board, and thereby, will exert a significant amount of control over our management and affairs. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future. The difference in voting rights could also adversely affect the value of our Class A common stock by, for example, delaying or deferring a change of control or if investors view, or any potential future purchaser of our company views, the superior voting rights of the Class B common stock to have value.

In addition, our Certificate of Incorporation permits the issuance of additional shares of Class B common stock to members of the Voting Group after the completion of this offering. If any such additional shares of Class B common stock were to be issued to members of the Voting Group, because of the ten-to-one voting ratio between our Class B common stock and Class A common stock holders of Class A common stock would experience a further and potentially significant lessening of their voting power and ability to influence matters submitted to our stockholders.

Additionally, the Voting Group's interests may not align with the interests of our other stockholders. Yucaipa and Mr. Caring are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Yucaipa and Mr. Caring may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Upon the listing of our Class A common stock, we will be a 'controlled company' within the meaning of the rules of and, as a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements; you will not have the same protections afforded to stockholders of companies that are subject to all such requirements.

Because the Voting Group will continue to control a majority of the combined voting power of our common stock after completion of this offering for so long as it owns a requisite percentage of our total outstanding common stock, we will be a 'controlled company' within the meaning of the corporate governance standards of the NYSE. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a 'controlled company' and may elect not to comply with certain corporate governance requirements, including the requirements that it has, within one year of the date of the listing of our shares of Class A common stock:

- a Board that is composed of a majority of independent directors, as defined under the listing rules of the NYSE;
- a compensation committee that is composed entirely of independent directors; and
- a nominating and corporate governance committee that is composed entirely of independent directors.

For at least a period of time following this offering, we intend to utilize certain of these exemptions. As a result, we will not have a majority of independent directors and our nominating and corporate governance committee and compensation committee will not consist entirely of independent directors. Accordingly, although we may transition to a Board with a majority of independent directors prior to the time we cease to be a 'controlled company,' you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. Our status as a 'controlled company' could make our Class A common stock less attractive to some investors or otherwise negatively impact the price of our Class A common stock.

Certain of our directors have relationships with Yucaipa, which may cause conflicts of interest with respect to our business.

Following this offering, one of our directors, the Executive Chairman, Mr. Burkle, is affiliated with and is the founder of Yucaipa. Our Yucaipa-affiliated directors have fiduciary duties to us and, in addition, have duties to Yucaipa. As a result, Mr. Burkle may face real or apparent conflicts of interest with respect to matters affecting both us and Yucaipa, whose interests may be adverse to ours in some circumstances.

New investors in our Class A common stock will experience immediate and substantial book value dilution after this offering.

The initial public offering price of our Class A common stock will be substantially higher than the net tangible book value per share of the outstanding Class A common stock immediately after the offering. Based on our net tangible book value as of _____, 2021, after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock, if you purchase our Class A common stock in this offering, you will suffer immediate dilution in net tangible book value of approximately \$ _____ per share. See "Dilution."

Our Certificate of Incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities.

Under our Certificate of Incorporation, none of Yucaipa, the companies owned or controlled by Yucaipa, any affiliates of Yucaipa, or any of their respective officers, directors, principals, partners, members, managers,

employees, agents or other representatives will have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities or lines of business in which we operate. In addition, our Certificate of Incorporation will provide that, to the fullest extent permitted by law, no officer or director of ours who is also an officer, director, principal, partner, member, manager, employee, agent or other representative of Yucaipa or its affiliates will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to Yucaipa or its affiliates and representatives, instead of us, or does not communicate information regarding a corporate opportunity to us that such individual has directed to Yucaipa or its affiliates and representatives. For instance, a director of our company who also serves as a director, officer or employee of Yucaipa or any of its portfolio companies or other affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisition or other opportunities may not be available to us. Upon consummation of this offering, our Board will consist of fifteen members, one of whom will be affiliated with or employees of Yucaipa. These potential conflicts of interest could have a material and adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are allocated by any of Yucaipa to itself or its affiliated funds, the portfolio companies owned by such funds or any of their affiliates instead of to us. A description of our obligations related to corporate opportunities under our Articles are more fully described in “Description of Capital Stock—Corporate Opportunity.”

Anti-takeover provisions contained in our Certificate of Incorporation could impair a takeover attempt.

Certain provisions in our Certificate of Incorporation are intended to have the effect of delaying or preventing a change in control or changes in our management. For example, our Certificate of Incorporation includes provisions that establish an advance notice procedure for stockholder resolutions to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board. Additionally, our Certificate of Incorporation will provide that we are not governed by Section 203 of the Delaware General Corporation Law (“DGCL”), which, in the absence of such provisions, would have imposed additional requirements regarding mergers and other business combinations. However, our Certificate of Incorporation will include a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder, but such restrictions shall not apply to any business combination between our controlling stockholder and any affiliate thereof or its direct and indirect transferees, on the one hand, and us, on the other, or certain other situations as described below in “Description of Capital Stock—Anti-Takeover Provisions—Section 203 of the DGCL.”

These provisions could delay or prevent hostile takeovers and changes in control or changes in our management, even if these events would be beneficial for our stockholders. For further information regarding the anti-takeover provisions, please see the section entitled “Description of Capital Stock.”

Our Certificate of Incorporation will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our Certificate of Incorporation, which will become effective immediately prior to the consummation of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf under Delaware law, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the DGCL, our Certificate of Incorporation or bylaws, (4) any other action asserting a claim that is governed by the internal affairs doctrine or (5) any other action asserting an “internal corporate claim,” as defined in Section 115 of the DGCL, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) in all cases subject to the court having jurisdiction over indispensable parties named as defendants. These exclusive-forum provisions do not apply to claims under the Securities Act or the Exchange Act.

To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. However, our Certificate of Incorporation, which will become effective immediately prior to the consummation of this offering, contains a federal forum provision which provides that unless the Company consents in writing to the selection of an alternative forum, the US federal district courts will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees and increase the costs to stockholders of bringing such a claim. If a court were to find the exclusive-forum provision in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

A significant portion of our total outstanding share is restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of shares of our Class A common stock. After this offering, we will have _____ shares of Class A common stock outstanding (assuming no exercise by the underwriters of their option to purchase an additional _____ shares of Class A common stock) and _____ shares of Class B common stock outstanding, which are convertible on a one-for-one basis into shares of our Class A common stock. All or substantially all of the shares of Class A common stock available upon conversion of our shares of Class B common stock outstanding after this offering will be subject to a 180-day lock-up period provided under agreements executed in connection with this offering. Such shares of Class B common stock will, however, be able to be converted into shares of Class A common stock and resold after the expiration of the lock-up agreement as described in the "Shares Eligible for Future Sale" in this prospectus. In addition J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC may, in their sole discretion, release all or some portion of the common stock subject to lock-up agreements at any time and for any reason.

We also intend to file a Form S-8 under the Securities Act to register all shares of Class A common stock that we may issue under our equity compensation plans. In addition, the Voting Group and certain of our other equity holders have certain demand registration rights that could require us in the future to file registration statements in connection with sales of our Class A common stock by the Voting Group. See "Certain Relationships and Related Party Transactions—Related Party Transactions—Registration Rights Agreement." Such sales by the Voting Group and certain of our other equity holders could be significant. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements described in the "Underwriting" section of this prospectus. As restrictions on resale end, the market price of shares of our Class A common stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them or are released from the restrictions of the lock-up agreements prior to their expiration, which may make it more difficult for you to sell your shares of Class A common stock at a time and price that you deem appropriate.

We have never paid dividends on our share capital and do not anticipate paying cash dividends in the foreseeable future.

We have never declared or paid cash dividends on our share capital. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. Accordingly, you may have to sell some or all of your shares of Class A common stock in order to generate cash flow from your investment. You may not receive a gain on your investment when you sell shares and you may lose the entire amount of the investment.

Future sales, or the perception of future sales, of our Class A common stock may depress the price of our Class A common stock.

If we sell, or any of our stockholders sells, a large number of shares of our Class A common stock, or if we issue a large number of shares of Class A common stock in connection with future acquisitions, financings or other transactions, the market price of shares of our Class A common stock could decline significantly. Moreover, the perception in the public market that we might issue, or our stockholders might sell, shares of Class A common stock could depress the market price of those shares.

Additionally, each holder of our Class B common stock has the right, pursuant to our Certificate of Incorporation, to convert its shares of Class B common stock into shares of our Class A common stock on a one-for-one basis. Such a conversion would increase the number of shares of Class A common stock available for sale and could have the effect of depressing the trading price of our shares of Class A common stock. Furthermore, any shares of our Class A common stock sold through the Community Offers will not be subject to lockup restrictions, which could have the effect of depressing the trading price of our shares of Class A common stock.

We cannot predict the size of future issuances of shares of our Class A common stock or the effect, if any, that future issuances or sales of our shares will have on the market price of such shares. Sales of substantial amounts of our shares, including sales by significant stockholders, and shares issued in connection with any conversion of shares of Class B common stock or any additional acquisition, or the perception that such conversions or sales could occur, may adversely affect prevailing market prices for our shares of Class A common stock. Possible sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price we deem necessary or appropriate. See “Shares Eligible for Future Sale.”

Our operating results and share price may be volatile, and the market price of shares of our Class A common stock after this offering may drop below the price you pay.

Our annual and quarterly operating results are likely to fluctuate in the future as a publicly traded company. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could subject the market price of our shares to wide price fluctuations regardless of our operating performance. We and the underwriters will negotiate to determine the initial public offering price. You may not be able to resell your shares at or above the initial public offering price or at all. Our operating results and the trading price of shares of our Class A common stock may fluctuate in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- introduction of new products or services by us or our competitors;
- issuance of new or changed securities analysts’ reports or recommendations;
- results of operation that vary from expectations of securities analysis and investors;
- guidance, if any, that we provide to the public, any changes in such guidance or our failure to meet such guidance;

- strategic actions by us or our competitors;
- announcement by us, our competitors or our vendors of significant contracts or acquisitions;
- sales, or anticipated sales, of large blocks of our common stock;
- additions or departures of key personnel;
- regulatory, legal or political developments;
- tax developments;
- public responses to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation and governmental investigations;
- changing economic conditions;
- changes in accounting principles;
- default under agreements governing our indebtedness;
- exchange rate fluctuations; and
- other events or factors, including those from natural or man-made disasters, war, acts of terrorism or responses to these events.

These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our shares to fluctuate substantially. While we believe that operating results for any particular quarter are not necessarily a meaningful indication of future results, fluctuations in our quarterly operating results could limit or prevent investors from readily selling their shares and may otherwise negatively affect the market price and liquidity of our shares. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert time and attention of our management from our business, which could significantly harm our profitability and reputation.

If our operating and financial performance in any given period does not meet the guidance that we provide to the public, the price of shares of our Class A common stock may decline.

We may provide public guidance on our expected operating and financial results for future periods. Any such guidance will be comprised of forward-looking statements subject to the risks and uncertainties described in this prospectus and in our other public filings and public statements. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts or if we reduce our guidance for future periods, the market price of shares of our Class A common stock may decline as well.

General Risks

Increased use of social media could create and/or amplify the effects of negative publicity and have a material adverse effect on our business, financial condition, liquidity, results of operations, cash flows or prospects.

Events reported in the media, including social media, whether or not accurate or involving us, could create and/or amplify scrutiny and negative publicity for us or for the industry or market segments in which we operate. Such media topics could include, among other topics, food-borne or hygiene-related illnesses, issues with food traceability, contamination, unsanitary restaurant environments, issues relating to quality of service or product

quality, allegations of discriminatory acts, injuries or guest misbehavior. Media reports relating to any of these topics, even where not involving us or inaccurate statements, could reduce demand for our products and/or services and could result in a decrease in customer traffic to or for any of our services. A decrease in traffic to our offerings could result in a decline in sales, which would have an adverse effect on our business, results of operation and financial condition.

If we are unable to compete effectively, our business and operations will be adversely affected.

We compete in numerous segments of the restaurant, hotel, working spaces, well-being, digital and retail industries, each of which faces its own challenges. Although we do not believe that we have a single direct competitor across all of the different sectors and geographies in which we operate, we face direct competition from other private members' clubs, restaurants, bars, spas, hotels and co-working spaces that exist locally in proximity to our own Houses. No assurances can be given that these competing local clubs, restaurants, accommodation, co-working spaces, well-being, digital or retail providers, or other new entrants in any of these industries, will not expand and compete with us locally or globally. We believe that these business sectors are each highly competitive and primary competitive factors include name recognition, demographic considerations, effectiveness of public relations and brand recognition, level of service, convenience of location, quality of the property, pricing, product or service and range and quality of services and amenities offered. We compete with other restaurants, boutique hotels, co-working spaces and beauty care and retailers on a local level, as well as on a global level against certain larger chains with properties in the markets in which we operate. This competition may limit our ability to attract and retain existing members and customers and our ability to attract new members and customers. If we are unable to compete effectively in any of these market sectors, we could lose market share, which could adversely affect our business, results of operation and financial condition.

Difficult conditions in the global financial markets and the economy generally could affect our ability to obtain capital or financing and materially adversely affect our business and results of operation.

Any disruption in the global financial markets could materially impact liquidity in the financial markets and affect the availability and cost of credit. As part of our strategy, we focus on growing our presence in both new and existing markets, through the establishment of new properties, expansion of existing properties and expanding complementary concepts and product lines. These investments require significant capital expenditures, especially since new Houses typically generate little or no cash flow until some time after the project's completion and the House has reached a maturation point. To the extent expenditure is significant, we may rely upon the availability of debt or additional equity capital. In addition, our working capital and liquidity reserves may not be adequate to cover all of our cash needs and we may have to obtain additional equity or debt financing. Any disruption or uncertainty in the credit markets could negatively impact our ability to access additional financing. Sufficient financing may not be available or, if available, may not be available on terms acceptable to us, which may force us to seek alternative sources of potentially less attractive capital or financing or adversely cause us to suspend, abandon or delay development and other activities, including the opening of new Houses or expansion of existing Houses, in a manner that adversely affects our business.

Changes in consumer discretionary spending and general economic factors may adversely affect our results of operation.

Because a substantial portion of our revenues are derived from In-House Revenues, we believe our ability to generate revenues is correlated to discretionary spending, which is influenced by general economic conditions, and the availability of discretionary income and consumer confidence. National, regional and local economic conditions can adversely affect disposable consumer income and consumer confidence. Economic conditions remain volatile in certain of the jurisdictions in which we operate. As a result, our members and other guests may have lower disposable income and reduce the frequency with which they dine out, travel or utilize our other products or services, or they may choose less expensive restaurants, lower cost hotels or otherwise reduce the costs or frequency of their travel and leisure activities in the future. An uncertain economic outlook may

adversely affect consumer spending in our hospitality operations, as consumers may spend less in anticipation of a potential prolonged economic downturn. Unfavorable changes in these factors or in other general economic conditions affecting our members and guests could reduce their spending at our properties, impose practical limits on our pricing (including our membership fees) and increase our costs. Any of these factors could have a material adverse effect on our business, results of operation and financial condition.

As we expand our footprint internationally outside of the US and Europe, we are exposed to additional risks, including increased complexity and costs of managing projects and international operations and geopolitical instability.

As we open additional properties and expand our presence in new markets over the next few years where we have little to no experience, we expect to face numerous challenges and risks, including:

- geopolitical and economic instability and military conflicts;
- limited protection of our intellectual property and other assets;
- compliance with local laws and regulations and unanticipated changes in local laws and regulations, including tax laws and regulations;
- trade and foreign exchange restrictions and higher tariffs;
- timing and availability of import and export licenses and other governmental approvals, permits and licenses, including export classification requirements;
- foreign currency fluctuations and exchange losses;
- transportation delays and other consequences of limited local infrastructure, and disruptions, such as large-scale outages or interruptions of service from utilities or telecommunications providers;
- potential difficulties in staffing international operations;
- local business and cultural factors that differ from our normal standards and practices;
- differing employment practices and labor relations;
- heightened risk of terrorist acts;
- regional health issues, travel restrictions and natural disasters; and
- work stoppages.

Increases in energy costs could have an adverse effect on our business.

We may be adversely affected by an increase in energy costs to our businesses (including electricity, gas and water). This may be driven by energy shortages, interruptions to our business supply, inflation, or the availability of energy supplier offerings. In addition, the increasing focus on climate change, both in the US and across other countries, could lead to additional regulations resulting in increased energy costs. The ability of our business to respond to such increased costs will depend on our ability to anticipate, react and respond to such increases in a timely manner which we may be unable to do as this is outside of our control and can be difficult to predict. As a result, energy cost increases could have an adverse effect on our business, results of operations and financial condition.

Labor shortages or increases in labor costs could slow our growth or harm our business.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of highly qualified employees necessary to staff our Houses and other membership platforms and keep pace with our growth. The qualified individuals that we need to fill these positions are in short supply, and competition for such

employees is intense. If we are unable to recruit and retain sufficiently qualified individuals, our business and growth could be adversely affected. Competition for qualified employees could require us to pay higher wages, which could result in higher labor costs. If our labor costs increase, our business, results of operation, and financial condition will be adversely affected.

We may incur property, casualty or other losses not covered by our insurance.

We maintain insurance coverage for certain catastrophic risks, for employee health care benefits, workers' compensation, general liability, property damage, directors' and officers' liability, vehicle liability and inventory loss. In North America, we maintain a self-insured employee health care policy. The types and amounts of insurance may vary from time to time based on our decisions with respect to risk retention and regulatory requirements. The occurrence of significant claims, a substantial rise in costs to maintain our insurance or the failure to maintain adequate insurance coverage could have an adverse impact on our business, financial condition, liquidity, results of operation, cash flows or prospects.

As there is currently no market for our Class A common stock, an active trading market may not develop or continue to be liquid and the market price of our common stock may be volatile.

Prior to this offering, there has not been a public market for our Class A common stock. While we intend to list our Class A common stock on the NYSE, an active market for our Class A common stock may not develop or be sustained after this offering, which could depress the market price of our Class A common stock and could affect your ability to sell your shares. In the absence of an active public trading market, you may not be able to liquidate your investment in our Class A common stock. An inactive market may also impair our ability to raise capital by selling our Class A common stock, our ability to motivate our employees through equity incentive awards and our ability to expand our business by using our Class A common stock as consideration. In addition, the market price of our Class A common stock may fluctuate significantly in response to various factors, some of which are beyond our control. The initial public offering price per share will be determined by negotiations among us and the representatives of the underwriters and therefore that price may not be indicative of the market price of our Class A common stock after this offering. In particular, we cannot assure you that you will be able to resell your Class A common stock at or above the initial public offering price. The stock markets have experienced volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. In addition to the factors discussed elsewhere in this prospectus, the factors that could affect our share price are:

- US and international political and economic factors unrelated to our performance;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in or failure to meet publicly disclosed expectations as to our future financial performance;
- changes in securities analysts' estimates of our financial performance or lack of research and reports by industry analysts;
- action by institutional stockholders, including purchases or sales of large blocks of common stock;
- speculation in the press or investment community;
- changes in market valuations or earnings of similar companies; and
- announcements by us or our competitors of significant contracts, acquisitions or strategic partnerships.

In the past, following periods of volatility in the market price of a company's securities, Class Action litigation has often been instituted against the relevant company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which would harm our business, results of operation and financial condition.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our share price and trading volume could decline.

The trading market for our shares of Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If there is no coverage of our company by securities or industry analysts, the trading price for shares of our Class A common stock would be negatively impacted. Even if we obtain securities or industry analyst coverage, and if one or more of these analysts downgrades our shares of Class A common stock or publishes misleading or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for shares of our Class A common stock could decrease, which could cause our share price or trading volume to decline.

We could be subject to securities class action litigation.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs, potential liabilities and the diversion of management's attention and resources.

**SPECIAL NOTE REGARDING FORWARD-LOOKING
STATEMENTS AND MARKET DATA**

This prospectus contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this prospectus contain forward-looking statements. In some cases, you can identify forward-looking statements by the following words: 'may,' 'will,' 'could,' 'would,' 'should,' 'expect,' 'intend,' 'plan,' 'anticipate,' 'believe,' 'estimate,' 'predict,' 'project,' 'potential,' 'continue,' 'ongoing' or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain.

In addition, you should refer to the "Risk Factors" section of this prospectus for a discussion of other important factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, do not protect any forward-looking statements that we make in connection with this offering.

While we believe the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise.

USE OF PROCEEDS

We estimate that the net proceeds to us will be approximately \$ million after deducting the underwriting discounts and commissions and our other estimated offering expenses (assuming an initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus) from the sale of shares of our Class A common stock to the underwriters and shares of our Class A common stock directly to UK Eligible Participants. If the underwriters exercise in full their option to purchase an additional shares of Class A common stock, we estimate the net proceeds to us will be approximately \$ million.

We estimate that the offering expenses (other than the underwriting discounts and commissions) will be approximately \$ million.

We intend to use the net proceeds from this offering to repay outstanding indebtedness of \$ under our Revolving Credit Facility, to pay the redemption price of the outstanding preferred shares of Soho House Holdings Limited in aggregate amount of \$ and to use the remainder for general corporate purposes, including for working capital. The \$ of indebtedness under our Revolving Credit Facility, to be repaid with a portion of the proceeds of this offering matures on January 25, 2023 and bears an interest rate of %.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share would increase (decrease) the amount of proceeds to us from this offering by \$ million, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

DIVIDEND POLICY

We do not currently pay dividends on any shares of our common stock and we currently intend to retain all available funds and any future earnings for use in the operation of our business. We may, however, pay cash dividends on our shares of common stock, including our shares of Class A common stock, in the future. Any future determination to pay dividends will be made at the discretion of our Board and will depend upon many factors, including our financial condition, earnings, legal and regulatory requirements, restrictions in our debt agreements and other factors our board deems relevant. If we issue preference shares in the future, our board may declare and pay a dividend on one or more classes of shares to the extent one or more classes of shares ranks senior to or has a priority over another class of shares. Our ability to pay dividends on shares of our Class A common stock is limited by the terms of our existing indebtedness and may be restricted by the terms of any future credit agreement or any future debt or preferred securities of ours or of our subsidiaries. See “Description of Certain Indebtedness and Preferred Equity” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Furthermore, Membership Collective Group Inc. is a holding company and has no direct operations. All of Membership Collective Group Inc.’s business operations are conducted through its subsidiaries. Any dividends we pay in respect of our equity securities will depend upon our funds legally available for distribution, including dividends we receive from our subsidiaries. Membership Collective Group Inc.’s subsidiaries are required to comply with various conditions before they are able to pay dividends or make distributions to Membership Collective Group Inc. See “Description of Capital Stock—Class A Common Stock—Dividend Rights and—Class B Common Stock—Dividend Rights.”

CAPITALIZATION

The following table sets forth our cash and capitalization as of April 4, 2021 (i) on a historical basis, derived from our consolidated financial statements included, and elsewhere in the prospectus, (ii) on a pro forma basis, giving effect to the transactions described under “Prospectus Summary—Our Structure” in this prospectus and the conversion of all outstanding senior convertible preference shares of Soho House Holdings Limited into an aggregate of shares of Class A common stock of Membership Collective Group Inc. immediately upon the closing of this offering, based on the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated initial offering price range set forth on the cover page of this prospectus and (iii) on a pro forma as adjusted basis, after also giving effect to the application of the net proceeds of the offering received by us, as described under “Use of Proceeds,” in each case as if they had occurred on April 4, 2021.

You should read this table in conjunction with “Use of Proceeds,” “Selected Historical Consolidated Financial and Operating Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and accompanying notes thereto included elsewhere in this prospectus.

	As of April 4, 2021		
	Actual	Pro Forma (\$ thousand) (Unaudited)	Pro Forma As Adjusted ⁽¹⁾
Cash and cash equivalents	\$ 71,674		
Restricted cash	7,029		
Total Debt, including current portion:			
Debt, net of debt issuance costs	544,110		
Property mortgage loans, net of debt issuance costs	114,973		
Related party loans, net of imputed interest	18,052		
Operating lease liabilities—sites trading less than one year	58,452		
Operating lease liabilities—sites trading more than one year	1,030,384		
Finance lease liabilities	74,350		
Financing obligation	74,247		
Total debt	\$1,914,568		
Senior convertible preference shares and redeemable preferred shares	\$ 176,274		
Redeemable C Ordinary Shares	\$ 207,405		
Shareholders’ deficit:			
A ordinary shares; B ordinary shares; C ordinary shares; C2 ordinary shares; D ordinary shares	\$ 265,181		
Additional paid-in capital	74,884		
Accumulated deficit	(847,582)		
Accumulated other comprehensive income	2,708		
Non-controlling interest	56,542		
Total shareholders’ deficit	\$ (448,267)		
Total capitalization	\$1,849,980		

- (1) Assuming the number of shares of Class A common stock sold by us in this offering remains the same as set forth on the cover page, a \$1.00 increase or decrease in the assumed initial public offering price would increase or decrease, as applicable, our total capitalization by approximately \$ _____ million.

DILUTION

Our net tangible book value as of April 4, 2021 was \$ million, or \$ per share of Class A common stock after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock. Net tangible book value per share of Class A common stock before the offering has been determined by dividing net tangible book value (total book value of tangible assets, calculated as total assets less intangible assets, less total liabilities) by the number of shares of Class A common stock outstanding at April 4, 2021. Pro forma tangible book value represents tangible book value after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock and the conversion of all the Senior Preference Shares into shares of Class A common stock.

After giving effect to the sale of shares of Class A common stock sold by us in this offering at an assumed initial public offering price of \$ per share of Class A common stock, the mid-point of the price range set forth on the cover page of this prospectus, the conversion of all shares of Class B common stock into shares of Class A common stock and after deducting the underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us and the application of the net proceeds therefrom as described in “Use of Proceeds,” our pro forma as adjusted net tangible book value at April 4, 2021 would have been \$, or \$ per share of Class A common stock. This represents an immediate increase in pro forma as adjusted net tangible book value per share of Class A common stock of \$ to the members of the Voting Group holding shares of Class B common stock and an immediate dilution in as adjusted net tangible book value per share of Class A common stock of \$ to new investors who purchase the shares of Class A common stock in this offering. The following table illustrates this per share of Class A common stock dilution to new investors:

Assumed initial public offering price per share	\$
Net tangible book value per share as of April 4, 2021	\$
Increase attributable to the pro forma adjustments described above	\$
Pro forma net tangible book value per share as of April 4, 2021	\$
Increase in pro forma as adjusted net tangible book value per share attributable to new investors in this offering	\$
Pro forma as adjusted net tangible book value per share after this offering	\$
Dilution of net tangible book value per share to new investors	\$

A \$1.00 increase or decrease in the assumed initial public offering price of \$ per share of Class A common stock, the mid-point of the price range set forth on the cover page of this prospectus, would increase or decrease total net tangible book value per share after this offering by per share of Class A common stock and the dilution to new investors by per share of Class A common stock, assuming that the number of shares offered by us set forth on the front cover of this prospectus remains the same, and after deducting the underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us.

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The following table summarizes, as of April 4, 2021, on the as adjusted basis described above, the total number of shares of Class A common stock purchased from us, the total consideration paid to us and the average price paid per share by the existing stockholders (assuming the conversion of all shares of Class B common stock into shares of Class A common stock) and by new investors purchasing shares from us in this offering, based on an initial public offering price of \$ _____ per share of Class A common stock, the mid-point of the price range set forth on the cover page of this prospectus before deducting the underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us (amounts in thousands, except percentages and per share data):

	Class A Common Stock Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	\$
Existing stockholders		%	\$	%	\$
New investors					
Total					

A \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the mid-point of the price range set forth on the cover page of this prospectus would increase or decrease total consideration paid by new investors in shares of Class A common stock and total consideration paid by all holders of Class A common stock by \$ _____ million, assuming that the number of shares offered by us set forth on the front cover of this prospectus remains the same, and after deducting the underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us. An increase or decrease of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase or decrease the total consideration paid to us by new investors in Class A common stock and total consideration paid to us by all holders of Class A common stock by \$ _____ million, assuming the assumed initial public offering price of \$ _____ per share, the mid-point of the price range set forth on the cover page of this prospectus remains the same and after deducting the underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional shares of Class A common stock, the number of shares of Class A common stock held by existing stockholders after the completion of this offering, after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock, will be _____, or _____ % of the total shares of Class A common stock outstanding after this offering, and the number of shares of Class A common stock held by new investors, after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock, will be _____, or _____ % of the total shares of Class A common stock outstanding after this offering.

The number of shares of Class A common stock to be outstanding after this offering is based on (1) shares of Class A common stock outstanding as of April 4, 2021, after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock, (2) the number of shares of Class A common stock offered in this offering and (3) the conversion of all outstanding senior convertible preference shares of Soho House Holdings Limited into an aggregate of _____ shares of Class A common stock of Membership Collective Group Inc. immediately upon the closing of this offering, based on the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated initial offering price range set forth on the cover page of this prospectus.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables set forth our selected historical consolidated financial and operating data in both actual results and constant currency. The selected historical consolidated financial data as of and for fiscal 2020, fiscal 2019 and fiscal 2018, and for each of the fiscal years then ended, have been derived from our historical audited consolidated financial statements and notes thereto included elsewhere in this prospectus, which is derived from our historical consolidated financial statements not included in this prospectus. The selected historical unaudited consolidated financial data as of April 4, 2021 and for each of the 13-week periods ended April 4, 2021 and March 29, 2020 has been derived from our historical consolidated unaudited financial statements and notes thereto included elsewhere in this prospectus. The summary historical unaudited consolidated financial data as of March 29, 2020 has been derived from the Company's internal management accounts. These historical consolidated unaudited financial statements and internal management accounts were prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that we consider necessary for a fair presentation of the financial position and results of operations for those periods. Operating results for the 13-week period ended April 4, 2021 are not necessarily indicative of the results that may be expected for the entire year.

The following selected financial and operating data should be read in conjunction with, and are qualified in their entirety by reference to, the information included under the headings "Basis of Presentation," "Prospectus Summary—Summary Historical Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical audited consolidated financial statements and notes thereto included elsewhere in this prospectus. Our historical results are not necessarily indicative of our financial condition or operating results for any future period.

Selected historical consolidated financial and operating data, in both actual results and constant currency, are as follows:

	As of and For the 13-Weeks Ended		As of and For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(Unaudited)				
(Dollar amounts in thousands, except per share data)					
Consolidated Statements of Operations Data					
Revenues					
Membership revenues	\$ 40,493	\$ 47,752	\$ 176,910	\$ 167,582	\$ 134,060
In-House revenues	16,259	67,871	126,774	312,330	271,392
Other revenues	15,649	25,929	80,692	162,123	169,853
Total revenues	<u>\$ 72,401</u>	<u>\$ 141,552</u>	<u>\$ 384,376</u>	<u>\$ 642,035</u>	<u>\$ 575,305</u>
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)(1)	(45,809)	(95,469)	(220,036)	(379,985)	(310,923)
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(26,129)	(109,251)	(144,455)	(147,776)
General and administrative expenses	(16,505)	(24,147)	(74,954)	(75,506)	(62,443)
Pre-opening expenses	(4,825)	(5,687)	(21,058)	(23,437)	(20,323)
Depreciation and amortization	(17,845)	(14,949)	(69,802)	(57,139)	(48,387)
Other	(22,784)	(2,323)	(44,005)	(20,371)	(17,838)

	As of and For the 13-Weeks Ended		As of and For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(Unaudited)				
	(Dollar amounts in thousands, except per share data)				
Total operating expenses	(135,961)	(168,704)	(539,106)	(700,893)	(607,690)
Operating loss	\$ (63,560)	\$ (27,152)	\$ (154,730)	\$ (58,858)	\$ (32,385)
Business interruption income	—	—	—	—	650
Interest expense, net	(29,604)	(17,756)	(77,792)	(64,108)	(57,700)
Gain (loss) on sale of property and other, net	—	1	98	(1,340)	(639)
Share of (loss) profit of equity method investments	(696)	(176)	(3,627)	774	270
Total other expense, net	(30,300)	(17,931)	(81,321)	(64,674)	(57,419)
Loss before income taxes	(93,860)	(45,083)	(236,051)	(123,532)	(89,804)
Income tax benefit (expense)	823	103	776	(4,468)	(43)
Net loss	\$ (93,037)	\$ (44,980)	\$ (235,275)	\$ (128,000)	\$ (89,847)
Net loss attributable to Soho House Holdings Limited	(90,479)	(43,631)	(228,461)	(127,742)	(91,356)
Net loss per share (basic and diluted)	\$ (0.49)	\$ (0.26)	\$ (1.24)	\$ (0.76)	\$ (0.56)
Consolidated Balance Sheet Data					
Cash and cash equivalents	\$ 71,674	\$ 46,250	\$ 52,887	\$ 44,050	\$ 47,748
Restricted cash	\$ 7,029	\$ 7,694	\$ 7,083	\$ 12,265	\$ 23,709
Total assets	\$ 2,122,162	\$ 1,918,641	\$ 2,104,445	\$ 1,964,977	\$ 1,435,107
Total liabilities	\$ 2,186,750	\$ 2,035,041	\$ 2,303,333	\$ 2,064,830	\$ 1,512,921
Redeemable preferred shares	\$ 176,274	\$ 14,700	\$ 14,700	\$ 14,700	\$ 29,700
Redeemable C ordinary shares	\$ 207,405	\$ 67,416	\$ 160,405	\$ 67,416	\$ —
Total non-current liabilities	\$ 1,806,135	\$ 1,721,615	\$ 1,950,375	\$ 1,762,191	\$ 1,176,010
Total shareholders' deficit	\$ (448,267)	\$ (198,516)	\$ (373,993)	\$ (181,969)	\$ (107,514)
Total liabilities, redeemable preferred shares and shareholders' deficit	\$ 2,122,162	\$ 1,918,641	\$ 2,104,445	\$ 1,964,977	\$ 1,435,107
Other Operating Data (unaudited)					
Number of Houses	28	26	27	26	23
Number of Soho House Members	111,311	123,357	113,509	119,832	101,968
Number of Other Members	7,874	586	5,252	424	241
Soho House Member Retention	n/a	n/a	92%	95%	95%
House-Level Contribution ⁽²⁾	\$ 10,123	\$ 19,352	\$ 81,159	\$ 97,946	\$ 94,529
As a percentage of House Revenues	18%	17%	27%	20%	23%
Total Other Contribution	\$ (11,724)	\$ 602	\$ (26,070)	\$ 19,649	\$ 22,077
Adjusted EBITDA⁽³⁾	\$ (22,792)	\$ (8,943)	\$ (44,080)	\$ 17,650	\$ 37,288
As a percentage of total revenue	(31)%	(6)%	(11)%	3%	6%
Number of Active App Users	76,308	79,184	77,226	90,885	76,021

- (1) In-House operating expenses includes our rent expense of \$29,155 and \$26,382 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$110,707, \$88,761 and \$61,097 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. Rent expense under ASC 842 includes an amount related to future rent increases and free-rent periods of \$10,423 and \$7,896 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$15,627, \$33,128 and \$9,434 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. These amounts are not related to the total contractual rent cashflows for the periods presented in the Consolidated Statements of Operations above.
- (2) 'House-Level Contribution' is defined as House Revenues (which we define as Membership Revenues as well as In-House Revenues, less 'Non-House Membership Revenue') less 'In-House Operating Expenses,' which includes expense items

such as food and beverage costs, labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, business interruption income or general and administrative expenses. Our management considers House-Level Contribution to be an important management measure to evaluate the performance and profitability of each House, and growth in aggregate House-Level Contribution allows us to leverage our general and administrative costs and improve overall profitability. For a reconciliation of House-Level Contribution to Operating Loss see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

- (3) ‘Adjusted EBITDA’ is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, share of equity method investments adjusted EBITDA and share-based compensation expense (See “Summary Historical Consolidated Financial and Operating Data” included elsewhere in this prospectus). We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses (income) that do not relate to ongoing business performance. A reconciliation of Adjusted EBITDA to Net Loss is presented below.

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
In Constant Currency (Unaudited) ⁽¹⁾ (Dollar amounts in thousands, except per share data)					
Consolidated Statements of Operations Data					
Revenues					
Membership revenues	\$ 40,493	\$ 49,417	\$ 176,910	\$ 168,037	\$ 131,862
In-House revenues	16,259	70,753	126,774	313,631	273,184
Other revenues	15,649	27,424	80,692	163,045	156,594
Total revenues	\$ 72,401	\$ 147,594	\$ 384,376	\$ 644,713	\$ 561,640
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization) ⁽²⁾	(45,809)	(99,394)	(220,036)	(381,472)	(312,917)
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(27,614)	(109,251)	(145,161)	(134,489)
General and administrative expenses	(16,505)	(26,340)	(74,954)	(75,804)	(60,643)
Pre-opening expenses	(4,825)	(6,203)	(21,058)	(23,529)	(19,960)
Depreciation and amortization	(17,845)	(15,637)	(69,802)	(57,302)	(47,125)
Other	(22,784)	(2,607)	(44,005)	(20,446)	(17,126)
Total operating expenses	(135,961)	(177,795)	(539,106)	(703,714)	(592,260)
Operating loss	\$ (63,560)	\$ (30,201)	\$ (154,730)	\$ (59,001)	\$ (30,620)
Business interruption income	—	—	—	—	650
Interest expense, net	(29,604)	(18,887)	(77,792)	(64,276)	(55,667)
Gain (loss) on sale of property and other, net	—	2	98	(1,343)	(644)
Share of (loss) profit of equity method investments	(696)	(230)	(3,627)	717	265
Total other expense, net	(30,300)	(19,115)	(81,321)	(64,902)	(55,396)
Loss before income taxes	(93,860)	(49,316)	(236,051)	(123,903)	(86,016)
Income tax benefit (expense)	823	113	776	(4,536)	(26)
Net loss	\$ (93,037)	\$ (49,203)	\$ (235,275)	\$ (128,439)	\$ (86,042)

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
In Constant Currency (Unaudited)(1) (Dollar amounts in thousands, except per share data)					
Net loss attributable to Soho House Holdings Limited	\$ (90,479)	\$ (47,840)	\$ (228,461)	\$ (128,193)	\$ (87,483)
Net loss per share	\$ (0.49)	\$ (0.26)	\$ (1.24)	\$ (0.76)	\$ (0.56)
Other Operating Data					
House-Level Contribution(3)	\$ 10,123	\$ 19,912	\$ 81,159	\$ 98,208	\$ 92,130
As a percentage of House Revenues	18%	17%	27%	20%	23%
Total Other Contribution	\$ (11,724)	\$ 674	\$ (26,070)	\$ 19,872	\$ 22,105
Adjusted EBITDA(4)	\$ (22,792)	\$ (11,068)	\$ (44,080)	\$ 17,738	\$ 37,012
As a percentage of Total Revenues	(31)%	(8)%	(11)%	3%	7%

- (1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for an explanation of our constant currency results.
- (2) In-House operating expenses includes our rent expense of \$29,155 and \$27,223 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$110,707, \$89,179 and \$60,067 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. Rent expense under ASC 842 includes an amount related to future rent increases and free-rent periods of \$10,423 and \$8,189 for the 13-weeks period ended April 4, 2021 and March 29, 2020, respectively, and \$15,627, \$33,284 and \$9,275 for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. These amounts are not related to the total contractual rent cashflows for the periods presented in the Consolidated Statements of Operations above.
- (3) ‘House-Level Contribution’ is defined as House Revenues (which we define as Membership Revenues plus In-House Revenues, less ‘Non-House Membership Revenue’) less ‘In-House Operating Expenses,’ which includes expense items such as food and beverage costs, labor costs, variable overheads and fixed costs, such as rent. It does not reflect the impact of depreciation, amortization, impairment, gain or loss on sale of property, business interruption income or general and administrative expenses. Our management considers House-Level Contribution to be an important management measure to evaluate the performance and profitability of each House, and growth in aggregate House-Level Contribution allows us to leverage our general and administrative costs and improve overall profitability. For a reconciliation of House-Level Contribution to Operating Loss see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”
- (4) ‘EBITDA’ is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes. ‘Adjusted EBITDA’ is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, share of equity method investments adjusted EBITDA and share-based compensation expense. We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses (income) that do not relate to ongoing business performance.

Below is a reconciliation to Adjusted EBITDA from Net Loss for the periods specified:

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(Unaudited) (Dollar amounts in thousands)				
Net Loss	\$ (93,037)	\$ (44,980)	\$ (235,275)	\$ (128,000)	\$ (89,847)
Depreciation and amortization	17,845	14,949	69,802	57,139	48,387
Interest expense, net	29,604	17,756	77,792	64,108	57,700
Income tax (benefit) expense	(823)	(103)	(776)	4,468	43
EBITDA	(46,411)	(12,378)	(88,457)	(2,285)	16,283
(Gain) loss on sale of property and other, net	—	(1)	(98)	1,340	639
Share of loss (profit) from equity method investments	696	176	3,627	(774)	(270)
Foreign exchange	14,867 ⁽¹⁾	391	(3,354)	(3,465)	1,315
Share of equity method investments Adjusted EBITDA	871	1,210	3,563	6,747	5,877
Share-based compensation expense	2,129	—	2,618	—	—
Membership credits expense ⁽²⁾	2,750	—	12,156	—	—
COVID-19 related charges ⁽³⁾	31	1,162	4,606	—	—
Corporate financing and restructuring costs ⁽⁴⁾	2,275	497	14,147	6,127	13,444
Abandoned project and site closure costs	—	—	7,111	—	—
Impairment charge on receivables	—	—	—	9,960	—
Adjusted EBITDA	<u>\$(22,792)</u>	<u>\$ (8,943)</u>	<u>\$ (44,080)</u>	<u>\$ 17,650</u>	<u>\$ 37,288</u>

- (1) The increase in foreign exchange period on period is driven by an increase in non-USD denominated borrowings, which have increased since the preceding period, foreign exchange volatility, and an out of period adjustment as described in Note 2 of the Company's condensed consolidated financial statements included elsewhere in this document.
- (2) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the Membership credits.
- (3) Represents items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.

- (4) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In first quarter 2021, these costs consisted of certain items relating to acquiring shareholdings of joint ventures and non-controlling interests of \$250 not held by the Company and refinancing fees incurred totalling \$2,025. In first quarter 2020, we commenced an internal restructuring to simplify the business in terms of headcount and cost structure, incurring costs of \$497. In fiscal 2020, we undertook an internal restructuring to simplify the business in terms of headcount and cost structure, incurring \$5,956 as well as \$3,323 of losses in respect of contractual arrangements and \$2,992 of site restructuring and closure costs, further we began preparations for a refinancing transaction incurring \$1,551 as well as including establishing an equity compensation plan, incurring \$325. In fiscal 2019, this included fees in respect of the Scorpios acquisition of \$6,127. In fiscal 2018 there was an abandoned financing transaction where \$13,444 was incurred.

	For the 13-Weeks Ended		For the Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
In Constant Currency (Unaudited) ⁽¹⁾					
(Dollar amounts in thousands)					
Net Loss	\$(93,037)	\$(49,203)	\$(235,275)	\$ (128,439)	\$ (86,042)
Depreciation and amortization	17,845	15,637	69,802	57,302	47,125
Interest expense, net	29,604	18,887	77,792	64,276	55,667
Income tax (benefit) expense	(823)	(113)	(776)	4,536	26
EBITDA	(46,411)	(14,792)	(88,457)	(2,325)	16,776
(Gain) loss on sale of property and other, net	—	(2)	(98)	1,343	644
Share of loss (profit) from equity method investments	696	230	3,627	(717)	(265)
Foreign exchange	14,867 ⁽²⁾	437	(3,354)	(3,468)	1,226
Share of equity method investments Adjusted EBITDA	871	1,267	3,563	6,771	5,744
Share-based compensation expense	2,129	—	2,618	—	—
Membership credits expense ⁽³⁾	2,750	—	12,156	—	—
COVID-19 related charges ⁽⁴⁾	31	1,255	4,606	—	—
Corporate financing and restructuring costs ⁽⁵⁾	2,275	537	14,147	6,145	12,887
Abandoned project and site closure costs	—	—	7,111	—	—
Impairment charge on receivables	—	—	—	9,989	—
Adjusted EBITDA	<u>\$(22,792)</u>	<u>\$(11,068)</u>	<u>\$(44,080)</u>	<u>\$ 17,738</u>	<u>\$ 37,012</u>

- (1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.
- (2) The increase in foreign exchange period on period is driven by an increase in non-USD denominated borrowings, which have increased since the preceding period, and foreign exchange volatility.
- (3) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the Membership credits.

- (4) Represents items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.
- (5) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In first quarter 2021, these costs consisted of certain items relating to acquiring shareholdings of joint ventures and non-controlling interests of \$250 not held by the Company and refinancing fees incurred totalling \$2,025. In first quarter 2020, we commenced an internal restructuring to simplify the business in terms of headcount and cost structure, incurring costs of \$537. In fiscal 2020, we undertook an internal restructuring to simplify the business in terms of headcount and cost structure, incurring \$5,956 as well as \$3,323 of losses in respect of contractual arrangements and \$2,992 of site restructuring and closure costs, further we began preparations for a refinancing transaction incurring \$1,551 as well as including establishing an equity compensation plan, incurring \$325. In fiscal 2019, this included fees in respect of the Scorpions acquisition of \$6,145. In fiscal 2018 there was an abandoned financing transaction where \$12,887 was incurred.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of our financial condition and results of operations should be read in conjunction with the sections "Prospectus Summary—Summary Historical Consolidated Financial and Operating Data," "Selected Historical Consolidated Financial and Operating Data," and our consolidated financial statements and notes thereto included elsewhere in this prospectus. This discussion includes forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this prospectus. See "Special Note Regarding Forward-Looking Statements and Market Data." Future results could differ significantly from the historical results presented in this section. Unless otherwise indicated, all amounts are in thousands of US dollars.

OVERVIEW

OUR MEMBERSHIP PLATFORM – TWENTY-FIVE YEARS OF EXPERIENCE

The Membership Collective Group (MCG) is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the MCG platform to both work and socialize, to connect, create, have fun and drive a positive change.

We began with the opening of the first Soho House in 1995 and remain the only company to have scaled a private membership platform with a global presence. Over the last 25 years, we have expanded our membership expertise and diversified our offerings—both physically and digitally. As of April 4, 2021, we have over 119,000 members (including over 111,300 Soho House members) who engage with MCG through our global portfolio of 28 Soho Houses, nine Soho Works, The Ned in London, Scorpions Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.



The central pillar of MCG is Soho House, which drives the majority of our membership and revenue today. Since the opening of our first House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we believe our membership offering, consistently high standards of service, and our global footprint remain unparalleled. As of April 4, 2021, Soho House is a membership of more than 111,300 creative and loyal individuals. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including the SH.APP and our website. Our vision for the SH.APP has always been for it to be like having a House in your pocket. It's our central destination for members to make bookings and payments, to connect with each other and access video content and podcasts — made for our members, by our members. Annually, we host thousands of physical and digital member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music—and help our members forge connections to bring them closer together.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into the Membership Collective Group, a home to numerous memberships including Cities Without Houses, Soho Works, Soho Friends, Soho House Digital, SOHO HOME+ and Ned’s Club. By designing, curating and growing our membership offering, our membership platform can quickly and easily respond to shifting lifestyle trends and the evolution of our members’ needs. Our memberships work together, allowing us to reach new audiences with a set of interconnected offerings.



Everything we do across these memberships begins and ends with our members. The foundation of our member experience has been crafted over our 25-year history and is built on the following pillars:

- Membership:** We are in the business of forging connections and bringing people together. Our diverse global membership is the soul of our company. It is the people that define our culture and shape the experience – in turn attracting new members.
- Physical and digital spaces:** We create and operate interconnected spaces. Each of our physical locations is designed to reflect our members and the local community that they serve. Our digital platforms extend our connection with members beyond our physical spaces, in turn significantly enhancing the member experience.
- Design:** Our design DNA is instantly recognizable across all of our membership models, whether in our Houses, Soho Works, The Ned, Scorpios Beach Club or Soho Home. While each House is unique, they each have a consistency in their architectural and interior style that has come to define the Soho House experience. In each new House or site that we develop for our other brands, this style is interpreted for local tastes and preferences, reflecting the culture of the respective city.
- Services, products and experiences:** Our member-obsessed culture drives us to relentlessly improve the quality of the services, products and experiences we offer to our members. We do not cut corners or compromise on quality, taking the long-term view that there is no substitute for the highest quality services, products and experiences when it comes to fostering loyalty from our members.

- *Innovation:* We have always strived to adapt and evolve by anticipating our members' needs and wants. Innovation has always been part of our culture and approach, and we have used that mindset to create new memberships to serve a wider audience of people who desire personal connection via new channels.
- *House Foundations:* We are committed to integrating the pillars of our social responsibility and sustainability program, House Foundations, into everything we do.

Sitting at the heart of MCG, Soho House has a highly loyal membership base, with annual Soho House Member Retention rates averaging 94% between fiscal 2016 and 2020. Our membership has remained resilient through multiple economic cycles and the COVID-19 pandemic. When our physical sites were forced to close as a result of the COVID-19 pandemic, there was minimal impact on the retention of Soho House members, with the Soho House Member Retention rate remaining at 92% for fiscal 2020. We also saw the demand across all of our membership brands strengthen, with over 30,000 applications for our membership brands submitted during fiscal 2020. The power of our model is driven by the important role we believe that we play in our members' lives and the value we consistently provide them for their membership fees. We believe our retention compares favorably to leading consumer subscriptions or memberships—across music, media, fitness, entertainment and commerce—despite, in many cases, their significantly lower price points.

The demand for our membership is also demonstrated by our large and growing global wait list, which as of January 1, 2021 stands at over 48,000 applicants. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage. With virtually no marketing or sales costs associated with acquiring new members, we have been able to grow our membership by a 16% CAGR between fiscal 2016 and 2020, while expanding our Membership Revenue at a 24% CAGR during the same period.

There are multiple consumer forces at play that have increased the relevance of our memberships. We have observed a secular shift in the ways that people live and work—with less time spent in traditional corporate offices and more time in social spaces that encourage creativity and mutual engagement. We believe that these trends will only accelerate, and that the freedom to be able to choose where to live and work—particularly in light of the COVID-19 pandemic—will likely have a significant impact on our target market. We believe this will create an even greater demand for curated communities that can grow and thrive in a more deliberate environment.

For first quarter 2021, of our \$72 million in revenue, \$40 million (56%) was attributable to Membership Revenues, \$16 million (22%) to In-House Revenues, and \$16 million to Other Revenues (22%). For first quarter 2020, of our \$142 million in revenue, \$48 million (34%) was attributable to Membership Revenues, \$68 million (48%) to In-House Revenues, and \$26 million to Other Revenues (18%). For fiscal 2020, of our \$384 million in revenue, \$177 million (46%) was attributable to Membership Revenues, \$127 million (33%) to In-House Revenues, and \$81 million to Other Revenues (21%). For fiscal 2019, of our \$642 million in revenue, \$168 million (26%) was attributable to Membership Revenues, \$312 million (49%) to In House Revenues, and \$162 million to Other Revenues (25%). For fiscal 2018, of our \$575 million in revenue, \$134 million (23%) was attributable to Membership Revenues, \$271 million (47%) to In-House Revenues, and \$170 million to Other Revenues (30%). Please see “—Summary Historical Consolidated Financial and Operating Data” for a definition of Non-GAAP Adjusted EBITDA and a reconciliation to net loss, the most directly comparable GAAP measure.

Membership Revenues are comprised of annual membership fees and one-time initial registration fees paid by members. In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation, and spa products and treatments. Other Revenues include all revenues not realized within our Houses, including Scorpions, Soho Works and standalone restaurants, design and procurement fees from Soho House Design and Soho Home among others. We view Membership Revenues and In-House Revenues as interrelated, insofar as although there is no minimum spend for any member on our In-House offerings that generate In-House Revenues, in practice the significant majority of In-House Revenues are generated by our members, and the pricing of our In-House offerings reflects that accordingly, with pricing of such In-House offerings being identical for both members and non-members.

TOTAL MEMBERSHIP (THOUSANDS)



* Represents Soho House Member Retention only

MEMBERSHIP REVENUE (MILLIONS)



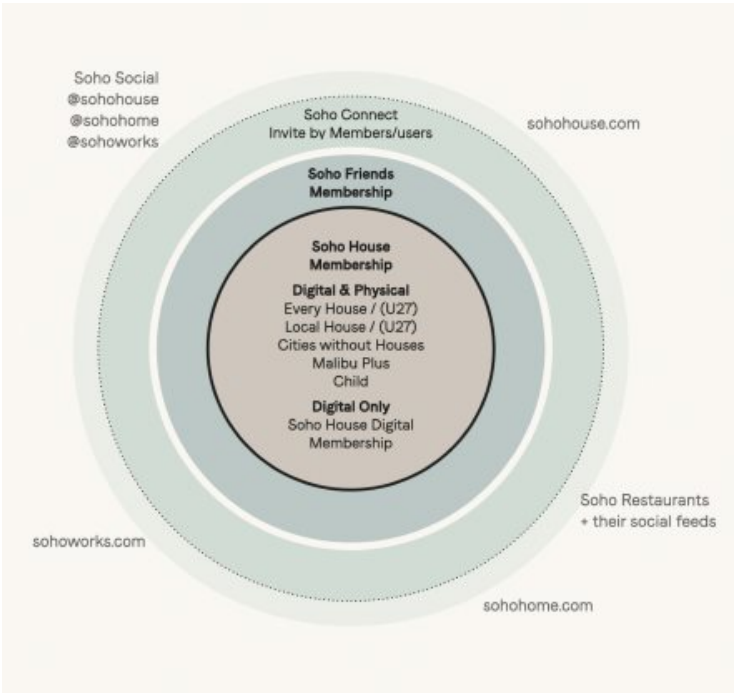
OUR MEMBERSHIP PLATFORM

All of our memberships have been built to enrich the lives of their members, as well as expand our membership offering to a broader audience.

SOHO HOUSE

Soho House remains at the core of our membership platform by creating a foundation upon which additional membership businesses can be built and scaled. While our physical Houses provide our foundation, the people inside them are the soul of Soho House. As a membership founded for the creative industries, we are proud to have championed members who have gone on to shape our cultural landscape as world class writers, artists, performers, directors, founders, designers, and producers – all reflecting the spirit and energy of Soho House.

The membership of each House is assembled by a select committee of influential creatives and innovators that represent the local area in which the membership is founded. Our members actively engage in creating the culture of each House, helping to shape and localize it by participating in member events and contributing to editorial and digital content. We believe this adds to the value of each House, enriching the membership and enhancing the attractiveness of membership to prospective members worldwide. With a current US Every House annual membership fee of approximately \$3,400 providing access to all of our Houses globally, we believe our membership offering provides compelling value to our members that increases as we add new Houses and more members to our global community. Our Houses attract members from every demographic, with members from “Generation Z” (21 years old and younger) and “Millennials” (22- to 37-year-olds) constituting the fastest-growing cohorts. We also believe that the pricing of our In-House offerings represents great value to our members because of the level of quality provided, reinforcing the overall membership experience, rewarding their brand loyalty and creating opportunities for future and recurring revenues.



Information on the websites and social media platforms referenced above is not incorporated by reference into this prospectus.

We created the following types of membership under Soho House to reach a broader audience and enhance the experience of our existing members:

- **CITIES WITHOUT HOUSES**

In 2017, we introduced a new type of Soho House membership known as Cities Without Houses (‘CWH’), which opens up the Soho House membership to people who live in cities where we do not yet have a physical House. This membership allows us to welcome members to our global community in new geographies, generates additional revenues on our existing base of Houses and provides intelligence for future growth, which we have employed to open new Houses in certain locations, including in Austin, Texas and Paris, both of which are expected to open in 2021. We currently have more than 5,000 CWH members across 45 cities, paying an annual US membership price of \$2,630.

- **SOHO HOUSE DIGITAL MEMBERSHIP**

The ambition for Soho House has always been to create a truly global membership that brings creative people together, from all over the world. We believe that we will be able to achieve this through the introduction of Soho House Digital Membership - a new, paid digital-only membership that we plan to launch in late 2021. Not limited by our physical footprint, Soho House Digital Membership will expand our global reach, allowing us to move further into Asia, Africa and South America, adding fascinating creatives from dynamic cities to our membership.

Soho House Digital Membership will be subject to the same application and approval process as Soho House membership, allowing like-minded individuals to connect, communicate and collaborate with each other, in a purely digital space through the SH.APP. It will make our membership truly diverse,

and will enable the best creatives from all over the world to make meaningful connections with each other. In the same way that we've grown Cities Without Houses membership in 45 cities around the world, we will use our connections and liaisons on the ground in new cities to build awareness of digital membership, growing it organically through existing creative communities.

By leveraging our digital platforms in this way, and removing the reliance on physical spaces to experience the benefits of our membership, we have created a gateway to previously untapped growth opportunities. We believe this new membership type will be attractive to potential members who are already used to socializing, networking and working digitally. Existing Soho House members will also receive the full functionalities of the Soho House Digital Membership, and therefore, the introduction of the Soho House Digital Membership only serves to improve the richness of their membership experience, making it more valuable – with new opportunities to connect with and consume content from a truly global and diverse membership base.

- **SOHO FRIENDS**

There are a significant number of people who enjoy the Soho House way of living and who have already visited our Houses as guests, stayed in our bedrooms, or visited our public restaurants and spas, but do not currently have a Soho House membership. To respond to this audience, we launched Soho Friends in November 2020 for an annual subscription cost of £100. We offer access to physical spaces, including Soho House bedrooms, and Soho Studios (our new social spaces for Soho Friends and Soho House members) that host curated programs of events and screenings, with additional benefits from our restaurants, spas and online retail brands, although Soho Friends do not have full access to our Houses. Between November 2020 and April 2021, we have received almost 6,000 applications, the majority of which originated from a recommendation of a Soho House member or a MCG employee, and accepted over 4,000 Soho Friends members. We intend to grow this membership brand in a measured way so that our Soho House members continue to account for the majority of visitors to our Houses and restaurants.

SOHO HOME

Soho Home was created as a result of the constant requests from our members to recreate the look and feel of the Houses in their own homes. Soho Home is an interiors and lifestyle retail brand that offers handcrafted furniture, lighting, textiles, tableware and accessories through ecommerce. Over the past year, we have transformed Soho Home into a high growth retail business, and in October 2020, we launched SOHO HOME+, which is a subscription-based membership platform with over 2,600 members as of April 4, 2021, that offers price discounts, free delivery, and expert design advice plus early access to new collections and seasonal sales for an annual price of £60.

SOHO WORKS

First launched in 2015, Soho Works provides its members with the space and resources to work alongside other like-minded individuals and businesses—facilitating connections and providing the tools to flourish. Aimed at existing Soho House and Soho Friends members, Soho Works draws on the same design principles and membership ethos as Soho House, but is a space purposed entirely for work and creative collaboration.

Beginning with one location in London, we have since opened eight additional sites in London, New York and Los Angeles over the last two years and as of April 4, 2021, we had over 1,000 members. Soho Works membership rates vary by location and Soho House membership status. For Soho House members, a US Soho Works membership ranges from \$250—\$600 per month, depending on membership type.

SCORPIOS BEACH CLUB

Set in a cove on the southern tip of Mykonos, Scorpios offers a one of a kind beach experience with a well-established globally recognized brand. With a restaurant, terraces and daybeds, and a distinctive wellness

offering, Scorpios enriches the lives of its guests who are looking to escape from their daily lives. We believe the Scorpios concept has significant potential to expand into additional locations as a key part of our platform and we expect to open our second site in Tulum, Mexico at the end of 2022. While we do not currently offer a standalone membership, there is significant interest from our customers to do so and we therefore plan to launch a unique Scorpios membership in 2022.

THE NED

The Ned has created a new space in the heart of the City of London for its members to meet, eat, drink and socialize. The Ned brand seeks to embody a “city within a city” full-service destination, by playing host to multiple restaurants, bedrooms, a range of grooming services, spa, gym and a full service members’ club. The membership offered by The Ned (‘Ned’s Club’) is aimed at a broader group of professional people. As of April 4, 2021, Ned’s Club had over 3,000 members paying an annual subscription price of £3,150, and intends to expand into additional cities beyond London, as well as launch Ned Friends – a more accessible membership similar to Soho Friend for frequent visitors and customers of The Ned. We receive management fees under our hotel management contract for the operation of The Ned.

FACTORS AFFECTING OUR BUSINESS

We believe the coveted lifestyle brand we have created has significant and proven growth potential. This potential, combined with the stability of our membership base, we believe will enable us to maintain our position as an industry leader in the future. We expect to grow our member base by growing the number of Soho Houses, continuing to scale our existing membership brands and launching and growing new membership brands. We believe our track record in expanding and growing our platform will position us to achieve significant and sustained growth.

A significant portion of our revenues is derived from House Revenues which consist of Membership Revenues and In-House Revenues. Our Membership Revenues, which are reflective of our steady and growing global brand, help to provide us with a recurring revenue base that limits the impact of fluctuations in regional economic conditions.

Our business and future performance is also affected by a variety of factors, including:

- *The ability to grow our member base.* Long-term member growth is a direct driver of Membership Revenue growth and an important factor in In-House Revenue growth. The impact of long-term member growth on Membership Revenues can be particularly impactful to our earnings given the lower direct expenses associated with incremental Membership Revenues relative to our other revenue streams.
- *Our ability to grow In-House Revenues.* In addition to their annual membership fee, our members pay for goods and services that they consume, which we refer to as In-House Revenues. We continue to actively develop the offerings in our Soho Houses and our other membership brands to improve overall experience and capture greater spend on food and beverage, accommodation, spa services, private events and our other goods and services. We believe that the pricing of our In-House offerings, which is reflective of the membership fees we receive from members who consume most of our In-House offerings, represents great value to our members for the level of quality provided, reinforcing the overall membership experience, rewarding brand loyalty and creating the opportunity for future revenue enhancement. Our proven ability to drive long-term member growth at existing Houses is also an important contributing factor in sustaining In-House Revenue growth.
- *Our ability to adjust membership pricing.* As we expand our number of Soho Houses globally and continue to invest in maintaining the quality of our existing Soho Houses, we are able to grow Membership Revenue by periodically reviewing our membership fee rates, as well as migrating members from Local House to Every House memberships, which also has the effect of increasing Membership Revenues and offering new membership brands to join. Contrary to traditional hospitality

companies which may experience brand dilution as they expand, the value of our membership and brand strengthens as we expand into new cities and properties and new membership brands. As we expand globally, the value of an Every House membership becomes more compelling to both new and existing members, enhancing our revenue potential. Historically, our membership price increases have not had a material impact on our retention rates and we believe this provides a strong indication of demand and price inelasticity for our memberships.

- *Our ability to grow our membership brands and products.* We believe the strength of our brand and our culture of creativity and innovation will allow us to continue to capitalize on opportunities in complementary concepts and product lines and that our adjacent lines of business can achieve substantial stand-alone scale. Our expansion into new products and businesses can contribute meaningfully to our revenue in the future as we tap into our existing and growing membership base.

REPORTABLE SEGMENTS

Our operations consist of four reportable segments and one non-reportable segment that we present as “other”. Each of our segments includes all operations in that region including our Houses and all associated facilities, spas and stand-alone restaurants.

Our four reportable segments and our “other” segment are as follows:

UNITED KINGDOM. This segment encompasses operating units in the UK, including:

- Our ten Houses in and around London;
- Two townhouses encompassing bedrooms and public restaurants, twelve stand-alone restaurants and four Apartments; and
- Soho Friends – UK membership fees.

NORTH AMERICA. This segment encompasses operating units in North America, including:

- Our eight US Houses, our Toronto (Canada) House, which is a joint venture entity and the management fees from Soho Beach House Canouan;
- Three stand-alone US restaurants; and
- Soho Friends – US membership fees.

EUROPE AND REST OF THE WORLD (‘ROW’). This segment encompasses operating units in continental Europe and RoW, currently comprised of:

- Six Houses in Europe including Soho House Barcelona and Little Beach House Barcelona, which are joint venture entities, and Soho House Istanbul which is under a management agreement;
- Soho House Hong Kong and the management fees from Soho House Mumbai;
- Our majority interest in Scorpions Beach Club Mykonos; and
- Soho Friends – Europe membership fees.

SOHO HOUSE DESIGN. Our Soho House Design segment provides the design of our Houses, properties and other units. Most often, Soho House Design services are provided as part of our in-house development activities and do not generate revenues from third parties.

ALL OTHER. This segment encompasses retail sales from:

- Our Soho Home retail offerings;

- Cowshed products and spa services outside of our Soho Houses;
- Our Cities Without Houses membership; and
- Our Soho Works clubs.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with the audits of our consolidated financial statements for fiscal 2020, fiscal 2019 and fiscal 2018, our management and independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. The material weaknesses related to (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience in the application of GAAP, commensurate with our financial reporting requirements and (ii) the determination that policies and procedures related to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively. As a result, numerous adjustments to our consolidated financial statements were identified and made during the course of the audit process. We are currently in the process of remediating these material weaknesses and are taking steps that we believe will address their underlying causes. We have enlisted the help of external advisors to provide assistance in the areas of internal controls and GAAP accounting in the short term, and are evaluating the longer-term resource needs of our accounting staff, including GAAP expertise. These remediation measures may be time consuming and costly, and might place significant demands on our financial, accounting and operational resources. In addition, there is no assurance that we will be successful in hiring any necessary finance and accounting personnel in a timely manner, or at all.

We are currently not required to comply with Section 404 of the Sarbanes-Oxley Act, and are therefore not required to make an assessment of the effectiveness of our internal control over financial reporting. Upon becoming a publicly traded company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require our management to certify financial and other information in our quarterly and annual reports to be filed with the SEC and provide an annual management report on the effectiveness of our internal control over financial reporting. We will not be required to make our first assessment of our internal control over financial reporting until the year following our first annual report required to be filed with the SEC. Further, our independent registered public accounting firm is not required and has not been engaged to express, nor have they expressed, an opinion on the effectiveness of our internal control over financial reporting. Had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional control deficiencies may have been identified by our management or independent registered public accounting firm, and those control deficiencies could have also represented one or more material weaknesses.

Assessing our procedures to improve our internal control over financial reporting is an ongoing process. We can provide no assurance that our remediation efforts described herein will be successful and that we will not have material weaknesses in the future. Any material weaknesses we identify could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements, please see "Note 2, Summary of Significant Accounting Policies" in our consolidated financial statements and notes thereto included elsewhere in this prospectus.

KEY PERFORMANCE AND OPERATING METRICS EVALUATED BY MANAGEMENT

In assessing the performance of our business, we consider a variety of operating and financial measures. These key measures include:

NUMBER OF SOHO HOUSES. The number of Soho Houses reflects the total number of Soho Houses in operation in any period, irrespective of whether each House is (i) controlled by us, (ii) operated through a non-controlling interest in a joint venture or (iii) operated through a management contract.

We review the number of members from all Houses to assess new member growth, total House Revenues, and House-Level Contribution.

NUMBER OF SOHO HOUSE MEMBERS. Our Soho House membership model is an integral part of our business and has a significant impact on our profitability and financial performance. Typically members hold an Every House membership or a Local House membership. Member count is the primary driver of Membership Revenues and is also a critical factor in In-House Revenues as members utilize the offerings that are provided within the Houses. Soho House members include all active, frozen and non-paying members.

The extent to which we achieve growth in our membership base, retain existing members and periodically increase our membership fee rates will impact our profitability. We have historically enjoyed strong member loyalty, reflected by very high retention rates. Robust demand for our memberships is also evidenced by considerable wait lists for our Houses.

The year-over-year increase in our total number of Soho House members is driven by a combination of increases in membership at existing Houses and members from new Houses.

SOHO HOUSE MEMBER RETENTION. Soho House Member Retention is defined as the number of Adult Paying Members at the beginning of a period less the number of Adult Paying Members who cancelled their membership during that same period (without giving any effect to Adult Paying Members who froze their memberships during such period), as a proportion of total Adult Paying Members at the beginning of such period.

NUMBER OF OTHER MEMBERS. Other members include members of Soho Works, Soho Friends and SOHO HOME+ and are key to our growth strategy and enhancing our Soho House member experience. Like Soho House members, other memberships are an integral part of our business and we believe will have a significant impact on our profitability and financial performance in the future.

FROZEN MEMBERS. Frozen Members refers to Soho House members who have elected to suspend their membership payments on a six, nine or twelve month basis during which period the member is not able to gain access to a Soho House site as a member, access our membership Apps, or book bedrooms or Cowshed treatments or products on discounted member rates. Frozen Members are not included in Adult Paying Members, but are included in the total number of Soho House members.

MEMBERSHIP REVENUES Membership Revenues are comprised of House Membership Revenues (as defined in “Non-GAAP Financial Measures”) and Non-House Membership Revenues (as defined below). House Membership Revenues and Non-House Membership Revenue are each comprised primarily of annual membership fees and one-time registration fees which are amortized over 20 years. Membership Revenues are a function of the number of members, membership mix, and membership pricing. For GAAP, we report Membership Revenues only from Houses and sites in which we own a controlling interest. Our membership pricing varies by geographic segment and membership offering and, as such, our mix of House and Soho Works club openings can affect our revenue growth and profitability over time. Prices are generally higher in North America and the rest of the world compared with the UK and Europe. Membership Revenues provide a stable and recurring source of revenues which have few direct costs and, as such, is a reliable and predictable source of cash flow.

HOUSE MEMBERSHIP REVENUES. House Membership Revenues is an important performance indicator and is defined in “Non-GAAP Financial Measures.”

IN-HOUSE REVENUES. In House Revenues refer to all revenues realized within our Houses, and primarily includes revenues from food and beverage, accommodation, and spa products and treatments.

HOUSE REVENUES. House Revenues is an important performance indicator and is defined in “Non-GAAP Financial Measures.”

OTHER REVENUES. Other Revenues are defined as total revenues that are not realized within our Houses, including revenues from Scorpions, Soho Works and our stand-alone restaurants, procurement fees from Soho House Design, Soho Home and Cowshed retail products and other revenues from products and services that we provide outside of our Houses, as well as management fees from the Ned.

NON-HOUSE MEMBERSHIP REVENUES. Non-House Membership Revenues are comprised of Soho Works membership revenue, Soho Friends membership revenue and SOHO HOME+ membership revenue.

ACTIVE APP USERS. Active App Users is defined as unique users who have logged into any of our membership Apps within the last three months.

NON-GAAP FINANCIAL MEASURES

We refer to Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin throughout this prospectus, as we use these measures to evaluate our operating performance and each of these measures is defined in “Non-GAAP Financial Measures.” We believe these measures are useful to investors in evaluating our operating performance. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin are all supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin should not be considered as substitutes for GAAP metrics such as Operating Loss and Net Loss or any other performance measure derived in accordance with GAAP. Some of our financial and operational data that we disclose in this prospectus are presented on a ‘constant currency’ basis to isolate the effect of currency changes during the period. Where we refer to a measure being calculated in ‘constant currency’, we are calculating the dollar change and the percentage change as if the exchange rate that is being used in the current period was in effect for all prior periods presented except where we discuss a comparison of our results comparing fiscal 2019 to fiscal 2018, in which case we calculate constant currency for fiscal 2018, using exchange rates in effect in 2019. We believe that this calculation provides a more meaningful indication of actual year over year performance and eliminates the fluctuations from currency exchange rates.

KEY PERFORMANCE AND OPERATING METRICS

	13-Weeks Ended		Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
Number of Soho Houses	28	26	(Unaudited) 27	26	23
North America	10	9	9	9	8
United Kingdom	10	10	10	10	9
Europe/RoW	8	7	8	7	6
Number of Soho House Members	111,311	123,357	113,509	119,832	101,968
North America	41,867	47,994	45,470	46,755	40,552
United Kingdom	44,709	47,588	42,722	46,591	41,985
Europe/RoW	19,681	22,207	20,213	21,252	15,958
All Other	5,054	5,568	5,104	5,234	3,473
Number of Other Members	7,874	586	5,252	424	241
North America	1,263	—	769	—	—
United Kingdom	6,427	586	4,424	424	241
Europe/RoW	184	—	59	—	—
Number of Active App Users	76,308	79,184	77,226	90,885	76,021
	April 4, 2021	March 29, 2020	April 4, 2021	March 29, 2020	
	Actual	Actual	Constant Currency ⁽¹⁾	Constant Currency ⁽¹⁾	
	(unaudited)				
	(Dollar amounts in thousands)				
Membership Revenue growth year over year	(15)%	23%	(15)%	16%	
North America	(22)%	20%	(22)%	17%	
United Kingdom	(6)%	16%	(6)%	3%	
Europe/RoW	(5)%	59%	(5)%	39%	
All Other	(17)%	69%	(17)%	80%	
Operating Loss	\$ (63,560)	\$ (27,152)	\$ (63,560)	\$ (30,201)	
Operating Loss Margin	(88)%	(19)%	(88)%	(20)%	
House-Level Contribution	\$ 10,123	\$ 19,352	\$ 10,123	\$ 19,912	
House-Level Contribution Margin	18%	17%	18%	17%	
Other Contribution	\$ (11,724)	\$ 602	\$ (11,724)	\$ 674	
Other Contribution Margin	(71)%	2%	(71)%	10%	
Adjusted EBITDA	\$ (22,792)	\$ (8,943)	\$ (22,792)	\$ (11,068)	
As a percentage of Total Revenue	(31)%	(6)%	(31)%	(8)%	

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

	January 3, 2021	December 29, 2019	December 30, 2018	January 3, 2021 Constant Currency ⁽¹⁾	December 29, 2019 Constant Currency ⁽¹⁾	December 30, 2018 Constant Currency ⁽¹⁾
	Actual	Actual	Actual			
(unaudited) (Dollar amounts in thousands)						
Membership Revenue growth year over year	6%	25%	37%	6%	27%	34%
North America	2%	21%	30%	2%	21%	30%
United Kingdom	3%	21%	39%	3%	26%	34%
Europe/RoW	46%	28%	35%	46%	36%	28%
All Other	8%	n/m	n/m	8%	n/m	n/m
Operating Loss	\$ (154,730)	\$ (58,858)	\$ (32,385)	\$ (154,730)	\$ (59,001)	\$ (30,620)
Operating Loss Margin	(40)%	(9)%	(6)%	(40)%	(9)%	(5)%
House-Level Contribution	\$ 81,159	\$ 97,946	\$ 94,529	\$ 81,159	\$ 98,208	\$ 92,130
House-Level Contribution Margin	27%	20%	23%	27%	20%	23%
Other Contribution	\$ (26,070)	\$ 19,649	\$ 22,077	\$ (26,070)	\$ 19,872	\$ 22,105
Other Contribution Margin	(31)%	12%	13%	(31)%	12%	13%
Adjusted EBITDA	\$ (44,080)	\$ 17,650	\$ 37,288	\$ (44,080)	\$ 17,738	\$ 37,012
As a percentage of Total Revenue	(11)%	3%	6%	(11)%	3%	7%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

**COMPARISON OF THE 13-WEEKS ENDED
APRIL 4, 2021 AND MARCH 29, 2020**

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	13-Weeks Ended			March 29, 2020 Constant Currency ⁽¹⁾ (Dollar amounts in thousands)	Constant Currency change % ⁽¹⁾
	April 4, 2021	March 29, 2020			
	Actual		Change %		
	(Dollar amounts in thousands)				
	(Unaudited)				
Revenues					
Membership revenues	\$ 40,493	\$ 47,752	(15)%	\$ 49,417	(18)%
In-House revenues	16,259	67,871	(76)%	70,753	(77)%
Other revenues	15,649	25,929	(40)%	27,424	(43)%
Total revenues	72,401	141,552	(49)%	147,594	(51)%
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(45,809)	(95,469)	(52)%	(99,394)	(54)%
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(26,129)	8%	(27,614)	2%
General and administrative expenses	(16,505)	(24,147)	(32)%	(26,340)	(37)%
Pre-opening expenses	(4,825)	(5,687)	(15)%	(6,203)	(22)%
Depreciation and amortization	(17,845)	(14,949)	19%	(15,637)	14%
Other	(22,784)	(2,323)	n/m	(2,607)	n/m
Total operating expenses	(135,961)	(168,704)	(19)%	(177,795)	(24)%
Operating Loss	(63,560)	(27,152)	n/m	(30,201)	n/m
Other (expense) income					
Interest expense, net	(29,604)	(17,756)	67%	(18,887)	57%
Gain on sale of property and other, net	—	1	n/m	2	n/m
Share of (loss) profit of equity method investments	(696)	(176)	n/m	(230)	n/m
Total other expense, net	(30,300)	(17,931)	69%	(19,115)	59%
Loss before income taxes	(93,860)	(45,083)	n/m	(49,316)	n/m
Income tax benefit (expense)	823	103	n/m	113	n/m
Net loss	\$ (93,037)	(44,980)	n/m	\$ (49,203)	n/m
Net income attributable to noncontrolling interest	2,558	1,349	90%	1,363	88%
Net loss attributable to Soho House Holdings Limited	\$ (90,479)	\$ (43,631)	n/m	\$ (47,840)	n/m

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

OVERVIEW

The COVID-19 pandemic continued to impact our first quarter 2021 results. Operating results at our Houses and other sites fell as a result of closures and restrictions for all regions for a significant part of the quarter.

From the end of fiscal 2020 and in the 13 weeks of first quarter 2021, our global number of House members fell by 2,198, or 2% and Soho Works members fell by 142, or 11%. However, we gained 1,938 Soho Friends members and 826 SOHO HOME+ members. Soho House Adult Paying Members fell by 3,251 and our Frozen

Members increased by 1,390 from the end of fiscal 2020, as a result of the continued impact of COVID-19 on our Houses and Members, particularly in the UK and Europe.

In the quarter, we opened a new House in Canouan on March 15, 2021, increasing our total House count to 28.

Total In-House Revenue fell by 76% in first quarter 2021 compared to first quarter 2020, or 77% in constant currency. This was primarily due to House closures or trading restrictions throughout the quarter in comparison to first quarter 2020 where COVID-19 trading restrictions were not in place until the last 2 weeks of the period.

All Other Revenue was 40% lower in first quarter 2021 as compared to first quarter 2020, due to spa and restaurant closures caused by COVID-19 and other restrictions on trading. However, this decrease was partially offset by increased revenue in Soho Home.

Operating Loss was 134% greater in first quarter 2021 primarily due to COVID-19, with falls in all revenue channels in comparison to first quarter 2020. These falls were partially offset by falls in In-House and Other Operating Expenses and General and Administrative expenses following lower sales volumes, cost restructuring and government support.

Net Loss attributable to Soho House Holdings Limited was 107% higher in first quarter 2021 compared to first quarter 2020. Adjusted EBITDA loss was \$22,792 compared to \$8,943 Adjusted EBITDA loss for first quarter 2020 due to the full period impact of COVID-19 on trading in the entire first quarter of 2021, whereas there was only a partial impact of first quarter 2020.

TOTAL REVENUE

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Total Revenues	\$72,401	\$ 141,552	(49)%	(51)%
North America	38,432	63,799	(40)%	(40)%
United Kingdom	14,412	48,629	(70)%	(73)%
Europe/RoW	5,996	14,271	(58)%	(61)%
Soho House Design	4,353	5,044	(14)%	(18)%
All Other	9,208	9,809	(6)%	(12)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

MEMBERSHIP REVENUES

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Membership Revenues	\$40,493	\$ 47,752	(15)%	(18)%
North America	20,307	26,013	(22)%	(22)%
United Kingdom	13,631	14,465	(6)%	(13)%
Europe/RoW	4,054	4,265	(5)%	(13)%
All Other	2,501	3,009	(17)%	(20)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Membership Revenues were \$40,493 for first quarter 2021 compared to \$47,752 for first quarter 2020, a decrease of \$7,259 or 15%.

The fall was primarily driven by fewer Adult Paying Members in first quarter 2021 compared to first quarter 2020, with 17,432 fewer Adult Paying Members from fully consolidated Houses. Our North America segment saw the greatest fall in revenue of 22% due to the largest decrease in Adult Paying Members, with 9,174 fewer members compared to first quarter 2020, which is further compounded by the higher average membership fees North America Adult Paying Members pay when compared to members in other regions.

In constant currency, Membership Revenue would have decreased by \$8,625 or 18%.

IN-HOUSE REVENUES

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
In-House Revenues	\$16,259	\$ 67,871	(76)%	(77)%
North America	14,256	31,921	(55)%	(55)%
United Kingdom	60	26,022	(100)%	(100)%
Europe/RoW	1,943	9,928	(80)%	(82)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

In-House Revenues were \$16,259 for the first quarter 2021, compared to \$67,871 for first quarter 2020, a decrease of \$51,612, or 76%. The decrease was driven by House closures and trading restrictions to COVID-19, particularly in the United Kingdom where all Houses were closed for the whole quarter. In constant currency, In-House Revenues would have decreased by \$54,292, or 77%. The COVID-19 impact on first quarter 2020 was confined to the last few weeks of March.

OTHER REVENUES

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Other Revenues	\$15,649	\$ 25,929	(40)%	(43)%
North America	3,868	5,864	(34)%	(34)%
United Kingdom	721	8,143	(91)%	(92)%
Europe/RoW	—	78	n/m	n/m
Soho House Design	4,353	5,044	(14)%	(18)%
All Other	6,707	6,800	(1)%	(9)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other Revenues were \$15,649 for first quarter 2021, compared to \$25,929 for first quarter 2020, a decrease of \$10,280, or 40%. This decrease was primarily driven by closures and restricted trading due to COVID-19, partially offset by Soho Home which grew revenue by 41% compared to first quarter 2020, in turn driven by a 141% increase in Soho Home online sales. This was a result of a new website and new products launched in the latter half of fiscal 2020. In constant currency, Other Revenues fell 43% year on year.

IN-HOUSE OPERATING EXPENSES AND HOUSE-LEVEL CONTRIBUTION

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
In-House Operating Expenses	\$ 45,809	\$ 95,469	(52)%	(54)%
Percent of total House Revenues	82%	83%	(1)%	
Operating Loss	\$(63,560)	\$(27,152)	n/m	n/m
Operating Loss Margin	(88)%	(19)%	n/m	n/m
House-Level Contribution	\$ 10,123	\$ 19,352	(48)%	(49)%
House-Level Contribution Margin	18%	17%	n/m	n/m
House-Level Contribution-by segment:				
North America	6,579	11,821	(44)%	(44)%
United Kingdom	4,407	5,504	(20)%	(26)%
Europe/RoW	(1,915)	989	n/m	n/m
All Other	1,052	1,037	1%	n/m
House-Level Contribution Margin-by segment:				
North America	19%	20%	(1)%	
United Kingdom	32%	14%	19%	
Europe/RoW	(32)%	7%	(39)%	
All Other	61%	47%	15%	

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

IN-HOUSE OPERATING EXPENSES. In-House Operating Expenses were \$45,809 for first quarter 2021, compared to \$95,469 for first quarter 2020, a decrease of \$49,660, or 52%. The decrease is a result of House closures and trading restrictions throughout the quarter due to the impact from the COVID-19 pandemic, in contrast to first quarter 2020 where COVID-19 enforced closures only impacted the last 2 weeks of the quarter.

In the first quarter 2021, as a result of the impact from the COVID-19 pandemic, governmental agencies in the United Kingdom and European Union provided grants primarily to retain on payroll workers that would have otherwise been terminated and were instead furloughed in accordance with the rules of the applicable national scheme. Such government grants, which under their terms meant that the furloughed employees were prohibited by law from providing the Company with services but kept on payroll rather than being terminated to claim unemployment benefit, totaled \$12.7 million in first quarter 2021, and are presented as a reduction of payroll expenses within In-House Operating Expenses (\$9.6 million), Other Operating Expenses (\$2.3 million) and General and Administrative expenses (\$0.8 million). Under the rules of the schemes, we applied to the relevant government agency and recovered the costs of furloughed employees. The net payroll expense within In-House Operating Expenses, Other Operating Expenses and general and administrative expense therefore only reflects the costs incurred from staff that were not furloughed and hence provided revenue generating services. In constant currency, In-House Operating Expenses decreased by \$53,585, or 54%.

HOUSE-LEVEL CONTRIBUTION. House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was \$10,123 for first quarter 2021, compared to \$19,352 for first quarter 2020, a decrease of \$9,229 or 48%. The fall in House-Level Contribution relates primarily to the fall in In-House revenues and House Membership Revenues due to COVID-19 closures and restrictions across all regions, for the full 13 weeks of the quarter, in contrast to only the last few weeks in first quarter 2020 being impacted by COVID-19.

The decrease in In-House Revenue and Membership Revenue was partially offset by the reduction in In-House Operating Expenses in first quarter 2021, as well as cost reduction measures and government support, as described above.

House-Level Contribution Margin remained similar, at 18% for first quarter 2021 and 17% for first quarter 2020. House-Level Contribution margin remains similar year on year, as the loss of In-House Revenue and Membership Revenue was offset by reduction in In-House Operating expense due to reduction in sales, tight cost controls and government support in relation to salaries and wages, as previously discussed.

OTHER OPERATING EXPENSES AND OTHER CONTRIBUTION

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Other Operating Expenses	\$ 28,193	\$ 26,129	8%	2%
Percentage of total Other Revenues	n/m	98%		
Operating Loss	\$ (63,560)	\$ (27,152)	n/m	n/m
Operating Loss Margin	(88)%	(19)%		
Other Contribution	\$ (11,724)	\$ 602	n/m	n/m
Other Contribution Margin	(71)%	2%		
Other Contribution-by segment:				
North America	626	359	74%	74%
United Kingdom	(2,844)	2,214	n/m	n/m
Europe/RoW	(689)	(1,157)	(40)%	(45)%
Soho House Design	(2,598)	438	n/m	n/m
All Other	(6,219)	(1,252)	n/m	n/m
Other Contribution Margin-by segment:				
North America	16%	6%		
United Kingdom	n/m	27%		
Europe/RoW	n/m	n/m		
Soho House Design	(60)%	9%		
All Other	(83)%	(17)%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

OTHER OPERATING EXPENSES. Other Operating Expenses were \$28,193 for first quarter 2021, compared with \$26,129 for first quarter 2020, an increase of \$2,064, or 8%. This increase is primarily driven by the additional expenses associated with seven new Soho Works sites which opened during 2020 offsetting the fall in Operating Expenses as a result of sites closures for restaurants, townhouses and spas, particularly in the UK during COVID-19 enforced closures and restrictions. As previously mentioned, there is a \$2.3 million reduction to payroll expenses within Other Operating Expenses with respect to government grants. In constant currency, Other Operating Expenses would have increased by \$579 or 2%.

OTHER CONTRIBUTION. Other Contribution, which we define as Other Revenues plus Non-House Membership Revenue less Other Operating Expenses, was a loss of \$11,724 for first quarter 2021, compared to \$602 profit for first quarter 2020, a decrease of \$12,326. The decrease was predominantly driven by COVID-19 restrictions, which meant revenues were significantly lower during first quarter 2021. There were also additional expenses for seven new Soho Works sites which have limited revenue associated with them as they mature. In constant currency, Other Contribution would have fallen by \$12,397.

Other Contribution Margin was (71)% for first quarter 2021, a decrease of 73% compared to first quarter 2020 driven by the impact of COVID-19 restrictions. Other Contribution Margin in North America was 10% higher for first quarter 2021 than first quarter 2020 due to strong cost control when sites were operating.

GENERAL AND ADMINISTRATIVE EXPENSES

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
General and Administrative Expenses	\$ 16,505	\$ 24,147	(32)%	(37)%
Percentage of Total Revenues	23%	17%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

General and Administrative expenses were \$16,505 for first quarter 2021, compared with \$24,147 for first quarter 2020, a decrease of \$7,642, or 32%. The decrease was primarily driven by cost saving initiatives with regards to our variable cost base, reduced salaries and wages from restructuring and government support of \$0.8 million. In constant currency, General and Administrative expenses would have decreased by \$9,835, or 37%.

PRE-OPENING EXPENSES

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Pre-opening expenses	\$ 4,825	\$ 5,687	(15%)	(22%)
Percentage of Total Revenues	7%	4%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Pre-opening expenses were \$4,825 for first quarter 2021, compared with \$5,687 for first quarter 2020, a decrease of \$862, or 15%. The decrease was primarily driven by the impact of timing on new openings. In constant currency, pre-opening expenses would have decreased by 22%.

DEPRECIATION AND AMORTIZATION

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Depreciation and Amortization	\$ 17,845	\$ 14,949	19%	14%
Percent of Total Revenues	25%	11%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Depreciation and amortization was \$17,845 for first quarter 2021, compared with \$14,949 for first quarter 2020, an increase of \$2,896, or 19%. This increase was primarily driven by amortization on capitalized IT development costs and depreciation of new Soho Works sites that were not open in first quarter 2020. In constant currency, depreciation and amortization expenses would have increased by \$2,208, or 14%.

OTHER

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Other	\$22,784	\$ 2,323	n/m	n/m
Percentage of Total Revenues	31%	2%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other expenses were \$22,784 for first quarter 2021, compared with \$2,323 for first quarter 2020, an increase of \$20,461. This increase was primarily driven by non-cash share based payment expenses of \$2,129 non-cash member credit expense of \$2,750, and foreign exchange of \$14,867.

INTEREST EXPENSE, NET

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Unaudited) (Dollar amounts in thousands)			
Interest Expense, net	\$29,604	\$ 17,756	67%	57%
Percentage of Total Revenues	41%	13%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Net interest expense was \$29,604 for first quarter 2021, compared with \$17,756 for first quarter 2020, an increase of \$11,848 or 67%. This increase was primarily driven by an increase in both the interest rate and total debt balance of the Permira facility due to Payment in Kind (‘PIK’) Notes and additional debt drawn on the Revolving Credit Facility. In constant currency, net interest would have been \$10,075, or 57%, higher compared to first quarter 2020.

ADJUSTED EBITDA

	13-Weeks Ended		Percent Change	
	April 4, 2021	March 29, 2020	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Adjusted EBITDA	\$(22,792)	\$ (8,943)	n/m	n/m
Percentage of Total Revenues	(31)%	(6)%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Adjusted EBITDA of \$(22,792) was \$13,849 lower than the comparative period primarily due to the lower Membership Revenue, In-House Revenues and Other Revenues as a result of the restrictions of COVID-19. The fall in revenues was partially offset by strong cost control, salaries and wages reductions, and Government incentive schemes.

For a reconciliation of Adjusted EBITDA to Net Loss, see “—Non-GAAP Financial Measures.”

NON-GAAP FINANCIAL MEASURES

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	April 4, 2021	March 29, 2020		March 29, 2020	
	Actual	Actual	Change %	In Constant Currency (1)	Change %
(Unaudited, dollar amounts in thousands)					
Net Loss	\$(93,037)	\$ (44,980)	107%	\$ (49,203)	89%
Depreciation and amortization	17,845	14,949	19%	15,637	14%
Interest expense, net	29,604	17,756	67%	18,887	57%
Income tax benefit	(823)	(103)	n/m	(113)	n/m
EBITDA	(46,411)	(12,378)	n/m	(14,792)	n/m%
Gain on sale of property and other, net	—	(1)	n/m	(2)	n/m
Share of loss of equity method investments	696	176	n/m	230	n/m
Foreign exchange	14,867 ⁽²⁾	391	n/m	437	n/m
Share of equity method investments adjusted EBITDA	871	1,210	(28)%	1,267	(31)%
Share-based compensation expense	2,129	—	n/m	—	n/m
Membership credits expense ⁽³⁾	2,750	—	n/m	—	n/m
COVID-19 related charges ⁽⁴⁾	31	1,162	n/m	1,255	n/m
Corporate financing and restructuring costs ⁽⁵⁾	2,275	497	n/m	537	n/m
Adjusted EBITDA	\$ (22,792)	\$ (8,943)	n/m	\$ (11,068)	n/m

- (1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.
- (2) The increase in foreign exchange period on period is driven by an increase in non-USD denominated borrowings, which have increased since the preceding period, foreign exchange volatility, and an out of period adjustment as described in Note 2 of the Company’s condensed consolidated financial statements included elsewhere in this document.
- (3) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.
- (4) Represent items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.
- (5) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In first quarter 2021, these costs consisted of certain items relating to acquiring shareholdings of joint ventures and non-controlling interests of \$250 not held by the Company and refinancing fees incurred totalling \$2,025. In first quarter 2020, we commenced an internal restructuring to simplify the business in terms of headcount and cost structure, incurring costs of \$497.

The computation of House-Level Contribution and Other Contribution is set forth below:

	April 4, 2021	March 29, 2020	Change %	March 29, 2020 Constant Currency (1)	Constant Currency Change %
	Actual				
	(Unaudited, dollar amounts in thousands)				
Operating Loss	\$ (63,560)	\$ (27,152)	n/m	\$ (30,201)	n/m
General and Administrative	16,505	24,147	(32)%	26,340	(37)%
Pre-opening expenses	4,825	5,687	(15)%	6,203	(22)%
Depreciation and Amortization	17,845	14,949	19%	15,637	14%
Other	22,784	2,323	n/m	2,607	n/m
Non-House Membership Revenue	(820)	(802)	2%	(864)	(5)%
Other Revenues	(15,649)	(25,929)	(40)%	(27,424)	(43)%
Other Operating Expenses	28,193	26,129	8%	27,614	2%
House-Level Contribution	10,123	19,352	(48)%	19,912	(49)%
Operating Loss Margin	(88)%	(19)%		(20)%	
House-Level Contribution Margin	18%	17%		17%	

	April 4, 2021	March 29, 2020	Change %	March 29, 2020 Constant Currency (1)	Constant Currency Change %
	Actual				
	(Unaudited)			(Unaudited)	
Membership Revenues	\$40,493	\$ 47,752	(15)%	\$ 49,417	(18)%
Less: Non-House Membership Revenue	(820)	(802)	2%	(864)	(5)%
Add: In-House Revenues	16,259	67,871	(76)%	70,753	(77)%
Total House Revenues	55,932	114,821	(51)%	119,306	(53)%
Less: In-House Operating Expenses					
In-House Operating Expenses	45,809	95,469	(52)%	99,394	(54)%
House-Level Contribution	\$10,123	\$ 19,352	(48)%	\$ 19,912	(49)%

	April 4, 2021	March 29, 2020	Change %	March 29, 2020 Constant Currency (1)	Constant Currency Change %
	Actual				
	(Unaudited)			(Unaudited)	
Operating Loss	\$ (63,560)	\$ (27,152)	n/m	\$ (30,201)	n/m
General and Administrative	16,505	24,147	(32)%	26,340	(37)%
Pre-opening expenses	4,825	5,687	(15)%	6,203	(22)%
Depreciation and Amortization	17,845	14,949	19%	15,637	14%
Other	22,784	2,323	n/m	2,607	n/m
House Membership Revenues	(39,673)	(46,950)	(15)%	(48,553)	(18)%
In-House Revenues	(16,259)	(67,871)	(76)%	(70,753)	(77)%
In-House Operating Expenses	45,809	95,469	(52)%	99,394	(54)%
Total Other Contribution	\$ (11,724)	\$ 602	n/m	\$ 674	n/m
Operating Loss Margin	(88)%	(19)%		(20)%	
Other Contribution Margin	(71)%	2%		2%	

	April 4, 2021	March 29, 2020	Change %	March 29, 2020 Constant Currency ⁽¹⁾	Constant Currency Change% ⁽¹⁾
	Actual (Unaudited) (Dollar amounts in thousands)			(Unaudited)	
Other Contribution					
Non-House Membership Revenue	\$ 820	\$ 802	2%	\$ 864	(5)%
Other Revenues	15,649	25,929	(40)%	27,424	(43)%
Less: Other Operating Expenses	(28,193)	(26,129)	8%	27,614	2%
Other Contribution	<u><u>\$ (11,724)</u></u>	<u><u>\$ 602</u></u>	<u><u>n/m</u></u>	<u><u>\$ 674</u></u>	<u><u>n/m</u></u>

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

**COMPARISON OF THE FISCAL YEARS ENDED
JANUARY 3, 2021 AND DECEMBER 29, 2019**

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended			December 29, 2019	
	January 3, 2021	December 29, 2019		Constant Currency ⁽¹⁾	Constant Currency change % ⁽¹⁾
	Actual		Change %	(Dollar amounts in thousands)	
	(Dollar amounts in thousands)			(Unaudited)	
Revenues					
Membership revenues	\$ 176,910	\$ 167,582	6 %	\$ 168,037	5 %
In-House revenues	126,774	312,330	(59)%	313,631	(60)%
Other revenues	80,692	162,123	(50)%	163,045	(51)%
Total revenues	384,376	642,035	(40)%	644,713	(40)%
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(220,036)	(379,985)	(42)%	(381,472)	(42)%
Other operating expenses (exclusive of depreciation and amortization)	(109,251)	(144,455)	(24)%	(145,161)	(25)%
General and administrative expenses	(74,954)	(75,506)	(1)%	(75,804)	(1)%
Pre-opening expenses	(21,058)	(23,437)	(10)%	(23,529)	(11)%
Depreciation and amortization	(69,802)	(57,139)	22 %	(57,302)	22 %
Other	(44,005)	(20,371)	n/m	(20,446)	n/m
Total operating expenses	(539,106)	(700,893)	(23)%	(703,714)	(23)%
Operating Loss	(154,730)	(58,858)	n/m	(59,001)	n/m
Other (expense) income					
Interest expense, net	(77,792)	(64,108)	21 %	(64,276)	21 %
Gain (loss) on sale of property and other, net	98	(1,340)	n/m	(1,343)	n/m
Share of (loss) profit of equity method investments	(3,627)	774	n/m	717	n/m
Total other expense, net	(81,321)	(64,674)	26 %	(64,902)	25 %
Loss before income taxes	(236,051)	(123,532)	91%	(123,903)	91 %
Income tax benefit (expense)	776	(4,468)	n/m	(4,536)	n/m
Net loss	\$ (235,275)	\$ (128,000)	84%	\$ (128,439)	83 %
Net income attributable to noncontrolling interest	6,814	258	n/m	246	n/m
Net loss attributable to Soho House Holdings Limited	\$ (228,461)	\$ (127,742)	79%	\$ (128,193)	78 %

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

OVERVIEW

The COVID-19 pandemic significantly impacted our fiscal 2020 results. Operating results at our Houses fell as a result of closures for a significant part of the year. Nevertheless, we opened Soho Roc House, Mykonos in July 2020 and seven Soho Works clubs, three in London, three in New York City and one in Los Angeles.

Our global number of House members decreased by 6,323, or 5%, but we gained 831 Soho Works members, 2,137 Soho Friends and 1,860 SOHO HOME+ members. Adult Paying Members fell by 16,208 and our Frozen

Members increased by 11,168 in fiscal 2020 predominantly driven by the impact of COVID-19 on our Houses and our Members. While our total revenues decreased by 40% in fiscal 2020 because of the impact of COVID-19 on our business, Membership Revenue increased by \$9,328 or 6%.

Total In-House Revenue fell by 59% in fiscal 2020, or 60% in constant currency due to House closures throughout the year across all regions. Other Revenue decreased by 50% in fiscal 2020 predominantly due to the impact of COVID-19 with spas and restaurants closed for a large proportion of the year. However, this was partially offset by increased revenue in our Soho Home offering.

Operating Loss increased by \$95,872 to \$154,730 in fiscal 2020 primarily due to COVID-19, with falls in revenue channels partially offset by a fall in General and Administrative expenses predominately driven by a fall in salaries and wages. House-Level Contribution and Other Contribution fell in fiscal 2020, primarily as a result of the COVID-19 pandemic.

Net Loss attributable to Soho House Holdings Limited increased to \$228,461 in fiscal 2020 from \$127,742 in fiscal 2019. Adjusted EBITDA fell from \$17,650 in fiscal 2019 to \$(44,080) in fiscal 2020.

TOTAL REVENUE

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Total Revenues	\$ 384,376	\$ 642,035	(40)%	(40)%
North America	156,248	257,502	(39)%	(39)%
United Kingdom	128,798	230,534	(44)%	(44)%
Europe/RoW	47,446	87,920	(46)%	(47)%
Soho House Design	13,763	23,331	(41)%	(41)%
All Other	38,121	42,748	(11)%	(11)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

MEMBERSHIP REVENUES

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Membership Revenues	\$ 176,910	\$ 167,582	6%	5%
North America	93,643	92,248	2%	2%
United Kingdom	54,765	53,255	3%	2%
Europe/RoW	17,907	12,275	46%	43%
All Other	10,595	9,804	8%	8%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Membership Revenues were \$176,910 for fiscal 2020 compared to \$167,582 for fiscal 2019, an increase of \$9,328 or 6%.

Growth was primarily driven by full year impact of Soho Warehouse, Los Angeles and Soho House Hong Kong, new membership from Soho Roc House and Soho Works sites, and was partially offset by membership cancellations or freezes at certain other Houses. The annualization of the 2019 membership price increase and our resilient retention rate in fiscal 2020 have also contributed to the growth. In constant currency, Membership Revenues increased by \$8,873, or 5%.

Our North America segment increased by \$1,395 or 2%, driven primarily by a full year of Membership revenue in Soho Warehouse, which offset decline in revenue at some of the other Houses.

Membership Revenues in the United Kingdom increased by \$1,510, or 3%, driven primarily by small increases across all Houses driven by full year impact of the 2019 price rise and a full year of Kettners membership revenue.

Europe/RoW increased \$5,632, or 46%, largely due to the hotel in Mykonos being converted to a House in July 2020 and a full year of Membership revenue from Soho House Hong Kong.

The increase in Other Membership revenues of \$791 is primarily driven by the increase in Soho Works sites.

IN-HOUSE REVENUES

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
In-House Revenues	\$ 126,774	\$ 312,330	(59)%	(60)%
North America	49,955	134,595	(63)%	(63)%
United Kingdom	53,563	132,736	(60)%	(60)%
Europe/RoW	23,256	44,999	(48)%	(49)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

In-House Revenues were \$126,774 for fiscal 2020, compared to \$312,330 for fiscal 2019, a decrease of \$185,556 or 59%. The decrease was driven by House closures across all regions, for a significant part of the year due to COVID-19 restrictions. In constant currency, In-House Revenues would have decreased by \$186,857, or 60%.

OTHER REVENUES

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other Revenues	\$ 80,692	\$ 162,123	(50)%	(51)%
North America	\$ 12,651	30,658	(59)%	(59)%
United Kingdom	\$ 20,471	44,544	(54)%	(54)%
Europe/RoW	\$ 6,282	30,646	(80)%	(80)%
Soho House Design	\$ 13,763	23,331	(41)%	(41)%
All Other	\$ 27,525	32,944	(16)%	(17)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other Revenues were \$80,692 for fiscal 2020, compared to \$162,123 for fiscal 2019, a decrease of \$81,431 or 50%. This decrease was primarily driven by closures across restaurants and spas and restricted trading during the COVID-19 period. Decrease across the regions was marginally offset by increase in Soho Home sales which saw an increase in demand over fiscal 2020. In constant currency, Other Revenues fell 51% year on year.

IN-HOUSE OPERATING EXPENSES AND HOUSE-LEVEL CONTRIBUTION

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
In-House Operating Expenses	\$ 220,036	\$ 379,985	(42)%	(42)%
Percent of total House Revenues	73%	80%	(7)%	
Operating Loss	\$(154,730)	\$ (58,858)	n/m	n/m
Operating Loss Margin	(40)%	(9)%	n/m	
House-Level Contribution	\$ 81,159	\$ 97,946	(17)%	(17)%
House-Level Contribution Margin	27%	20%	7 %	
House-Level Contribution-by segment:				
North America	40,547	51,630	(21)%	(21)%
United Kingdom	29,072	36,431	(20)%	(20)%
Europe/RoW	5,451	5,673	(4)%	(6)%
All Other	6,089	4,212	45 %	44 %
House-Level Contribution Margin-by segment:				
North America	28%	23%	5 %	
United Kingdom	27%	20%	7 %	
Europe/RoW	13%	10%	3 %	
All Other	75%	54%	21 %	

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

IN-HOUSE OPERATING EXPENSES. In-House Operating Expenses were \$220,036 for fiscal 2020, compared to \$379,985 for fiscal 2019, a decrease of \$159,949, or 42%. This decrease was primarily driven by House closures or reduced trading due to COVID-19 restrictions for the majority of fiscal 2020, which meant fewer costs were incurred as compared with fiscal 2019. The fall in In-House Operating Expenses due to reduced trading when a significant number of our Houses were either closed or operating at significantly reduced capacity in accordance with local governmental rules and regulations. This was partially offset by an increase in costs following the opening of Soho Roc House, in Greece, in June 2020, after it was converted to a House during the year.

In constant currency, In-House Operating Expenses decreased by \$161,436, or 42%.

Throughout fiscal 2020, as a result of the impacts from the COVID-19 pandemic, governmental agencies in the United Kingdom, European Union and Hong Kong SAR provided the Company grants primarily to retain on payroll workers that would have otherwise have been terminated and were instead furloughed in accordance with the rules of the applicable national scheme. Furloughed workers comprised principally of staff at our sites (waiters, bar staff, floor managers etc.) with, to a lesser extent, some non-essential administrative workers in our support offices. These government grants are exclusive of funds received under the Paycheck Protection Program enacted by the U.S. Coronavirus Aid, Relief, and Economic Security Act, which are accounted for as a borrowing and have subsequently been fully repaid in April 2021. Such government grants, which under their terms meant that the recipient furloughed employees were prohibited by law from providing the Company with services but kept on the Company’s payroll rather than being terminated to claim unemployment benefit, totaled \$26 million during the fiscal year ended January 3, 2021 and are presented as a reduction of payroll expenses within In-House Operating Expenses (\$19 million), Other Operating Expenses (\$4 million) and general and administrative expense (\$3 million) on the consolidated statements of operations. Under the rules of the schemes, the Company applied to the relevant

government agency and recovered the costs of furloughed employees on the Company's payroll. The net payroll expense within In-House Operating Expenses and general and administrative expense therefore only reflects the costs incurred from staff that were not furloughed and hence provided services to the Company.

HOUSE-LEVEL CONTRIBUTION. House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was \$81,159 for fiscal 2020, compared to \$97,946 for fiscal 2019, a decrease of \$16,787, or 17%. This fall was predominantly driven by the fall in In-House Revenues due to reduced trading and House closures during the year as described earlier. The decrease in In-House Revenue was partially offset by increases in Membership Revenue and reduction in In-House Operating Expenses in fiscal 2020 through reduced opening and operating times and also cost reduction measures.

House-Level Contribution for the Other segment increased compared to fiscal 2019 driven by Cities Without Houses. This was the result of an increase in Membership Revenue and a reduction in operating expenses due to a decrease in both travel and event related expenses in the year.

Although House-Level Contribution fell in absolute terms, House-Level Contribution Margin increased by 7 percentage points to 27% for fiscal 2020. This was predominantly due to both the relative stability of Membership Revenue and also the reduction of In-House Operating Expenses, partially offset by the reduction of In-House revenues. Furthermore, House-Level Contribution margin benefited from Houses operating more efficiently when they were open as a result of efficiency programs implemented to reduce our ongoing food and beverage, wage and other operation costs.

OTHER OPERATING EXPENSES AND OTHER CONTRIBUTION

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other Operating Expenses	\$ 109,251	\$ 144,455	(24)%	(25)%
Percentage of total Other Revenues	n/m	89 %		
Operating Loss	\$(154,730)	\$ (58,858)	n/m	n/m
Operating Loss Margin	(40)%	(9)%		
Other Contribution	\$ (26,070)	\$ 19,649	n/m	n/m
Other Contribution Margin	(31)%	12 %		
Other Contribution-by segment:				
North America	(1,714)	4,578	n/m	n/m
United Kingdom	(2,531)	9,440	n/m	n/m
Europe/RoW	(1,714)	9,237	n/m	n/m
Soho House Design	(4,740)	(426)	n/m	n/m
All Other	(15,371)	(3,180)	n/m	n/m
Other Contribution Margin-by segment:				
North America	(14)%	18 %		
United Kingdom	(12)%	21 %		
Europe/RoW	(27)%	30 %		
Soho House Design	(34)%	(2)%		
All Other	(51)%	(9)%		

(1) See "Non-GAAP Financial Measures—Constant Currency" for an explanation of our constant currency results.

OTHER OPERATING EXPENSES. Other Operating Expenses were \$109,251 for fiscal 2020, compared with \$144,455 for fiscal 2019, a decrease of \$35,204, or 24%. This decrease is primarily driven by site closures for restaurants, townhouses and spas for extended periods across all regions in fiscal 2020, as well as sites operating at reduced capacity when they were allowed to open due to COVID-19 social distancing rules. This drove a fall

in salaries and wages and other direct operating costs compared to fiscal 2019. As previously mentioned, there is a \$4 million reduction to payroll expenses within Other Operating Expenses with respect to government grants. The fall in Other Operating Expenses was directly relatable to sales volume, and was partially offset by increased costs, particularly rent, in relation to new Soho Works sites. In constant currency Other Operating Expenses would have fallen by \$35,910 or 25%

OTHER CONTRIBUTION. Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was \$(26,070) for fiscal 2020, compared to \$19,649 for fiscal 2019, a decrease of \$45,719. In constant currency, Other Contribution would have fallen by \$45,942.

Other Contribution Margin was (31)% for fiscal 2020, a decrease from 12% in fiscal 2019. The fall in Other Contribution and Other Contribution Margin was driven by the impact of COVID-19 restrictions across sites which meant that revenues were significantly lower than fiscal 2019. Additionally the new Soho Works sites had a dilutive impact on margins due to high rent costs and the impact from a promotional period at Soho Works, 'Back to Work', to encourage House members to visit the Soho Works sites. The decrease in Other Revenue was partially offset by fall in Other Operating Expenses and an improved performance of Soho Home, which saw strong growth as a result of a new website, new product and the impact of member credits whereby Soho House Members redeeming their credits against Soho Home products.

GENERAL AND ADMINISTRATIVE EXPENSES

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
General and Administrative Expenses	\$ 74,954	\$ 75,506	(1)%	(1)%
Percentage of Total Revenues	20%	12%		

(1) See "Non-GAAP Financial Measures—Constant Currency" for an explanation of our constant currency results.

General and Administrative expenses were \$74,954 for fiscal 2020, compared with \$75,506 for fiscal 2019, a decrease of \$552, or 1%. The decrease was primarily driven by reduction in support salaries and wages in response to the COVID-19 pandemic, including reducing staff to 3 or 4 day working weeks. In constant currency, General and Administrative expenses would have fallen by \$850, or (1)%. As described previously under In-House Operating Expenses, there is a \$3 million reduction to payroll expenses within in-general and administrative expense with respect to government grants.

PRE-OPENING EXPENSES

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Pre-opening expenses	\$ 21,058	\$ 23,437	(10)%	(11)%
Percentage of Total Revenues	5%	4%		

(1) See "Non-GAAP Financial Measures—Constant Currency" for an explanation of our constant currency results

Pre-opening expenses were \$21,058 for fiscal 2020, compared with \$23,437 for fiscal 2019, a decrease of \$2,379, or 10%. The decrease was primarily driven by the impact of timing of new openings. In constant currency, pre-opening expenses would have decreased by 11%.

DEPRECIATION AND AMORTIZATION

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Depreciation and Amortization .	\$ 69,802	\$ 57,139	22%	22%
Percent of Total Revenues	18%	9%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Depreciation and amortization was \$69,802 for fiscal 2020, compared with \$57,139 for fiscal 2019, an increase of \$12,663, or 22%. This increase was primarily driven by the full year impact of House 2019 openings and the new Soho Works clubs sites and Soho Roc House which opened in fiscal 2020. In constant currency, depreciation and amortization expenses would have increased by \$12,459, or 22%.

OTHER

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other	\$ 44,005	\$ 20,371	n/m	n/m
Percentage of Total Revenues	11%	3%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other was \$44,005 for fiscal 2020, compared with \$20,371 for fiscal 2019, an increase of \$23,634. This increase was primarily driven by an increase in items that are outside the normal scope of our ordinary activities or non-cash, including in fiscal 2020 a charge in respect of membership credits balances of \$2,156 which we issued to members as a one-time goodwill gesture as a result of the closure of Houses across the world beginning on March 14, 2020. The expense represents our best estimate of the cost to be incurred in fulfilling the membership credits issued in fiscal 2020. Also included are other COVID-19 related charges of \$4,606, corporate restructuring costs of \$6,281 to adapt and restructure our business as a result of the COVID-19 pandemic and abandoned project costs of \$7,111. In constant currency, other expenses would have increased by \$23,561.

INTEREST EXPENSE, NET

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Interest Expense, net	\$ 77,792	\$ 64,108	21%	21%
Percentage of Total Revenues	20%	10%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Net interest expense was \$77,792 for fiscal 2020, compared with \$64,108 for fiscal 2019, an increase of \$13,684 or 21%. This increase was driven by increased cost of borrowings. In constant currency, net interest expense would have increased by \$13,516, or 21%.

(GAIN) LOSS ON SALE OF PROPERTY AND OTHER, NET

In fiscal 2020, \$98 was received. In fiscal 2019, the Company received less than \$1 million of proceeds from the sale of property and equipment and recognized a loss on disposal of \$1,340.

SHARE OF (LOSS) PROFIT OF EQUITY METHOD INVESTMENTS

We maintain a portfolio of equity method investments owned and operated through non-controlling interests in investments with one or more partners. Two of our Houses are owned and operated by us through non-controlling interests and we own and operate certain of our other businesses through non-controlling interest in joint ventures. Our share of loss of equity method investment was \$3,627 for fiscal 2020, a decrease of \$4,401 on fiscal 2019.

INCOME TAX BENEFIT (EXPENSE)

Income tax benefit was \$776 for fiscal 2020, compared to expense of \$4,468 for fiscal 2019, a decrease in expense of \$5,244. In fiscal year 2019, the Income Tax Expense was attributable primarily to our operations in Greece and Germany. In fiscal 2020, owing to the impact of the COVID-19 pandemic on the profitability of our operations in Greece and Germany, where we historically pay cash taxes on their profits, we have experienced a decrease in tax paid owing to the decreased profitability.

NET LOSS ATTRIBUTABLE TO SOHO HOUSE HOLDINGS LIMITED

Net Loss attributable to Soho House Holdings Limited was \$228,461 for fiscal 2020, compared with Net loss attributable to Soho House Holdings Limited of \$127,742 for fiscal 2019, an increase in loss of \$100,719. This was attributable primarily to the fall in trading across the Group as a result of the COVID-19 global pandemic.

ADJUSTED EBITDA

	Fiscal Year Ended		Percent Change	
	January 3, 2021	December 29, 2019	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Adjusted EBITDA	\$ (44,080)	\$ 17,650	n/m	n/m
Percentage of Total Revenues	(11)%	3%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Adjusted EBITDA fell by \$61,730 from \$17,650 in fiscal 2019 to \$(44,080) in fiscal 2020. The decrease was predominantly driven by long term closures across all sites as a result of the COVID-19 global pandemic.

Significant revenue losses were partially offset by decrease in operating cost at sites and a decrease in General and Administrative expenses, primarily driven by cost control, salaries and wages reductions, and government support schemes.

Throughout fiscal 2020, as a result of impacts from the COVID-19 pandemic, governmental agencies in the UK and other European countries provided us with grants primarily to retain workers on payroll that were furloughed, and who would otherwise have been terminated. These government grants are exclusive of funds received under the Paycheck Protection Program enacted by the U.S. Coronavirus Aid, Relief, and Economic Security Act, which are accounted for as a borrowing. Such government grants, which under their terms meant that the recipient furloughed employees were prohibited from providing us with services, totaled \$26 million during the fiscal year ended January 3, 2021 and are presented as a reduction of payroll expenses within In-

House Operating Expenses (\$19 million), Other Operating Expenses (\$4 million) and general and administrative expense (\$3 million) on the consolidated statements of operations and therefore included in Adjusted EBITDA. The net payroll expense within In-House Operating Expenses and general and administrative expense therefore only reflects the costs incurred from staff that were not furloughed and hence provided services to us.

For a reconciliation of Adjusted EBITDA to Net Loss, see “—Non-GAAP Financial Measures.”

NON-GAAP FINANCIAL MEASURES

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	January 3, 2021 Actual	December 29, 2019 Actual	Change %	December 29, 2019 Constant Currency ⁽¹⁾	Change %
	(Dollar amounts in thousands)				
Net Loss	\$ (235,275)	\$ (128,000)	84 %	\$ (128,439)	83 %
Depreciation and amortization	69,802	57,139	22 %	57,302	22 %
Interest expense, net	77,792	64,108	21 %	64,276	21 %
Income tax (benefit) expense	(776)	4,468	n/m	4,536	n/m
EBITDA	(88,457)	(2,285)	n/m	(2,325)	n/m
Gain (loss) on sale of property and other, net	(98)	1,340	n/m	1,343	n/m
Share of loss (profit) from equity method investments	3,627	(774)	n/m	(717)	n/m
Foreign exchange	(3,354)	(3,465)	(3)%	(3,468)	(3)%
Share of equity method investments Adjusted EBITDA	3,563	6,747	(47)%	6,771	(47)%
Share-based compensation expense	2,618	—	—	—	—
Membership credits expense ⁽²⁾	12,156	—	—	—	—
COVID-19 related charges ⁽³⁾	4,606	—	—	—	—
Corporate financing and restructuring costs ⁽⁴⁾	14,147	6,127	n/m	6,145	n/m
Abandoned project and site closure costs	7,111	—	n/m	—	n/m
Impairment charge on receivables	—	9,960	n/m	9,989	n/m
Adjusted EBITDA	\$ (44,080)	\$ 17,650	n/m	\$ 17,738	n/m

- (1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.
- (2) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.
- (3) Represent items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic.
- (4) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In fiscal 2020, we undertook an internal restructuring to simplify the business in terms of headcount and cost structure, incurring \$5,956 as well as \$3,323 of losses in respect of contractual

arrangements and \$2,992 of site restructuring and closure costs, further we began preparations for a refinancing transaction incurring \$1,551 as well as including establishing an equity compensation plan, incurring \$325. In fiscal 2019, this included fees in respect of the Scorpios acquisition of \$6,127.

The computation of House-Level Contribution and Other Contribution is set forth below:

	January 3, 2021	December 29, 2019	Change %	2019 Constant Currency ⁽¹⁾	Constant Currency Change %
	Actual			(Unaudited, dollar amounts in thousands)	
Operating Loss	(154,730)	(58,858)	n/m	(59,001)	n/m
General and Administrative	74,954	75,506	(1)%	75,804	(1)%
Pre-opening expenses	21,058	23,437	(10)%	23,529	(11)%
Depreciation and Amortization	69,802	57,139	22 %	57,302	22 %
Other	44,005	20,371	n/m	20,446	n/m
Non-House Membership Revenue	(2,489)	(1,981)	26 %	(1,988)	25 %
Other Revenues	(80,692)	(162,123)	(50)%	(163,045)	(51)%
Other Operating Expenses	109,251	144,455	(24)%	145,161	(25)%
House-Level Contribution	<u>81,159</u>	<u>97,946</u>	<u>(17)%</u>	<u>98,208</u>	<u>(17)%</u>
Operating Loss Margin	(40)%	(9)%		(9)%	
House-Level Contribution Margin	<u>27 %</u>	<u>20 %</u>		<u>20 %</u>	

	January 3, 2021	December 29, 2019	Change %	2019 Constant Currency ⁽¹⁾	Constant Currency Change %
	Actual			(Unaudited)	
Membership Revenues	\$ 176,910	\$ 167,582	6 %	\$ 168,037	5 %
Less: Non-House Membership					
Revenue	(2,489)	(1,981)	26 %	(1,988)	25 %
Add: In-House Revenues	126,774	312,330	(59)%	313,631	(60)%
Total House Revenues	<u>301,195</u>	<u>477,931</u>	<u>(37)%</u>	<u>479,680</u>	<u>(37)%</u>
Less: In-House Operating Expenses					
In-House Operating Expenses	(220,036)	(379,985)	(42)%	(381,472)	(42)%
House-Level Contribution	<u>\$ 81,159</u>	<u>\$ 97,946</u>	<u>(17)%</u>	<u>\$ 98,208</u>	<u>(17)%</u>

	January 3, 2021	December 29, 2019	Change %	2019 Constant Currency ⁽¹⁾	Constant Currency Change %
	Actual			(Unaudited)	
Operating Loss	\$(154,730)	\$ (58,858)	n/m	\$ (59,001)	n/m
General and Administrative	74,954	75,506	(1)%	75,804	(1)%
Pre-opening expenses	21,058	23,437	(10)%	23,529	(11)%
Depreciation and Amortization	69,802	57,139	22 %	57,302	22 %
Other	44,005	20,371	n/m	20,446	n/m
House Membership Revenues	(174,421)	(165,601)	5 %	(166,049)	5 %
In-House Revenues	(126,774)	(312,330)	(59)%	(313,631)	(60)%
In-House Operating Expenses	220,036	379,985	(42)%	381,472	(42)%
Total Other Contribution	<u>\$ (26,070)</u>	<u>\$ 19,649</u>	<u>n/m</u>	<u>\$ 19,872</u>	<u>n/m</u>
Operating Loss Margin	(40)%	(9)%		(9)%	
Other Contribution Margin	(31)%	12%		12%	

	January 3, 2021	December 29, 2019	Change%	2019 Constant Currency ⁽¹⁾	Constant Currency Change% ⁽¹⁾
	Actual (Dollar amounts in thousands)			(Unaudited)	
Other Contribution					
Non-House Membership Revenue	2,489	1,981	26 %	1,988	25 %
Other Revenues	80,692	162,123	(50)%	163,045	(51)%
Less: Other Operating Expenses	(109,251)	(144,455)	(24)%	(145,161)	(25)%
Other Contribution	<u>(26,070)</u>	<u>19,649</u>	<u>n/m</u>	<u>19,872</u>	<u>n/m</u>

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

**COMPARISON OF THE FISCAL YEARS ENDED
DECEMBER 29, 2019 AND DECEMBER 30, 2018**

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended		Change%	December 30, 2018 Constant Currency ⁽¹⁾ (Dollar amounts in thousands)	Constant Currency change % ⁽¹⁾
	December 29, 2019	December 30, 2018			
	Actual (Dollar amounts in thousands)				
Revenues				(Unaudited)	
Membership Revenues	\$ 167,582	\$ 134,060	25 %	\$ 131,528	27 %
In-House Revenues	312,330	271,392	15 %	264,694	18 %
Other Revenues	162,123	169,853	(5)%	163,677	(1) %
Total Revenues	642,035	575,305	12 %	559,899	15 %
Operating Expenses					
In-House Operating Expenses	(379,985)	(310,923)	22 %	(303,631)	25 %
Other Operating Expenses	(144,455)	(147,776)	(2)%	(142,323)	1 %
General and Administrative	(75,506)	(62,443)	21 %	(60,586)	25 %
Pre-opening expenses	(23,437)	(20,323)	15 %	(19,718)	19 %
Depreciation and Amortization	(57,139)	(48,387)	18 %	(47,000)	22 %
Other	(20,371)	(17,838)	14 %	(17,047)	20 %
Total Operating Expenses	(700,893)	(607,690)	15 %	(590,305)	19 %
Operating Loss	(58,858)	(32,385)	82 %	(30,406)	94 %
Other (Expense) Income					
Business interruption income	—	650	n/m	650	n/m
Interest Expense, net	(64,108)	(57,700)	11 %	(55,489)	16 %
Loss on sale of property and other, net	(1,340)	(639)	n/m	(644)	n/m
Share of profit of equity method investments	774	270	n/m	308	n/m
Total other expense, net	(64,674)	(57,419)	13 %	(55,175)	17 %
Loss Before Income Taxes	(123,532)	(89,804)	38 %	(85,581)	44 %
Income tax expense	(4,468)	(43)	n/m	(5)	n/m
Net Loss	\$ (128,000)	\$ (89,847)	42 %	\$ (85,586)	50 %
Net (loss) income attributable to noncontrolling interest	258	(1,509)	(n/m)	(1,438)	n/m
Net loss attributable to Soho House Holdings Limited	\$ (127,742)	\$ (91,356)	40 %	\$ (87,024)	47 %

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

OVERVIEW

Operating results at our Houses improved in fiscal 2019 over fiscal 2018. We opened two new Soho Houses in fiscal 2019, Soho House Hong Kong and Soho Warehouse, Los Angeles, and converted our Kettner’s Townhouse, in London, into a Soho House. We also opened a second Soho Works site in London at White City. Additionally, a majority interest in the Scorpions Group was purchased in April 2019, adding a hotel and beach-

front restaurant in Mykonos, Greece, to our portfolio (with some additional minority interests acquired in May 2021).

Our global number of House members increased by 17,864, or 18% of which 15,657 were Adult Paying Members and we gained 183 Soho Works members. When excluding members from our Houses in which we have a non-controlling interest or are under a management fee agreement, global Adult Paying Members increased 12,987 or 16% for Soho Houses. This factor drove a 25% increase in Membership Revenue, or 27% in constant currency.

Total In-House Revenue increased by 15% in fiscal 2019, or 18% in constant currency, predominately driven by new Houses that opened in fiscal 2019.

All Other Revenue decreased by 5% in fiscal 2019 due to reduction in Soho House Design revenues as a result of the decision to cease low margin build out services, partially offset by the positive revenue impact of the Scorpions Group acquisition in April 2019.

Operating Loss increased by \$26,473 to \$58,858 in fiscal 2019 primarily due to an increase in General and Administrative expenses and increase in Other expenses. House-Level Contribution increased by 4%, or 6% in constant currency, but House-Level Contribution Margin declined slightly from 23% to 20%, primarily driven by the dilutive impact of the three Houses opened in 2019 and also the impact of Houses opened in 2018 on the Group, with immature Houses typically generating a lower contribution margin in the first 12-18 months of operations.

Net Loss attributable to Soho House Holdings Limited increased to \$127,742 in fiscal 2019 from \$91,356 in fiscal 2018. Adjusted EBITDA decreased by 53% from \$37,288 in fiscal 2018 to \$17,650 in fiscal 2019 or a 52% decrease in constant currency.

TOTAL REVENUE

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Total Revenues	\$ 642,035	\$ 575,305	12%	15%
North America	257,502	236,582	9%	10%
United Kingdom	230,534	217,946	6%	11%
Europe/RoW	87,920	41,245	n/m	n/m
Soho House Design	23,331	54,339	(57)%	(55)%
All Other	42,748	25,193	70%	77%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

MEMBERSHIP REVENUES

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Membership Revenues	\$ 167,582	\$ 134,060	25%	27%
North America	92,248	76,413	21%	21%
United Kingdom	53,255	44,146	21%	26%
Europe/RoW	12,275	9,580	28%	36%
All Other	9,804	3,921	n/m	n/m

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Membership Revenues were \$167,582 for fiscal 2019 compared to \$134,060 for fiscal 2018, an increase of \$33,522 or 25%. Growth was primarily driven by a 15,657 person increase in our House membership base and a 3% price rise across all House membership types. In constant currency, Membership Revenues increased by \$36,054, or 27%.

Our North America segment increased by \$15,835, or 21%, driven primarily by an increase in adult paying member count at the owned Houses of 2,550, or 8%, and the 3% price rise. Given the higher price point of North America membership, a 3% price rise has a larger total impact in comparison to the other regions. In addition, there was an increase of membership revenue as a result of new October 2019 opening Soho Warehouse, Los Angeles and a full year impact from Dumbo House, New York.

Membership Revenues in the United Kingdom increased \$9,109, or 21%, driven primarily by a full year of White City and Soho House Greek Street membership revenue, and a total increase of 3,699 Adult Paying Members.

Europe/RoW increased \$2,695, or 28%, largely due to 742 net new Adult Paying Members in Amsterdam and the September 2019 House opening in Hong Kong.

The increase in Other Membership revenues of \$5,883 is primarily driven by the increase in CWH members.

IN-HOUSE REVENUES

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
In-House Revenues	\$ 312,330	\$ 271,392	15%	18%
North America	134,595	128,051	5%	5%
United Kingdom	132,736	112,479	18%	23%
Europe/RoW	44,999	30,862	46%	54%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

In-House Revenues were \$312,330 for fiscal 2019, compared to \$271,392 for fiscal 2018, an increase of \$40,938 or 15%. The increase was predominantly driven by new 2019 Houses and full year impact of 2018 openings. In constant currency, In-House Revenues would have increased by \$47,636, or 18%.

In-House Revenues from our North America segment improved by \$6,544, or 5%, driven by Soho Warehouse Los Angeles and a full year of revenues at Dumbo House.

Our United Kingdom segment increased 18%, or 23% in constant currency, which was primarily driven by a full year of White City House revenues, Kettner's, and increased revenues at Soho Farmhouse.

Our Europe/RoW segment increased by 46% and was primarily driven by the full year revenue impact of Soho House Amsterdam.

OTHER REVENUES

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other Revenues	\$ 162,123	\$ 169,853	(5)%	(1)%
North America	30,658	29,000	6 %	6 %
United Kingdom	44,544	54,774	(19)%	(15)%
Europe/RoW	30,646	—	n/m	n/m
Soho House Design	23,331	54,339	(57)%	(55)%
All Other	32,944	31,740	4 %	9 %

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other Revenues were \$162,123 for fiscal 2019, compared to \$169,853 for fiscal 2018, a decrease of \$7,730. This decrease was primarily driven by a 57% fall in Soho House Design as build out work services were ceased in 2019, as well as smaller projects undertaken compared to fiscal 2018.

The fall in UK Other Revenue is primarily driven by the reclassification of Kettner's revenue to In-House Revenue when it became a House in fiscal 2019.

This fall was partially offset by an additional \$30,646 in revenues from Scorpions Group, which was acquired in 2019. In constant currency, Other Revenues fell 1% year on year.

IN-HOUSE OPERATING EXPENSES AND HOUSE-LEVEL CONTRIBUTION

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency(1)
(Dollar amounts in thousands)				
In-House Operating Expenses	\$ 379,985	\$ 310,923	22 %	25 %
Percent of total House Revenues	79%	77%		
Operating Loss	\$ (58,858)	\$ (32,385)	(82)%	93%
Operating Loss Margin	(9)%	(6)%		
House-Level Contribution	\$ 97,946	\$ 94,529	4 %	6 %
House-Level Contribution Margin	20%	23%		
House-Level Contribution-by segment:				
North America	51,630	50,960	1 %	1 %
United Kingdom	36,431	36,136	1 %	6 %
Europe/RoW	5,673	6,359	(11)%	(5)%
All Other	4,212	1,074	n/m	n/m
House-Level Contribution Margin-by segment:				
North America	23%	25%		
United Kingdom	20%	23%		
Europe/RoW	10%	16%		
All Other	54%	27%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

IN-HOUSE OPERATING EXPENSES. In-House Operating Expenses were \$379,985 for fiscal 2019, compared to \$310,923 for fiscal 2018, an increase of \$69,062, or 22%. This increase was primarily driven by three new House openings in fiscal 2019, and the full year impact of White City House, London, Soho House Amsterdam and Dumbo House, New York. In constant currency, In-House Operating Expenses increased by \$76,354, or 25%.

HOUSE-LEVEL CONTRIBUTION. House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was \$97,946 for fiscal 2019, compared to \$94,529 for fiscal 2018, an increase of \$3,417, or 4%. House-Level Contribution Margin decreased 3 percentage points to 20% for fiscal 2019.

The increase in House-Level Contribution relates primarily to the increase in Membership Revenues across all segments. The decrease in House-Level Contribution Margins is driven primarily by the impact of new and immature Houses (2018 openings) on the Group.

OTHER OPERATING EXPENSES AND OTHER CONTRIBUTION

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other Operating Expenses	\$ 144,455	\$ 147,776	(2)%	1 %
Percentage of total Other Revenues	89 %	87 %		
Operating Loss	\$ (58,858)	\$ (32,385)	(82)%	(93)%
Operating Loss Margin	(9)%	(6)%		
Other Contribution	\$ 19,649	\$ 22,077	(11)%	(8)%
Other Contribution Margin	12 %	13 %		
Other Contribution-by segment:				
North America	4,578	5,412	(15)%	(15)%
United Kingdom	9,440	7,118	33 %	39 %
Europe/RoW	9,237	—	—	—
Soho House Design	(426)	(638)	(33)%	(30)%
All Other	(3,180)	10,185	n/m	n/m
Other Contribution Margin-by segment:				
North America	18 %	19 %		
United Kingdom	21 %	13 %		
Europe/RoW	30 %	—		
Soho House Design	(2)%	(1)%		
All Other	(9)%	3		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

OTHER OPERATING EXPENSES. Other Operating Expenses were \$144,455 for fiscal 2019, compared with \$147,776 for fiscal 2018, a decrease of \$3,321, or 2%. This decrease is driven by foreign currency, as in constant currency, Other Operating Expenses would have increased by \$2,132, or 1%. This decrease is primarily driven by additional operating expenses related to Scorpios site and rent charges for Soho Works North America.

OTHER CONTRIBUTION. Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was \$19,649 for fiscal 2019, compared to \$22,077 for fiscal 2018, a decrease of \$2,428, or 11%. In constant currency, Other Contribution would have fallen by \$1,705, or 8%.

Other Contribution Margin was 12% for fiscal 2019, a decrease of 1% compared to fiscal 2018.

GENERAL AND ADMINISTRATIVE EXPENSES

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
General and Administrative Expenses	\$ 75,506	\$ 62,443	21%	25%
Percentage of Total Revenues	12%	11%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

General and Administrative expenses was \$75,506 for fiscal 2019, compared with \$62,443 for fiscal 2018, an increase of \$13,063, or 21%. The increase was primarily driven by an increase in support costs in order to support our investments into our new membership businesses including in our digital platform. In constant currency, General and Administrative expenses would have increased by \$14,920, or 25%.

PRE-OPENING EXPENSES

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Pre-opening expenses	23,437	20,323	15%	19%
Percentage of Total Revenues	4%	4%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Pre-opening expenses were \$23,437 for fiscal 2019, compared with \$20,323 for fiscal 2018, an increase of \$3,114, or 15%. The increase was primarily driven by the impact of timing of new openings. In constant currency, pre-opening expenses would have increased by 19%.

DEPRECIATION AND AMORTIZATION

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Depreciation and Amortization	\$ 57,139	\$ 48,387	18%	22%
Percent of Total Revenues	9%	8%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Depreciation and amortization was \$57,139 for fiscal 2019, compared with \$48,387 for fiscal 2018, an increase of \$8,752, or 18%. This increase was primarily driven by the full year impact of the three Houses opened in fiscal 2018. In constant currency, depreciation and amortization expenses would have increased by \$10,178, or 22%.

OTHER

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Other	\$ 20,371	\$ 17,838	14%	19%
Percentage of Total Revenues	3%	3%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Other was \$20,371 for fiscal 2019, compared with \$17,838 for fiscal 2018, an increase of \$2,533 or 14%. This increase was primarily driven by the impairment of a receivable following a review of the recoverability of the balances due from Soho Restaurants. The carrying value was reduced to zero. In constant currency, other expenses would have increased by \$3,324, or 19%.

INTEREST EXPENSE, NET

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Interest Expense, net	\$ 64,108	\$ 57,700	11%	16%
Percentage of Total Revenues	10%	10%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Net interest expense was \$64,108 for fiscal 2019, compared with \$57,700 for fiscal 2018, an increase of \$6,408 or 11%. This increase was driven by a full year of interest expense for loans entered in to in fiscal 2018, an increase in the Senior Credit Facility due to Payment in Kind (‘PIK’) Notes, additional debt drawn in relation to the Scorpions Group acquisition and additional interest expense for the capital lease for the Soho Warehouse property. In constant currency, net interest expense would have increased by \$8,609, or 16%.

LOSS ON SALE OF PROPERTY AND OTHER, NET

In fiscal 2019, the Company received less than \$1 million of proceeds from the sale of property and equipment and recognized a loss on disposal of \$1 million. There were no material sales of property and equipment and no material gains or losses on disposal during fiscal 2018.

SHARE OF PROFIT OF EQUITY METHOD INVESTMENTS

We maintain a portfolio of equity method investments owned and operated through non-controlling interests in investments with one or more partners. Two of our Houses are owned and operated by us through non-controlling interests and we own and operate certain of our other businesses through non-controlling interest in joint ventures. Our share of profit of equity method investment was \$774 for fiscal 2019, an increase of \$504 on fiscal 2018.

INCOME TAX EXPENSE

Income tax expense was \$4,468 for fiscal 2019, compared with \$43 for fiscal 2018, an increase of \$4,425. This increase was primarily driven due by cash tax payable in relation to the profitable Scorpions Group which was acquired in fiscal 2019 and the inability to benefit tax losses and other attributes in the UK.

NET LOSS

Net Loss attributable to Soho House Holdings Limited was \$127,742 for fiscal 2019, compared with Net Loss of \$91,356 for fiscal 2018, an increase in loss of \$36,386. This was attributable primarily to increase Operating Loss, driven by higher Operating Expenses and in Net Interest Expense in fiscal 2019.

ADJUSTED EBITDA

	Fiscal Year Ended		Percent Change	
	December 29, 2019	December 30, 2018	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
Adjusted EBITDA	\$ 17,650	\$ 37,288	(53)%	(52)%
Percentage of Total Revenues	3%	6%		

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

Adjusted EBITDA decreased by \$19,638 from \$37,288 in fiscal 2018 to \$17,650 in fiscal 2019. In constant currency, Adjusted EBITDA decreased by 52% in fiscal 2019, driven by an increase in pre-opening expenses associated with the opening and initial setup of new sites. Also, an increase in general and administrative expenses related to investments in headcount to support our digital program was partially offset by an increase in Membership Revenues and In-House Revenues.

For a reconciliation of Adjusted EBITDA to Net Loss, see “—Non-GAAP Financial Measures.”

NON-GAAP FINANCIAL MEASURES

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	December 29, 2019 Actual	December 30, 2018 Actual	Change %	December 30 2018, Constant Currency ⁽¹⁾	Change %
(Unaudited, dollar amounts in thousands)					
Net Loss	\$ (128,000)	\$ (89,847)	42 %	\$ (86,042)	49 %
Depreciation and Amortization	57,139	48,387	18 %	47,125	21 %
Interest expense, net	64,108	57,700	11 %	55,667	15 %
Income tax expense	4,468	43	n/m	26	n/m
EBITDA	(2,285)	16,283	n/m	16,776	n/m
Loss on sale of property and other, net	1,340	639	n/m	644	n/m
Foreign exchange	(3,465)	1,315	n/m	1,226	n/m
Share of equity method investments Adjusted EBITDA	6,747	5,877	15 %	5,744	17 %
Share of profit (loss) of equity method investments	(774)	(270)	n/m	(265)	n/m
Corporate financing and restructuring costs ⁽²⁾	6,127	13,444	(54)%	12,887	(52)%
Impairment charge on receivables	9,960	—	n/m	—	n/m
Adjusted EBITDA	\$ 17,650	\$ 37,288	(53)%	\$ 37,012	(52)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

(2) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In fiscal 2019, this included fees in respect of the Scorpions acquisition of \$6,127. In fiscal 2018 there was an abandoned financing transaction where \$13,444 was incurred.

The computation of House-Level Contribution and Other Contribution is set forth below:

	December 29, 2019	December 30, 2018	Change %	2018 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actual			(Unaudited)	
	(Dollar amounts in thousands)			(Dollar amounts in thousands)	
Operating Loss	\$ (58,858)	\$ (32,385)	82%	\$ (30,406)	94%
General and Administrative	75,506	62,443	21%	60,586	25%
Pre-opening expenses	23,427	20,323	15%	19,718	19%
Depreciation and Amortization	57,139	48,387	18%	47,000	22%
Other	20,371	17,838	14%	17,047	20%
Non-House Membership Revenue	(1,981)	—	—	—	—
Other Revenues	(162,123)	(169,853)	(5)%	(163,677)	(1)%
Other Operating Expenses	144,455	147,776	(2)%	142,323	1%
House-Level Contribution	<u>\$ 97,946</u>	<u>\$ 94,529</u>	<u>4%</u>	<u>\$ 92,591</u>	<u>6%</u>
Operating Loss Margin	(9)%	(6)%		(5)%	
House-Level Contribution Margin	<u>20%</u>	<u>23%</u>		<u>23%</u>	

	December 29, 2019	December 30, 2018	Change %	2018 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actual			(Unaudited)	
	(Dollar amounts in thousands)			(Dollar amounts in thousands)	
House-Level Contribution					
Membership Revenues	\$ 167,582	\$ 134,060	25%	\$ 131,528	27%
Less: Non-House Membership Revenue	(1,981)	—	—	—	—
Add: In-House Revenues	312,330	271,392	15%	264,694	18%
Total House Revenues	<u>477,931</u>	<u>405,452</u>	<u>18%</u>	<u>396,222</u>	<u>21%</u>
Less: In-House Operating Expenses					
In-House Operating Expenses	<u>379,985</u>	<u>310,923</u>	<u>22%</u>	<u>303,631</u>	<u>25%</u>
House-Level Contribution	<u>\$ 97,946</u>	<u>\$ 94,529</u>	<u>4%</u>	<u>\$ 92,591</u>	<u>6%</u>

	December 29, 2019	December 30, 2018	Change %	2018 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actual			(Unaudited)	
	(Dollar amounts in thousands)			(Dollar amounts in thousands)	
Operating Loss	\$ (58,858)	\$ (32,385)	82%	\$ (30,406)	94%
General and Administrative	75,506	62,443	21%	60,586	25%
Pre-opening expenses	23,427	20,323	15%	19,718	19%
Depreciation and Amortization	57,139	48,387	18%	47,000	22%
Other	20,371	17,838	14%	17,047	20%
House Membership Revenues	(165,601)	(134,060)	24%	(131,528)	26%
In-House Revenues	(312,330)	(271,392)	15%	(264,694)	18%
In-House Operating Expenses	379,985	310,923	22%	303,631	25%
Total Other Contribution	\$ 19,649	\$ 22,077	(11)%	\$ 21,354	(8)%
Operating Loss Margin	(9)%	(6)%		(5)%	
Other Contribution Margin	12%	13%		13%	

	December 29, 2019	December 30, 2018	Change %	2018 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actual			(Unaudited)	
	(Dollar amounts in thousands)			(Dollar amounts in thousands)	
Other Contribution					
Non-House Membership Revenue	1,981	—	—	—	—
Other Revenues	162,123	169,853	(5)%	163,677	(1)%
Less: Other Operating Expenses	(144,455)	(147,776)	(2)%	(142,323)	1 %
Other Contribution	\$ 19,649	\$ 22,077	(11)%	\$ 21,354	(8)%

(1) See “Non-GAAP Financial Measures—Constant Currency” for an explanation of our constant currency results.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is the ability to generate sufficient cash flows to meet the cash requirements of our business operations. Our principal sources of liquidity are operating cash flows, holdings of cash and cash equivalents and availability of unsecured or secured credit lines.

Our future development and redevelopment expenditures may be funded through unsecured or secured credit facilities, proceeds from the issuance of equity or debt securities, sales of properties, joint ventures, and from cash flows provided by operations.

CASH FLOWS AND WORKING CAPITAL

The following table provides a summary of cash flow data for the periods presented:

	13-Weeks Ended		Fiscal Year Ended		
	April 4, 2021	March 29, 2020	January 3, 2021	December 29, 2019	December 30, 2018
	(unaudited)				
(Dollar amounts in thousands)					
Net cash (used in) generated by					
Net cash (used in) provided by operating activities	\$(104,395)	\$ (7,546)	\$ (38,229)	\$ (2,279)	\$ 44,378
Net cash used in investing activities	(17,475)	(29,898)	(139,870)	(210,777)	(135,317)
Net cash provided by financing activities	140,453	36,711	179,704	196,958	111,508
Effect of exchange rates on cash and cash equivalents	150	(1,638)	2,050	956	(2,278)
Net increase (decrease) in cash and cash equivalents	<u>\$ 18,733</u>	<u>\$ (2,371)</u>	<u>\$ 3,655</u>	<u>\$ (15,142)</u>	<u>\$ 18,291</u>

NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

The primary cash inflows from operating activities include Membership Revenues, In-House Revenues and Other Revenues, such as the sale of retail products. The primary cash outflows from operating activities include general operating expenses and interest payments.

For first quarter 2021, we had a \$104,395 outflow of cash from operating activities, which includes a net loss of \$93,037, depreciation and amortization of \$17,845 and the net working capital improvement of \$21,222.

For first quarter 2020, we had a \$7,546 outflow of cash from operating activities, which includes a net loss of \$44,980, depreciation and amortization of \$14,949 and the net working capital improvement of \$16,276.

For fiscal 2020, we had a \$38,229 outflow of cash from operating activities, which includes a net loss of \$235,275, depreciation and amortization of \$69,802 and the net working capital improvement of \$80,550.

For fiscal 2019, we had a \$2,279 outflow of cash from operating activities, which includes a net loss of \$128,000, depreciation and amortization of \$57,139 and the net working capital improvement of \$39,492.

For fiscal 2018, we generated \$44,378 of cash from operating activities, which includes a net loss of \$89,847, depreciation and amortization of \$48,387, and the net working capital improvement of \$61,321.

NET CASH USED IN INVESTING ACTIVITIES

The primary cash inflows from investing activities include the proceeds from sale of property and equipment and the sales of subsidiaries. The primary cash outflows from investing activities include the purchase of property and equipment as well as intangibles.

For first quarter 2021, we had a \$17,475 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$15,163.

For first quarter 2020, we had a \$29,898 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$26,177.

For fiscal 2020, we had a \$139,870 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$128,939.

For fiscal 2019, we had a \$210,777 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$147,955 and the purchase of Scorpions Group for a total consideration of \$49,138.

For fiscal 2018, we had a \$135,317 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$129,399.

NET CASH PROVIDED BY FINANCING ACTIVITIES

The primary cash inflows from financing activities include proceeds from borrowings and from the issuance of shares. The primary cash outflows from financing activities include principal payments on borrowings.

For first quarter 2021, we generated \$140,453 of cash from financing activities, primarily due to repayment of borrowings of \$508,386, offset with the receipt of proceeds of new borrowings of \$456,635 and a further \$161,574 and \$47,000 in proceeds from the issuance of preferred shares and redeemable C ordinary shares, respectively.

For first quarter 2020, we generated \$36,711 of cash from financing activities, primarily due to the proceeds of new borrowings of \$19,568 and contributions from non controlling interests of \$15,213.

For fiscal 2020, we generated \$179,704 of cash from financing activities, primarily due to additional drawdowns from of our Revolving Credit Facility and other new borrowings of \$55,112 including US government backed loans and other facilities in Greece and France, \$92,989 in proceeds from the issuances of shares and contributions from noncontrolling interest holders of \$27,839.

For fiscal 2019, we generated \$196,958 of cash from financing activities, primarily due to new borrowings from the refinancing and additional borrowing against the Beach House Miami, the refinancing of our Revolving Credit Facility and the acquisition of the Scorpions Group which was funded by borrowings, of \$223,625. This was partially offset by the repayment of existing borrowings, relating to the repayment of the former Beach House Miami facilities and the former Revolving Credit Facility of \$119,560 collectively, \$82,177 in proceeds from the issuances of shares, and \$23,798 in proceeds from financing obligations of in relation to Soho Warehouse, Los Angeles.

For fiscal 2018, we generated \$111,508 of cash from financing activities, primarily due to \$87,980 of proceeds from borrowings from three new facilities with our primary lender and additional drawdowns on our revolving cash facility, and \$20,883 of proceeds from financing obligations in relation to Soho Warehouse Los Angeles.

SEASONALITY

Our results are not materially subject to seasonality fluctuations as our revenues are typically consistent on a quarterly basis throughout the year.

OFF-BALANCE SHEET ARRANGEMENTS

We did not have any off-balance sheet arrangements as of April 4, 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that can have a

significant impact on the reported amounts of assets and liabilities, revenue and expenses and related disclosure of contingent assets and liabilities, at the respective dates of our financial statements. We base our estimates, assumptions and judgments on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. We evaluate our estimates, assumptions and judgments on a regular basis and make changes accordingly. We also discuss our critical accounting estimates with our supervisory board.

We believe the following to be critical accounting policies because they are important to the portrayal of our financial condition or results of operations and they require critical management estimates and judgments about matters that are uncertain:

- Going Concern
- Goodwill and purchased intangible asset impairment
- Impairment of other long-lived assets
- Leases
- Income taxes
- Variable interest entities
- Membership credits, and
- Stock based compensation

GOING CONCERN

The going concern basis of presentation in our interim condensed consolidated financial statements included elsewhere in this prospectus assumes that we will continue in operation for a period until at least the end of May 2022 (the 'Forecast Period'), and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have experienced net losses and significant cash outflows from cash used in operating activities over the past years as we develop our Houses. During the 13 weeks ended April 4, 2021, the Company incurred a consolidated net loss of \$93 million and negative cash flows from operations of \$104 million. As of April 4, 2021, the Company had an accumulated deficit of \$848 million. As of April 4, 2021, the Company had cash and cash equivalents of \$72 million, and restricted cash of \$7 million.

In addition, since March 2020, the COVID-19 pandemic has significantly impacted our business and we have had to temporarily close some or all of our Houses, hotels and public restaurants, at different times due to the ongoing effects of the pandemic, which has and will continue to have an impact on our revenues. UK Houses and sites partly re-opened in April 2021 and are currently due to fully re-open in July 2021. Our non-UK sites (other than those with scheduled seasonality closures) remain open but are currently operating with significant restrictions in terms of capacity, and opening hours.

We have taken into consideration detailed cash flow forecasts, our forecast compliance with bank covenants, and the continued availability of funding to us from banks and stockholders.

In March 2021 we completed a series of financing transactions including the issuance of Senior Secured Notes, Senior Preference Shares and Redeemable C Ordinary Shares. The net proceeds from these Senior Secured Notes and Senior Preference Shares were used to repay all amounts outstanding under the Permira Senior Facility and the US government-backed bank loan. The remaining amounts are being used for general corporate purposes.

In our going concern assessment, we have considered the on-going impact of the COVID-19 pandemic and the resultant global economic uncertainties on our business and have undertaken a detailed assessment of cash flow

forecasts covering a period of at least the Forecast Period. As part of the going concern assessment, we have modelled a number of different cash flow scenarios.

Given current economic conditions, including but not limited to the continued impact of the COVID-19 pandemic, our modelling of various cash flow scenarios consider the potential impact of such generalised economic uncertainties on our business across all geographies and the extent to which this could adversely affect House openings and cash flows. Specifically, cash flow forecasts have been prepared based on assumptions related to the timing of opening of our Houses and a return to full operations by third quarter 2021. We have further assessed the sensitivity on cash flows of a more extensive delay and/or deferral of House openings to fourth quarter 2021 and have considered the actions available to management to maintain sufficient cash flows through a combination of measures including cost reductions and corresponding deferrals in planned capital expenditures

We believe that the completed working capital events, our projected estimated cash flows and the actions available to management to further control expenditure, as necessary, provide sufficient working capital (including cash and cash equivalents), to achieve our plans to recover from the impact of the pandemic, subject to the following key estimates and judgements:

- the timing of re-opening of Houses in a manner that is compliant with local laws and regulations, as well as anticipated demand;
- the level of in-House sales activity (primarily sales of food and beverage) that, even after opening, may be subject to reduced capacity as a result of on-going restrictions;
- the continued high level of membership retention and renewals (which has been evidenced throughout the pandemic); and
- the implementation of extensive cost reduction measures that continue to support the timing of House re-openings and anticipated levels of capacity.

Should the impact of lockdowns and other restrictions continue beyond current expectations and impact our ability to open Houses and return to a level of operation consistent with pre COVID-19 within the timeframes assumed in management's detailed cash flow forecasts, we may need additional financing. As described in Note 23 to the consolidated financial statements, we secured additional liquidity in March 2021 through the issuance of the Initial Senior Secured Notes, Senior Preference Shares and Redeemable C Ordinary Shares which will enable us to continue in operational existence and meet our liabilities as they fall due for a period of at least twelve months from the date the fiscal 2020 financial statements are issued.

Based on the above, our consolidated financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

GOODWILL AND PURCHASED INTANGIBLE ASSET IMPAIRMENT

Our methodology for allocating the purchase price relating to purchase acquisitions is determined through established valuation techniques. Goodwill represents a residual value as of the acquisition date, which in most cases results in measuring goodwill as an excess of the purchase consideration transferred plus the fair value of any noncontrolling interest in the acquired company over the fair value of net assets acquired, including contingent consideration. Goodwill is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis on the first day of the fourth fiscal quarter and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit.

We make judgments about the recoverability of purchased intangible assets with finite lives whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of purchased intangible assets with finite lives is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. We review indefinite-lived intangible assets for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. Assumptions and estimates about future values and remaining useful lives of our purchased intangible assets are complex and subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts.

The goodwill recorded in the consolidated balance sheets as of April 4, 2021 was \$200 million. The goodwill recorded in the consolidated balance sheets as of January 31, 2021, December 29, 2019 and December 30, 2018 was \$201 million, \$191 million and \$123 million, respectively. In response to changes in industry and market conditions, we could be required to strategically realign our resources and consider restructuring, disposing of, or otherwise exiting businesses, which could result in an impairment of goodwill or other intangible assets.

There was no impairment of goodwill or purchased intangible assets in first quarter 2021 or first quarter 2020, or in fiscal 2020, fiscal 2019 or fiscal 2018.

IMPAIRMENT OF OTHER LONG-LIVED ASSETS

We periodically evaluate long-lived assets held for use, which include property, plant and equipment, other intangible assets and equity method investments and assets held for sale whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows. Such assets are reviewed for impairment using factors including, but not limited to, our future operating plans and projected cash flows.

The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to that asset or group of assets, compared to the carrying value of the assets. We recognize impairment if the sum of the undiscounted future cash flows does not exceed the carrying value of the assets. For impaired assets, we recognize a loss equal to the difference between the net book value of the asset and its estimated fair value. Fair value is based on discounted future cash flows of the asset using a discount rate commensurate with the risk. In addition, at the time a decision is made to sell or discontinue use of an asset or group of assets, we record an impairment charge, if appropriate, or accelerate depreciation over the revised useful life of the asset. There was no material impairment recognized in first quarter 2021 or first quarter 2020, or in fiscal 2020, fiscal 2019 or fiscal 2018.

LEASES

We have entered into lease agreements for our Houses, hotels, restaurants, spas and other properties. We account for our leases under Accounting Standards Update ('ASU') 2016-02, Leases (Topic 842).

We determine the initial classification and measurement of our right-of-use assets and lease liabilities at the lease commencement date and thereafter if modified. The determination of operating and finance leases requires significant judgments, including estimation of the rate implicit in the lease, incremental borrowing rates and reasonably assured lease terms. The lease term includes any renewal options and termination options that we are reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease for finance leases and the incremental borrowing rate for operating leases. The incremental borrowing rate is determined by using a portfolio approach based on the rate of interest that we would pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment. We recognized operating lease assets of \$951 million and operating lease liabilities of \$1,089 million at April 4, 2021. We recognized operating lease assets of \$962 million, \$902 million and \$568 million and operating lease

liabilities of \$1,090 million, \$981 million and \$612 million at January 3, 2021, December 29, 2019 and December 30, 2018, respectively.

INCOME TAXES

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective tax rates differ from the statutory rates, primarily due to the foreign tax rate differential, tax exempt revenue and non-deductible expenses and as further described in the notes to our consolidated financial statements included in this prospectus. Our effective tax rate was 1% and 0% in first quarter 2021 and first quarter 2020, respectively. We received for first quarter 2021 a credit, or a benefit to our consolidated statement of operations, of \$1 million, and a benefit for first quarter 2020 of \$0 million. Our effective tax rate was 0%, (4)% and 0% in fiscal 2020, fiscal 2019 and fiscal 2018, respectively. We received for fiscal 2020 a credit, or a benefit to our consolidated statement of operations, of \$1 million, an expense for fiscal 2019 of \$4 million and fiscal 2018 of \$0 million.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, reversal patterns of taxable and deductible temporary differences and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be adversely impacted by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; by changes in the valuation of our deferred tax assets and liabilities; by tax effects of non-deductible compensation; by tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations.

VARIABLE INTEREST ENTITIES

We analyze our variable interests, including loans, guarantees, and equity investments, to determine if the entity in which we has a variable interest is a VIE. For those entities determined to be VIEs a quantitative and qualitative analysis is performed to determine if we will be deemed the primary beneficiary. The primary beneficiary of a VIE is defined as the variable interest holder that has a controlling financial interest in the VIE. A controlling financial interest is defined as one that has (i) the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we base our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability and the relevant development, ownership interest, operating, management and financial agreements. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affect the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

We consolidate those entities in which it is determined to be the primary beneficiary. If we are not determined to be the primary beneficiary but can exercise significant influence over these entities, these investments are accounted for under the equity method of accounting.

MEMBERSHIP CREDITS

As a result of government imposed measures intended to control the spread of COVID-19, including quarantines, restrictions on travel and restrictions on certain business operations, we temporarily closed many of our Houses. We issued membership credits to active members of such closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. As such, the issuance of the membership credits provided is deemed to have no material right or separate performance obligation, and no contractual arrangement has been entered into. We recognize a liability in respect of the outstanding membership credits based on our best estimate of the cost to be incurred in fulfilling the membership credits, which are expected to be redeemed by our active members. In estimating the cost of fulfillment, we regularly review the purchase cost price of items that membership credits are redeemed against. This is principally food and beverage in our Houses which is a significant component of the purchase cost percentage applied to the face value of the membership credits issued. We then apply an expected redemption rate percentage to this which is based on historical redemption patterns by our members. These two calculations yield our accrued liability for membership credits. The liability associated with the membership credits is derecognized based on the usage of credits by members during the period incurred. The redemption rate applied when estimating the liability is based on historical redemption patterns of comparable offerings and is subject to uncertainty. We regularly evaluate current information available to us to determine whether the redemption rate should be adjusted based on our cumulative redemption experience and changes to other factors including any changes to expiration dates based on our re-opening plans for our Houses as well as our actual experience of the cost of fulfillment. Estimating the expected redemption rate by our members and, to a lesser extent, the cost of fulfillment involves significant judgment. The membership credits were initially set to expire on December 31, 2020, but this expiration has been extended to September 30, 2021. At April 4, 2021, membership credits included in other current liabilities was \$15 million (March 29, 2020: \$nil). At January 3, 2021, membership credits included in other current liabilities was \$12 million (December 29, 2019 and December 30, 2018: \$nil and \$nil).

STOCK BASED COMPENSATION

In August 2020, we established the Soho House Holdings Limited 2020 Equity and Incentive Plan under which Share Appreciation Rights ('SARs') and Growth Shares (as defined in the 2020 Equity and Incentive Plan) were issued to certain of our employees. SARs and Growth Shares are scheduled to vest annually in equal installments over a four-year period, or cliff-vest at the time of a change of control transaction (as defined in the Soho House Holdings Limited 2020 Equity and Incentive Plan), if earlier. Upon an initial public offering where primary and secondary proceeds exceed \$100 million ('Qualifying IPO Event'), up to one year of vesting will accelerate. Exercised SARs will be settled in cash upon a change of control and will be settled in ordinary shares upon a Qualifying IPO Event. SARs have a contractual term of 10 years. Growth Shares will be settled in D ordinary shares upon a change of control or a Qualifying IPO Event. We have the option, at our election, to settle the SARs and the Growth Shares in cash or shares prior to a change of control or Qualifying IPO Event or if a Qualifying IPO Event does not occur within four years of the grant date. SARs and Growth Shares are , accounted for as equity classified awards, as the form of settlement is under the control of the Company. We account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. As there is no public market for any of our ordinary shares to date, we estimated fair value of our ordinary shares as of the date of each grant, considering third-party valuations.

These valuations considered both objective and subjective factors, including:

- the prices at which we sold ordinary shares and the investor rights and preferences of each sale of our ordinary shares at the time of grant;
- our business strategy;
- external market conditions and trends affecting our sector;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results; and
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company in light of prevailing market conditions, based on the status of the company at each date of valuation.

The valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The methods used to derive total equity value varied, depending on the availability of objective valuation-related information. Inputs used in our valuations include the issue prices of our periodic investment rounds and market factors based on recent mergers and acquisitions within our industry sector.

The assumptions underlying these valuations represented management's best estimate, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our ordinary shares and our share-based compensation expense could have been materially different.

Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our ordinary shares in connection with our accounting for granted stock awards and other such awards as we may grant, as the fair value of our ordinary shares will be determined based on the quoted market price of our common stock.

We use the Black Scholes option pricing model to estimate the value of employee stock awards, which requires a number of assumptions to determine the model inputs. These include the expected volatility of our stock which is based on historical data from comparable publicly listed companies because there is no public market for our ordinary shares to date and the expected term of the award which is based on expectations of a qualifying exit event at the time of grant. Forfeitures are accounted for on an incurred basis and hence no estimate is made for this at the time of grant for forfeiture in determining the grant date fair value.

BORROWINGS

Please see "Description of Certain Indebtedness and Preferred Equity" for a description of our material borrowings.

CONTRACTUAL OBLIGATIONS

The following table summarizes our estimated material contractual cash obligations, which includes both principal and interest obligations, and other commercial commitments at January 3, 2021:

	Total	Cash payments due by period			After 5 years
		Less than 1 year	1-3 years	4-5 years	
		(unaudited, dollar amounts in thousands)			
Operating Leases	2,069,321	109,270	322,864	216,498	1,420,689
Revolving credit facilities at 3.00% plus LIBOR	85,780	2,506	83,274	—	—
Permira Senior Facility due April 2022	622,224	31,315	590,909	—	—
US government-backed loan	22,126	—	22,126	—	—
Other loans	164,047	9,995	25,640	121,776	6,635
Finance Obligations	128,257	6,758	21,097	14,632	85,770
Finance Leases	240,406	5,277	15,840	10,652	208,637
	3,332,160	165,122	1,081,749	363,558	1,721,731

The contractual cash obligations assumes debt and leases are held to maturity and LIBOR rates (where relevant) remain at the prevailing January 3, 2021 rate. As disclosed in Note 23, Subsequent Events, in our consolidated financial statements included elsewhere in this prospectus, since the start of 2021, we have completed a series of financing transactions including the issuance of the Initial Notes, Senior Preference Shares and Redeemable C Ordinary Shares. The net proceeds from the Initial Notes and Senior Preference Shares were used to repay all amounts outstanding under the Permira Senior Facility and the US government-backed bank loan. Under a previous arrangement with Permira, we have agreed to pay to it (and other lenders in the facility), an exit fee following the consummation of this offering, in an aggregate amount of \$5 million, payable in cash or shares of our Class A common stock, at the option of Permira and the other lenders. The remaining amounts will be used for general corporate purposes. As disclosed in Note 6 to our consolidated financial statements, as of January 3, 2021, we have entered into 8 operating lease agreements for Houses, hotels, restaurants, and other properties that are in various stages of construction by the landlord. We will determine the classification as of the lease commencement date, but currently expect these under construction leases to be operating leases. We estimate the total undiscounted lease payments for these leases commencing in fiscal years 2021, 2022, 2023 and 2026 to be \$198 million, \$366 million, \$176 million, and \$152 million.

On April 24, 2020, in respect of our various US subsidiaries, we received 11 Payroll Protection Plan loans (“PPP loans”) totaling \$22 million, at a 1% interest rate and a maturity of 2 years. Payments under these loans were deferred for the first 6 months for both principal and interest. We used amounts under these PPP loans for qualifying expenses, including, but not limited to, payroll costs, rent, interest on mortgage debt and utilities over the 24-week eligibility period. We repaid these PPP loans in full on April 1, 2021.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

As a consumer facing business, any risks to the UK or US economy as a whole, and in particular to consumer spending, could impact on our overall reported performance. However, our global brand is well positioned and our portfolio of Houses is diversified across a number of countries.

Significant commodity costs and wage inflation are also risk factors, although the business can to a certain extent offset inflationary pressures through moderate accommodation, membership and menu price increases.

FOREIGN EXCHANGE RISK

We principally operate in the UK although, we also have significant operations in North America and Europe. Therefore, we are exposed to reporting foreign exchange risk in US dollars and Euros.

Accordingly, we have not, to date, used any material financial instruments to mitigate our foreign exchange risk. The directors and management will keep this situation under review. However, as suppliers of the US and German businesses are predominantly paid in US dollars or Euros respectively, this acts as a natural hedge against foreign exchange risk.

If the US Dollar had strengthened/weakened by 10% versus the Pound sterling, revenue would have been approximately \$3 million lower and approximately \$3 million higher, respectively, and Net Loss would have been approximately \$8 million lower and approximately \$8 million higher, respectively, for first quarter 2021.

If the Euro had strengthened/weakened by 10% versus the Pound sterling, revenue would have been approximately \$0 million lower and approximately \$0 million higher, respectively, and Net Loss would have been approximately \$0 million lower and approximately \$0 million higher, respectively, for first quarter 2021.

CONCENTRATION OF CREDIT RISK

Credit risk is the risk of loss from amounts owed by financial counterparties. Credit risk can occur at multiple levels; as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Financial instruments that potentially subject us to credit risk consist of cash equivalents and accounts receivable.

We maintain cash and cash equivalents with major financial institutions. Our cash and cash equivalents consist of bank deposits held with banks, and money market funds that, at times, exceed federally or locally insured limits. We limit our credit risk by dealing with counterparties that are considered to be of high credit quality and by performing periodic evaluations of investments and of the relative credit standing of these financial institutions.

LIQUIDITY RISK

We seek to manage our financial risks to ensure that sufficient liquidity is available to meet our foreseeable needs. We believe we have significant flexibility to control our capital expenditure commitments in new House developments through different investment formats. As of April 4, 2021, we had \$72 million in cash and cash equivalents on the balance sheet to meet our funding needs.

CASH FLOW AND FAIR VALUE INTEREST RATE RISK

We have historically financed our operations through a mixture of bank borrowings and bond notes which are generally fixed, and expect to finance our operations through operating cash flows and availability under our Revolving Credit Facility. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities.

BUSINESS

OUR MEMBERSHIP PLATFORM—TWENTY-FIVE YEARS OF EXPERIENCE

The Membership Collective Group (MCG) is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the MCG platform to both work and socialize, to connect, create, have fun and drive a positive change.

The Membership Collective Group began with the opening of the first Soho House in 1995 and remains the only company to have scaled a private membership platform with a global presence. Over the last 25 years, we have expanded our membership expertise and diversified our offerings—both physically and digitally. As of April 4, 2021, we have over 119,000 members (including over 111,300 Soho House members) who engage with MCG through our global portfolio of 28 Soho Houses, nine Soho Works clubs, The Ned in London, Scorpions Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.



The central pillar of MCG is Soho House, which drives the majority of our membership and revenue today. Since the opening of our first House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we believe our membership offering, consistently high standards of service, and our global footprint remain unparalleled. As of April 4, 2021, Soho House is a membership of more than 111,300 creative and loyal individuals. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including the SH.APP. Our vision for the SH.APP has always been for it to be like having a House in your pocket. It's our central destination for members to make bookings and payments, to connect with each other and access video content and podcasts — made for our members, by our members. and our website. Annually, we host thousands of physical and digital member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music—and help our members forge connections to bring them closer together.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into the Membership Collective Group, a home to numerous memberships including Cities Without Houses, Soho Works, Soho Friends, Soho House Digital, SOHO HOME+ and Ned's Club. By designing, curating and growing our membership offering, our membership platform can quickly and easily respond to shifting lifestyle trends and the evolution of our members' needs. Our memberships work together, allowing us to reach new audiences with a set of interconnected offerings.



Everything we do across these memberships begins and ends with our members. The foundation of our member experience has been crafted over our 25-year history and is built on the following pillars:

- *Membership:* We are in the business of forging connections and bringing people together. Our diverse global membership is the soul of our company. It is the people that define our culture and shape the experience – in turn attracting new members.
- *Physical and digital spaces:* We create and operate interconnected spaces. Each of our physical locations is designed to reflect our members and the local community that they serve. Our digital

platforms extend our connection with members beyond our physical spaces, in turn significantly enhancing the member experience.

- *Design:* Our design DNA is instantly recognizable across all of our membership models, whether in our Houses, Soho Works, The Ned, Scorpions Beach Club or Soho Home. While each House is unique, they each have a consistency in their architectural and interior style that has come to define the Soho House experience. In each new House or site that we develop for our other brands, this style is interpreted for local tastes and preferences, reflecting the culture of the respective city.
- *Services, products and experiences:* Our member-obsessed culture drives us to relentlessly improve the quality of the services, products and experiences we offer to our members. We do not cut corners or compromise on quality, taking the long-term view that there is no substitute for the highest quality services, products and experiences when it comes to fostering loyalty from our members.
- *Innovation:* We have always strived to adapt and evolve by anticipating our members' needs and wants. Innovation has always been part of our culture and approach, and we have used that mindset to create new memberships to serve a wider audience of people who desire personal connection via new channels.
- *House Foundations:* We are committed to integrating the pillars of our social responsibility and sustainability program, House Foundations, into everything we do.

Sitting at the heart of MCG, Soho House has a highly loyal membership base, with annual Soho House Member Retention rates averaging 94% between fiscal 2016 and 2020. Our membership has remained resilient through multiple economic cycles and the COVID-19 pandemic. When our physical sites were forced to close as a result of the COVID-19 pandemic, there was minimal impact on the retention of Soho House members, with the Soho House Member Retention rate remaining at 92% for fiscal 2020. We also saw the demand across all of our membership brands strengthen, with over 30,000 applications for our membership brands submitted during fiscal 2020. The power of our model is driven by the important role we believe that we play in our members' lives and the value we consistently provide them for their membership fees. We believe our retention compares favorably to leading consumer subscriptions or memberships—across music, media, fitness, entertainment and commerce—despite, in many cases, their significantly lower price points.

The demand for our membership is also demonstrated by our large and growing global wait list, which as of January 1, 2021 stands at over 48,000 applicants. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage. With virtually no marketing or sales costs associated with acquiring new members, we have been able to grow our membership by a 16% CAGR between fiscal 2016 and 2020, while expanding our Membership Revenue at a 24% CAGR during the same period.

There are multiple consumer forces at play that have increased the relevance of our memberships. We have observed a secular shift in the ways that people live and work—with less time spent in traditional corporate offices and more time in social spaces that encourage creativity and mutual engagement. We believe that these trends will only accelerate, and that the freedom to be able to choose where to live and work—particularly in light of the COVID-19 pandemic—will likely have a significant impact on our target market. We believe this will create an even greater demand for curated communities that can grow and thrive in a more deliberate environment.

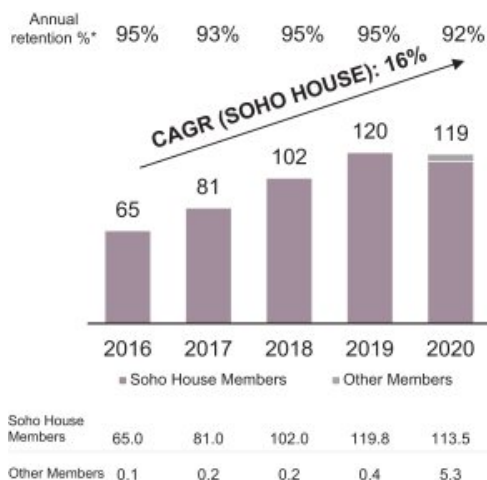
For first quarter 2021, we had total revenues of \$72 million, a net loss of \$93 million and Adjusted EBITDA loss of \$23 million. For first quarter 2020, we had total revenues of \$142 million, a net loss of \$45 million and Adjusted EBITDA of \$(9) million. For fiscal 2020, we had total revenues of \$384 million, a net loss of \$235 million and Adjusted EBITDA of \$(44) million. For fiscal 2019, we had total revenues of \$642 million, a net loss of \$128 million, and Adjusted EBITDA of \$18 million. For fiscal 2018, we had total revenues of \$575 million, a net loss of \$90 million, and Adjusted EBITDA of \$37 million.

For first quarter 2021, of our \$72 million in revenue, \$40 million (56%) was attributable to Membership Revenues, \$16 million (22%) to In-House Revenues, and \$16 million to Other Revenues (22%). For first quarter 2020, of our \$142 million in revenue, \$48 million (34%) was attributable to Membership Revenues, \$68 million (48%) to In-House Revenues, and \$26 million to Other Revenues (18%). For fiscal 2020, of our \$384 million in revenue, \$177 million (46%) was attributable to Membership Revenues, \$127 million (33%) to In-House Revenues, and \$81 million to Other Revenues (21%). For fiscal 2019, of our \$642 million in revenue, \$168 million (26%) was attributable to Membership Revenues, \$312 million (49%) to In-House Revenues, and \$162 million to Other Revenues (25%). For fiscal 2018, of our \$575 million in revenue, \$134 million (23%) was attributable to Membership Revenues, \$271 million (47%) to In-House Revenues, and \$170 million to Other Revenues (30%). Please see “—Summary Historical Consolidated Financial and Operating Data” for a definition of Non-GAAP Adjusted EBITDA and a reconciliation to net loss, the most directly comparable GAAP measure.

Please see “—Summary Historical Consolidated Financial and Operating Data” for a definition of Non-GAAP Adjusted EBITDA and a reconciliation to net loss, the most directly comparable GAAP measure.

Membership Revenues are comprised of annual membership fees and one-time initial registration fees paid by members. In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation, and spa products and treatments. Other Revenues include all revenues not realized within our Houses, including Scorpions, Soho Works and stand-alone restaurants, design and procurement fees from Soho House Design and Soho Home among others. We view Membership Revenues and In-House Revenues as interrelated, insofar as although there is no minimum spend for any member on our In-House offerings that generate In-House Revenues, in practice the significant majority of In-House Revenues are generated by our members, and the pricing of our In-House offerings reflects that accordingly.

TOTAL MEMBERSHIP (THOUSANDS)



* Represents Soho House Member Retention only

MEMBERSHIP REVENUE (MILLIONS)



OUR MEMBERSHIP PLATFORM

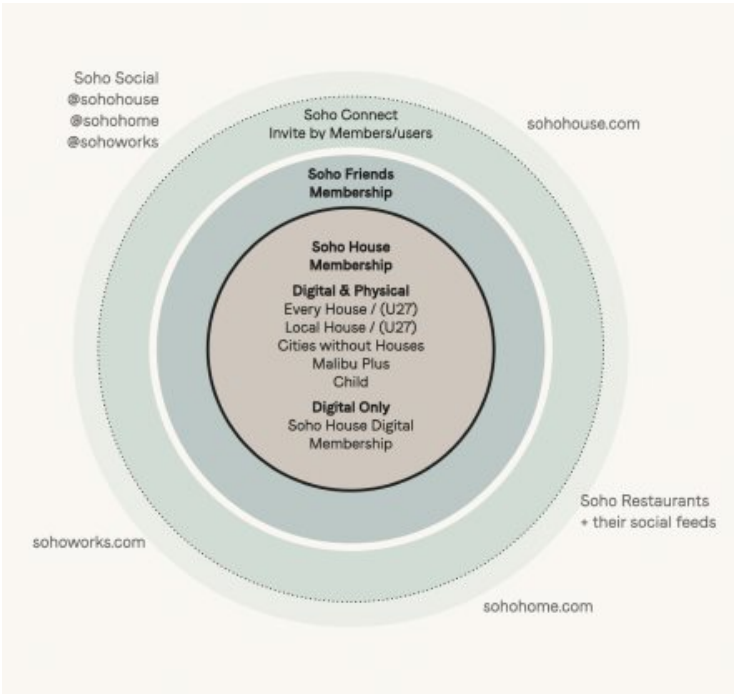
All of our memberships have been built to enrich the lives of their members, as well as expand our membership offering to a broader audience.

SOHO HOUSE

Soho House remains at the core of our membership platform by creating a foundation upon which additional membership businesses can be built and scaled. While our physical Houses provide our foundation, the people

inside them are the soul of Soho House. As a membership founded for the creative industries, we are proud to have championed members who have gone on to shape our cultural landscape as world class writers, artists, performers, directors, founders, designers, and producers – all reflecting the spirit and energy of Soho House.

The membership of each House is assembled by a select committee of influential creatives and innovators that represent the local area in which the membership is founded. Our members actively engage in creating the culture of each House, helping to shape and localize it by participating in member events and contributing to editorial and digital content. We believe this adds to the value of each House, enriching the membership and enhancing the attractiveness of membership to prospective members worldwide. With a current US Every House annual membership fee of approximately \$3,400 providing access to all of our Houses globally, we believe our membership offering provides compelling value to our members that increases as we add new Houses and more members to our global community. Our Houses attract members from every demographic, with members from “Generation Z” (21 years old and younger) and “Millennials” (22- to 37-year-olds) constituting the fastest-growing cohorts. We also believe that the pricing of our In-House offerings represents great value to our members because of the level of quality provided, reinforcing the overall membership experience, rewarding their brand loyalty and creating opportunities for future and recurring revenues.



Information on the websites and social media platforms referenced above is not incorporated by reference into this prospectus.

We created the following types of membership under Soho House to reach a broader audience and enhance the experience of our existing members:

- **CITIES WITHOUT HOUSES**

In 2017, we introduced a new type of Soho House membership known as Cities Without Houses (“CWH”), which opens up the Soho House membership to people who live in cities where we do not

yet have a physical House. This membership allows us to welcome members to our global community in new geographies, generates additional revenues on our existing base of Houses and provides intelligence for future growth, which we have employed to open new Houses in certain locations, including in Austin, Texas and Paris, both of which are expected to open in 2021. We currently have more than 5,000 CWH members across 45 cities, paying an annual US membership price of \$2,630.

- **SOHO HOUSE DIGITAL MEMBERSHIP**

The ambition for Soho House has always been to create a truly global membership that brings creative people together, from all over the world. We believe that we will be able to achieve this through the introduction of Soho House Digital Membership - a new, paid digital-only membership that we plan to launch in late 2021. Not limited by our physical footprint, Soho House Digital Membership will expand our global reach, allowing us to move further into Asia, Africa and South America, adding fascinating creatives from dynamic cities to our membership.

Soho House Digital Membership will be subject to the same application and approval process as Soho House membership, allowing like-minded individuals to connect, communicate and collaborate with each other, in a purely digital space through the SH.APP. It will make our membership truly diverse, and will enable the best creatives from all over the world to make meaningful connections with each other. In the same way that we've grown Cities Without Houses membership in 45 cities around the world, we will use our connections and liaisons on the ground in new cities to build awareness of digital membership, growing it organically through existing creative communities.

By leveraging our digital platforms in this way, and removing the reliance on physical spaces to experience the benefits of our membership, we have created a gateway to previously untapped growth opportunities. We believe this new membership type will be attractive to potential members who are already used to socializing, networking and working digitally. Existing Soho House members will also receive the full functionalities of the Soho House Digital Membership, and therefore, the introduction of the Soho House Digital Membership only serves to improve the richness of their membership experience, making it more valuable – with new opportunities to connect with and consume content from a truly global and diverse membership base.

- **SOHO FRIENDS**

There are a significant number of people who enjoy the Soho House way of living and who have already visited our Houses as guests, stayed in our bedrooms, or visited our public restaurants and spas, but do not currently have a Soho House membership. To respond to this audience, we launched Soho Friends in November 2020 for an annual subscription cost of £100. We offer access to physical spaces, including Soho House bedrooms, and Soho Studios (our new social spaces for Soho Friends and Soho House members) that host curated programs of events and screenings, with additional benefits from our restaurants, spas and online retail brands, although Soho Friends do not have full access to our Houses. Between November 2020 and April 2021, we have received almost 6,000 applications, the majority of which originated from a recommendation of a Soho House member or a MCG employee, and accepted over 2,600 Soho Friends members. We intend to grow this membership brand in a measured way so that our Soho House members continue to account for the majority of visitors to our Houses and restaurants.

SOHO HOME

Soho Home was created as a result of the constant requests from our members to recreate the look and feel of the Houses in their own homes. Soho Home is an interiors and lifestyle retail brand that offers handcrafted furniture, lighting, textiles, tableware and accessories through e-commerce. Over the past year, we have transformed Soho Home into a high growth retail business, and in October 2020, we launched SOHO HOME+, which is a subscription-based membership platform with over 2,600 members as of April 4, 2021, that offers price discounts, free delivery, and expert design advice plus early access to new collections and seasonal sales for an annual price of £60.

SOHO WORKS

First launched in 2015, Soho Works provides its members with the space and resources to work alongside other like-minded individuals and businesses — facilitating connections and providing the tools to flourish. Aimed at existing Soho House and Soho Friends members, Soho Works draws on the same design principles and membership ethos as Soho House, but is a space purposed entirely for work and creative collaboration.

Beginning with one location in London, we have since opened eight additional sites in London, New York and Los Angeles over the last two years and as of April 4, 2021, we had over 1,000 members. Soho Works membership rates vary by location and Soho House membership status. For Soho House members, a US Soho Works membership ranges from \$250—\$600 per month, depending on membership type.

SCORPIOS BEACH CLUB

Set in a cove on the southern tip of Mykonos, Scorpios offers a one of a kind beach experience with a well- established globally recognized brand. With a restaurant, terraces and daybeds, and a distinctive wellness offering, Scorpios enriches the lives of its guests who are looking to escape from their daily lives. We believe the Scorpios concept has significant potential to expand into additional locations as a key part of our platform and we expect to open our second site in Tulum, Mexico at the end of 2022. While we do not currently offer a standalone membership, there is significant interest from our customers to do so and we therefore plan to launch a unique Scorpios membership in 2022.

THE NED

The Ned has created a new space in the heart of the City of London for its members to meet, eat, drink and socialize. The Ned brand seeks to embody a “city within a city” full-service destination, by playing host to multiple restaurants, bedrooms, a range of grooming services, spa, gym and a full service members’ club. The membership offered by The Ned (‘Ned’s Club’) is aimed at a broader group of professional people. As of April 4, 2021, Ned’s Club had over 3,000 members paying an annual subscription price of £3,150, and intends to expand into additional cities beyond London, as well as launch Ned Friends – a more accessible membership similar to Soho Friends, for frequent visitors and customers of The Ned. We receive management fees under our hotel management contract for the operation of The Ned.

OUR STRENGTHS

We have eight core strengths that give the Membership Collective Group an enduring competitive advantage:

TWENTY-FIVE YEARS OF EXPERIENCE

We are the only company to have pioneered and scaled a private membership platform with a global presence, anchored in a loyal and diverse member community, and network of interconnected physical and digital spaces. Each of our communities serve as cultural cornerstones in their respective cities, and we attribute our success to the first-mover advantage, gained through identifying a unique opportunity in the marketplace early.

Crucially, the value of our membership and brand strengthens as we expand into new cities and properties, which is in contrast to other membership-based companies that may experience brand dilution as they scale. The value of an Every House membership becomes more compelling to both new and existing members as we grow our business, enhancing our revenue potential.

A GROWING AND LOYAL MEMBERSHIP

The MCG’s annual membership fees from our growing network of more than 119,000 members (including over 111,300 Soho House members), as of April 4, 2021, create a recurring and predictable revenue stream that has proven to be resilient across economic cycles. The stability of our Membership Revenue is further supported by our industry-leading retention rates, averaging approximately 94% for annual Soho House Member Retention between fiscal 2016 and 2020.

The broad appeal of our membership underpins our attractive long-term growth, and we have seen the relevance of our curated membership grow over time. Since we enabled non-members to register and create public accounts on our website for the first time in April 2020, we have seen approximately 242,000 non-members sign-up to our site as of January 2021. Our Membership Revenues have grown at a 24% CAGR between fiscal 2016 and fiscal 2020.

A WAY OF LIVING

We have established a distinctive style and way of living that has given our memberships a notable presence in popular culture, evidenced by our strong social media following. As of May 2021, we have almost 1 million Instagram followers across our global accounts. In 2020, our social media reach has grown by almost 25%, with our engagement rate increasing 63% year on year. Our brand recognition extends far beyond our current geographic footprint, providing a distinct advantage in the execution of our growth plan.

A PLATFORM TO LAUNCH NEW MEMBERSHIPS

We have developed a deep understanding of membership businesses, and built digital systems and in-house design and development teams, which together form the foundation of our membership platform. We are able to significantly reduce start-up costs and absorb expenses associated with launching and operating a new membership by leveraging our existing membership base and physical and digital assets, which we believe can lead to an attractive margin as the membership matures.

Over the last two years we have developed a digital platform which is feature rich, robust and scalable. The platform powers our member experiences – both on the SH.APP and on our web platforms and serves as the backbone for acquisition, membership management and member services. We have customized this platform through proprietary technology combined with best of class software. Our data warehouse and use of single-sign-on technology extends the platform allowing our members to use digital products seamlessly – whether in our Houses or outside – with their experiences appropriately personalized. We extended the platform for new types of memberships in 2020, and subsequently for associated businesses.

A FLEXIBLE REAL ESTATE MODEL

Our highly stable and visible membership base enables us to consider non-traditional real estate and provides us with opportunities to create unique spaces with character and soul. Soho House Design, our talented team of in-house designers and architects have transformed a variety of historic or under-utilized buildings into vibrant spaces that have become cornerstones of their emerging and culturally rich neighborhoods. Given our market recognition, we are constantly approached by landlords and developers directly to consider their properties for our new locations, and act as anchor tenant, resulting in more efficient acquisition and development costs.

Our real estate partners benefit from the impact of the Soho House brand on the value of their underlying property and surrounding neighborhood. This enables us to achieve favorable lease agreements, increase tenant improvement allowances from landlords to support our capital light expansion, and in some cases receive a share of the upside in the value of the property. Such dynamics have allowed us to open multiple Houses in a capital efficient manner across Shoreditch, London, the Meatpacking district in New York, the Gothic Quarter in Barcelona and the downtown industrial arts district in Los Angeles. We expect to increasingly apply our capital light model to the future Houses in our pipeline. We typically enter into long-term leases (20-year initial term plus multiple extension options) that provide us with certainty of long-term usage of the real estate.

MULTIPLE PATHWAYS TO DRIVE GROWTH

We are currently present in 63 markets globally across our membership base, demonstrating our strong track record of international expansion but significant runway for growth ahead of us. We believe there is significant white space both in countries and cities where we already operate, as well as in new geographies. Many major markets remain untouched, and we know from our Cities Without Houses membership and our broader digital

offers that there is significant untapped potential for physical sites in cities and countries across the globe. Once Houses are opened, we have a track record of growing revenue sustainably—due to the strength of demand for our memberships, combined with our ability to add new members with limited incremental investment.

We are also able to expand our addressable market by launching new memberships that meet the needs of a broader audience and complement our current offering. This extends to the digital space, where we have created a gateway to previously untapped growth opportunities via our new digital membership. We are still in the early stages of growth, and these opportunities give us confidence in our ability to sustain attractive growth over the long-term. It is the complementary nature of these physical and digital platforms that drive operational efficiencies, and by moving members through our ecosystem, create multiple touchpoints for revenue generation.

AN ATTRACTIVE FINANCIAL MODEL

Our financial profile is characterized by high growth, recurring revenue and margin expansion, underpinned by the economics of our physical locations and membership.

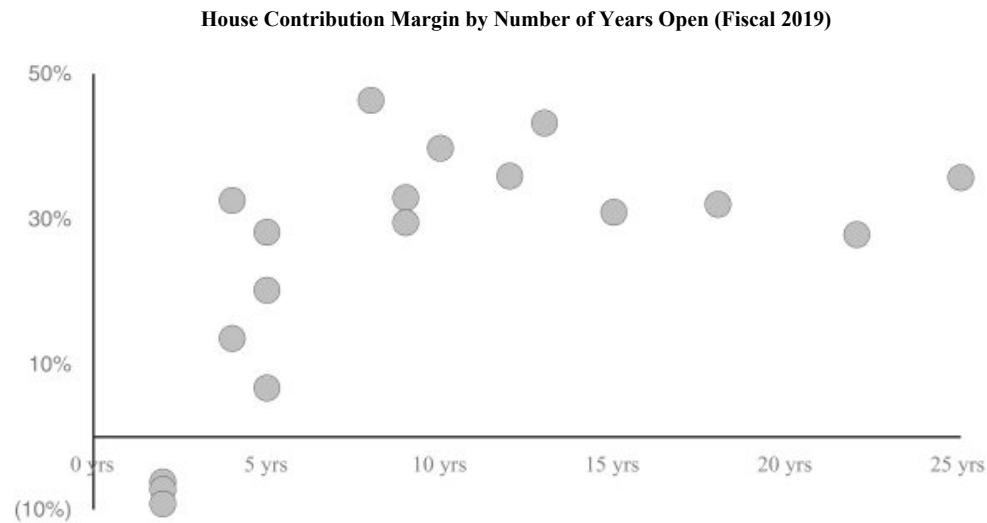
Our unique business model provides compelling House-level economics driven by our ability to grow the member base of each House over long periods of time as operations are refined and frequency of use by existing members normalizes. The ability to add members to our Houses over time drives an increase in House-level contribution and House-level contribution margin over the long-term and sets us apart from traditional hospitality companies, which have more fixed occupancy profiles. To this end, our more mature Houses typically have larger membership bases and generate higher House-Level Contribution Margins. Notably, the membership list of our oldest House continues to grow and maintains a wait list, demonstrating the continued popularity of even our mature Houses.

For our larger, amenity-rich Houses that anchor our brand in a city, we target stabilized average revenues of \$20 million to \$30 million by the fifth year of operation. As at fiscal 2019 we achieved or exceeded this target for eight out of our nine large Houses that had been open for at least five years. We target House-Level Contribution Margins of 20% to 30% by the fifth year of operation and as at fiscal 2019, we achieved or exceeded this target for seven out of nine of our large Houses that had been open for at least five years. We target cash-on-cash returns in excess of 50% once membership reaches a level that we consider normalized based on the size of the House. Historically this goal has been achieved in six out of our nine large Houses within five to 11 years of opening. Under the new asset light strategy we believe this goal can be reached in three to five years, although none of our Houses opened under this strategy have been operating long enough to achieve this target. Due to the impact of the COVID-19 pandemic on our sales and profitability, the metrics above were not achieved in fiscal 2020 or in fiscal 2021 to date.

Historically we have made significant investments in the development of our Houses, either in purchasing an ownership position and/or making material investment in the build out of the property alongside our landlords. Beginning several years ago, with the growing reputation of Soho House as a marquee tenant, we began making a conscious shift to an asset light development model to conserve and drive improved return on our capital. Under this model, our landlord agrees to fund a substantial portion, or all, of the development costs of a House, to our design specifications, leaving us to fund only pre-opening expenses (and art and other unique interior design elements). Virtually all of the Houses that we plan to open over the next three years reflect this asset-light model.

While our investment in our full-size Houses has historically approached, or in certain cases exceeded, \$10 million, under our asset-light model we expect our contribution to open new Houses, comprised primarily of pre-opening expenses and art, will fall in the \$3 million to \$6 million range. Despite a modest increase in average rents from this strategy, we believe the considerably reduced capital investment will result in meaningfully improved cash-on-cash returns and capital efficiency.

A new Soho House membership incurs virtually no membership acquisition cost, since we do not conduct any paid marketing. Driven by consistently high retention and minimal costs associated with retaining or supporting our members, Soho House enjoys a very attractive member lifetime value. We believe new memberships will also provide compelling economics and be accretive to our profit, as they can be created and operated in an asset-light manner that leverages the existing platform.



AN EXPERIENCED AND FOUNDER-LED MANAGEMENT TEAM

Our executive management team is led by our Founder and Chief Executive Officer, Nick Jones, who has over 40 years of experience within the membership and hospitality businesses. While we were a privately-owned enterprise, Nick guided our international expansion through both strong and notably weak economic environments to build what has become one of the world’s leading membership and lifestyle brands.

Our executive management team brings considerable and diverse experience gleaned from previous senior roles in the hospitality, retail, design, digital, creative and financial services industries. Andrew Carnie, our President, joined Membership Collective Group from retail brand Anthropologie, where he most recently served as Group President. Several other members of our senior team, including our Chief Membership Officers and Chief Operating Officer, have been with the company since the beginning, working their way up to become some of our most valued leaders.

We have built a world class in-house digital team that partners with our operational experts to create and grow our global platforms. We also leverage the expertise of our shareholders, who have an extensive operational track record in the hospitality sector. Ron Burkle, who is recognized as a leading investor in hospitality and related consumer industries, takes an active role as the Executive Chairman of our Board. Richard Caring, an investor since 2008 and one of the members of our Board, also brings years of industry and operating experience to the group.

OUR GROWTH PLAN

We are still in the early stages of our expansion and we believe our track record as well as our core capabilities have positioned us to achieve significant and sustained growth through the following initiatives:

OPEN NEW SOHO HOUSES

Expansion into new areas is exciting for us and our members, and furthers the reach of our brand. Opening Houses in existing cities satisfies unmet demand (as represented by our local wait lists), and leverages our existing infrastructure.

Since January 1, 2018, we have opened 10 new Houses, increasing our total House count by 56% to 28 Houses as of April 4, 2021. Our current pipeline anticipates opening eighteen new Houses in total by year-end 2023, which, if achieved, would increase our worldwide House total to 46, resulting in a 64% increase to our existing House base. Our development pipeline extends our global footprint to exciting cities such as Tel Aviv, Paris, Rome and Austin as well as new destination experiential Houses, such as a wellness retreat in Lake Arrowhead and a ranch in Sonoma. We continue to see substantial long-term growth opportunities in the Asia Pacific, Africa and South America regions. We currently anticipate a long-term growth target of three to five Soho House openings annually over time.

Notably, aside from the temporary closure of certain Houses for public health and safety reasons (including the COVID-19 pandemic) or for refurbishment, we have never closed a House at any point in our 25-year history. We have a proven track record of consistently opening successful new sites that achieve member growth targets and generate strong long-term unit economics.

CONTINUOUSLY ENHANCE THE MEMBER EXPERIENCE

We maintain a relentless focus on enhancing the member experience and expanding the role we play in our members' lives. We continue to elevate the quality of our food and beverage, accommodation, spa services, events and other goods and services. In addition to adding new Houses and new experiential destinations, we are growing our wellness concept through the development of Soho Health Clubs, which will offer a unique socially optimized space for members to move their bodies, look after their health and well-being. Over the past twelve months, we have introduced a number of digital solutions to improve our member experience including 'House Pay', our proprietary digital payment service, 'House Guest', our global guest check in service, as well as other room and table booking functionalities on the SH.APP to make it easier for our members to stay or dine with us. We have also made the majority of our House spaces 'laptop free' areas, ensuring that we always maintain the ambience and social atmosphere of our spaces. In fiscal 2020, we have hosted more than 300 digital events on the SH.APP, and a total of 827,000 bookings have been made on the SH.APP.

CONTINUE TO SCALE EXISTING MEMBERSHIPS

GROW SOHO FRIENDS MEMBERSHIP

In 2019, there were over one million non-member guests who visited our Houses, many of whom visited frequently. Our intention is to continue to convert these customers into Soho Friends members. We recently introduced our House Guest system to collect data and better understand our customers and visitors, which has created a foundation to scale Soho Friends. We will be launching Soho Friends membership in North America and Europe in 2021, as well as opening new Soho Studio spaces.

EXPAND SOHO HOME AND SOHO HOME+ MEMBERSHIP

Over the past year, we have transformed Soho Home into a high growth retail business with its own subscription-based platform. In fiscal 2020 and in first quarter 2021, Soho Home grew its online sales by 52% and 141%,

respectively, benefiting both from a newly designed product range, a reinvigorated website as well as a favorable market backdrop due to more customers shopping online and shopping for homeware. In October 2020 we also launched SOHO HOME+, the UK's first homeware subscription service, and have gained over 2,600 members as of April 4, 2021, providing a recurring membership revenue stream.

Soho Home's brand awareness increased during fiscal 2020 due to the issuance of membership credits and the ability to redeem these on Soho Home online, particularly in North America where we were previously underpenetrated. Online sales in North America increased 188% during fiscal 2020 and 278% in first quarter 2021. We believe Soho Home has significant potential to continue its strong digital-first growth, followed by the expansion of physical retail spaces.

GROW SOHO WORKS

In recent years, we have expanded Soho Works by adding new locations as well as adding new members to the existing locations and developing our Soho Works digital platform. We believe there is a significant opportunity to grow Soho Works to 19 total locations by 2023 that are primarily located next to existing Soho House sites, due to changes in the way that people live and work – with less time spent in traditional corporate offices and more time in social communities.

OPEN NEW SCORPIOS BEACH CLUB SITES

Scorpios will play a critical role in providing a must-visit destination for many of our members, striving for a unique experience with a particular focus on wellness. Scorpios, in Mykonos, currently attracts an affluent, internationally diverse and loyal customer base, which gives us confidence in the appetite for future locations and a future membership brand. We plan to open one new Scorpios Beach Club per year from 2022 onwards with our second site due to open in Tulum, Mexico at the end of 2022. Given our customer base, we expect to open new locations and launch new membership types in the future.

EXPAND THE NED

The Ned has identified an additional site for opening by the end of 2021, and also plans to open another by the end of 2022. There are plans to continue opening one to two new sites for The Ned annually going forward. The Ned will play a meaningful role in broadening our target audience, who crave an authentic membership experience. We have a management contract for existing operation of The Ned in London and receive management fees for our operation of The Ned.

LAUNCH AND GROW NEW MEMBERSHIPS

In late 2021, we plan to launch Soho House Digital Membership. This digital-only membership will leverage our existing digital platform, which is being developed to include new features that enable meaningful digital exchange. Members with this membership will have an enriched profile, be able to search for other members, be recommended to other members, grow their digital network, and communicate through direct messaging, audio and video. Through proof of concept, we know that members see value in connecting for social, work and practical purposes. We are now building and finessing this membership type and are confident of launching a valuable digital product. Like our current membership types, the digital membership will continue to evolve post launch based on member feedback.

Our track record gives us the confidence to successfully scale new memberships globally, while providing us with the insight necessary to understand where to extend the Membership Collective Group platform. Our know-how of operating physical spaces and complementing that with sophisticated digital offerings, will help further extend our offer. For instance, the digital platform will extend Soho House's digital assets – in connections, bookings, content and payments – through the SH.APP and our websites – to new memberships, business areas (e.g. wellness) and business acquisitions.

HOUSE FOUNDATIONS

House Foundations is our social responsibility and sustainability program, the pillars of which form the foundations of our global membership platform. House Foundations bring together our work in diversity and inclusion and environmental sustainability – as well as coaching and nurturing talent in the industries that we operate in.

We are committed to building an inclusive culture and helping to make the creative industries more accessible to emerging creative talent around the world. We value diversity and want our members and teams to be represented in places where everyone feels at home.

Our mentorship programme connects members to young people looking to start their careers in the creative industries. We focus on supporting people from marginalized or lower socioeconomic groups in the local communities around our Houses. We currently have over 300 mentees paired with our members in four cities and are expanding into six additional global cities in 2021. In our last London cohort pre-COVID-19, 94% of mentees received paid job offers as a result of the program.

Soho Chance is our latest initiative, designed to help entrepreneurs and creatives who are starting out, or starting again, to get a new project off the ground with coaching from our teams and access to our physical and digital platforms. In summer 2021, we expect to launch an entry-level training program called Soho Apprenticeships to provide practical skills, training and support to those with minimal to no experience or qualifications.

The work we do through House Foundations is underpinned by Soho Give, a charitable foundation supporting causes that align with Soho House's values. The charity will support three key areas; aiding development in the creative and hospitality industries for those from underrepresented and lower socioeconomic backgrounds, helping to build a more sustainable world in the way Soho House runs its operations and giving support to the local communities where Soho House sites are located.

We are also in the process of embedding sustainable management practices across our business. This includes initiatives that range from where we source our food to how we design and build our Houses. We have taken steps to strengthen our local sourcing and supply chain policies and practices, reduce our environmental impact with changes to our waste management and energy efficiency, and we recently joined the United Nations Global Compact and therefore committing to tracking and measuring our social and environmental impact against the UN SDGs. Our ambition is to aggregate the power of our business, suppliers, partners, employees and members to make a positive contribution to society and the environment.

Our House Foundations project is the vision of our Founder, Nick Jones, and is led and championed by the Board and the leadership team. Our team, supported by our expert external advisors (The Sustainability Group) reports to the Chief Operating Officer, and aims to ensure the Company's ESG program has a positive impact on the environment, the lives of our members, and the wider communities in which we operate.

RESILIENCE THROUGH THE COVID-19 PANDEMIC

The COVID-19 pandemic has acted as a catalyst for a period of significant transformation across MCG and clearly demonstrated the resilience of our membership-led business model.

Despite the significant impact on our sales and profitability that the pandemic had in fiscal 2020 and continues to have in fiscal 2021, it has allowed us to accelerate changes within the business, both to focus even greater energy on improving our offer for members, and to drive sustainable efficiencies through a lower cost base. We accelerated our digital expansion and launched new membership types, Soho Friends and SOHO HOME+, and we have further digital projects ready to launch in 2021.

In response to the pandemic, we made significant changes to lower our cost base in a structured way. We implemented an extensive staff restructuring program, through which we reduced the number of roles in our support office and reorganized the team structures at our sites. As a result, we expect our annual salaries and wage cost as a percentage of sales excluding membership to run at a lower percentage when we fully reopen. We have hired a new procurement team focused on delivering a program to reduce our indirect costs through initiatives such as vendor consolidation, renegotiation of existing contracts, as well as other cost reduction measures. We have also lowered our cost of sales on food and beverage through menu simplification as well as through better stock and waste procedures at our sites. We believe we will be able to maintain these lower cost ratios when our business levels return to pre-COVID-19 levels.

While the pandemic has allowed us to implement these changes at pace, it has adversely affected our near-term operating and financial results. As a result of the government-imposed lockdowns in many of the territories in which our properties are located, a majority of our sites have been forced to temporarily close or operate under restricted hours and with social distancing regulations in place throughout much of 2020 and into 2021. As a result of the forced closures and restricted hours, our In-House Revenues declined significantly. In addition, for paying members, we issued membership credits in fiscal 2020 and during fiscal 2021 equivalent to the face value of their membership for the period of time their local House was closed, that can be redeemed on Soho Home online as well as redeemed for food and beverage purchases (but not membership fees) once the Houses reopen.

In light of these forced closures for extended periods, we have seen a small increase in attrition among existing members, as well as an increase in the number of members freezing their memberships. Each Soho House member may request a temporary freeze to their membership on a six, nine or twelve month basis during which time the member will not be required to pay membership fees but will not have access to the Houses or any of our membership apps, and will not receive any communications from us. At the end of the freeze period the member will either resume their membership and continue paying membership fees, or their membership will be cancelled.

Our 25-year track record of membership growth and loyalty leads us to believe that these impacts are likely to be short term in nature. We note that through the course of 2020, and in spite of the pandemic, we saw further additions to our member waitlist, attesting to the continued desirability of our platform.

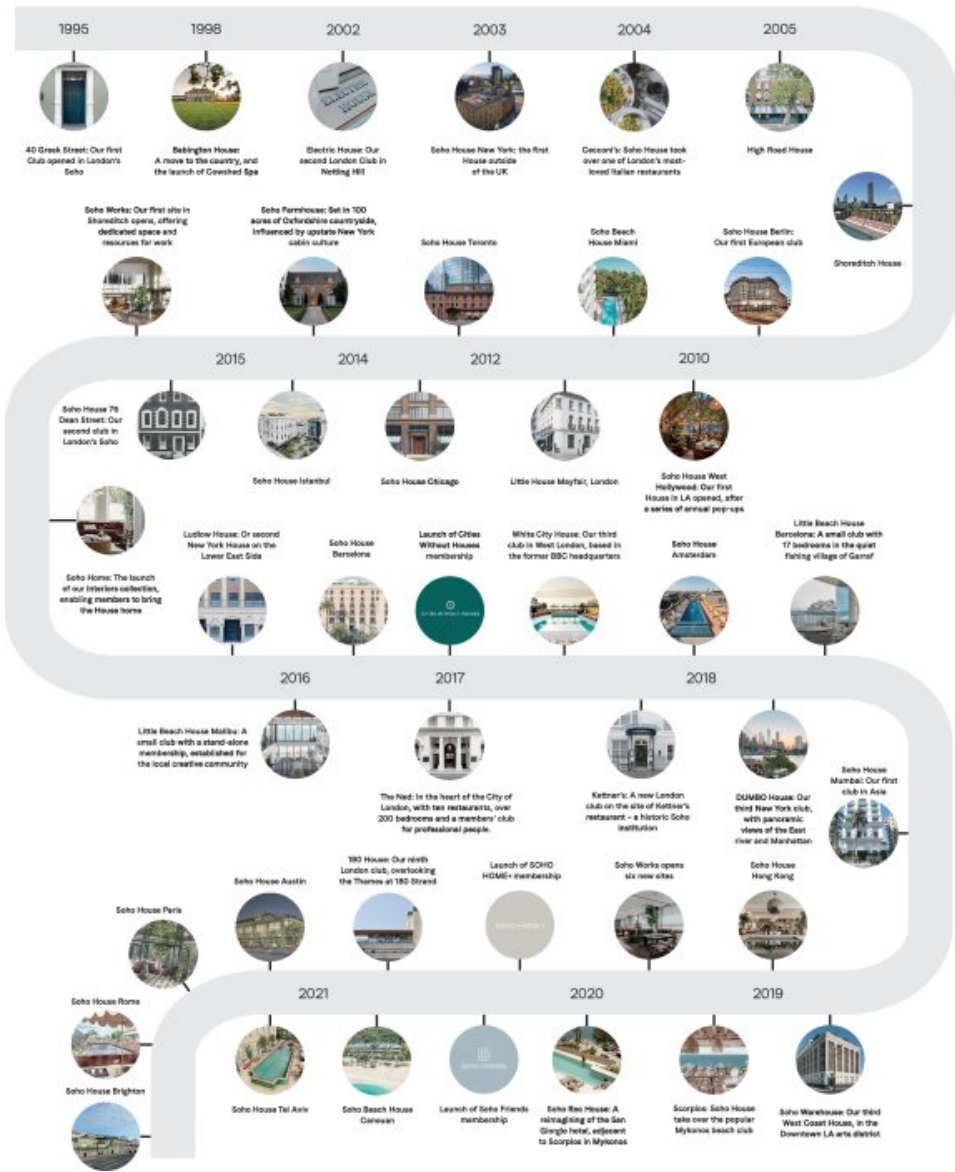
So, while COVID-19 has clearly been and continues to be a challenge in the near-term, we expect the ways in which we improved have our business benefit us in the medium- to long-term. We believe the pandemic has not only underlined the resilience of our business model and the significant and sustained attraction of our memberships, but it has also created a greater demand for curated memberships that can grow and thrive in a more deliberate environment.



OUR HISTORY

Our history

MCG is a leading global membership platform that brings together 28 Soho Houses, 9 Soho Work Clubs, The Ned in London, Scorpios Beach Club in Mykonos, and our interiors and lifestyle retail brand Soho Home. From the beginning and throughout our 25-year history, our members have always been at the heart of everything we do.



OUR MEMBERSHIP OFFERINGS



SOHO HOUSE

MEMBERSHIP

Soho House was founded as a home for the world’s most creative people to come together, and our members are at the heart of everything we do. We currently have more than 111,300 Soho House members globally as of April 4, 2021, who are actively engaged in the Soho House community. In addition to our active membership base, Soho House has a growing wait list of over 48,000 applicants. We do not view our wait list as a catalyst for growth, but rather as proof of the resilience of and demand for our core membership model, which provides insight into how we can further grow the business.

We offer two primary types of membership—Local House and Every House. Local House and Every House membership gives our members the choice to either join a single House in a particular city, or have access to all of our Houses worldwide. We also offer Under-27 Local or Under-27 Every House membership at a reduced rate for our members who are 27 or under in age (with this rate applicable through to their 30th birthday). Child membership is available at selected Houses for the children of current members who are under the age of 21.

The membership of each new House is carefully constructed by an initial founders’ committee of approximately 30 local influential creatives and innovators, tasked with finding the first 1,000-1,500 members in the local community. This is known as the ‘founders’ application period’. After the founders’ application period is complete, a new application page is launched online to receive further submissions from prospective members. Applicants require at least one recommendation (usually from an existing member), and must demonstrate that they share and embrace the Soho House ethos and way of living. Applicants then join our wait list to be reviewed on a periodic basis by our members’ committee.

Following the completion of the founders’ application period, we aim to increase the membership community of a new House to approximately 4,000–5,000 by year four or five, at which point a House is generally viewed as

normalized, and member growth is slowed, while still remaining positive, as House operations are refined and members reduce frequency of use.

Our memberships are designed to be intentionally affordable, of compelling value, and to be coveted. The following table presents adult membership fee ranges as of January 3, 2021 for our regional segments:

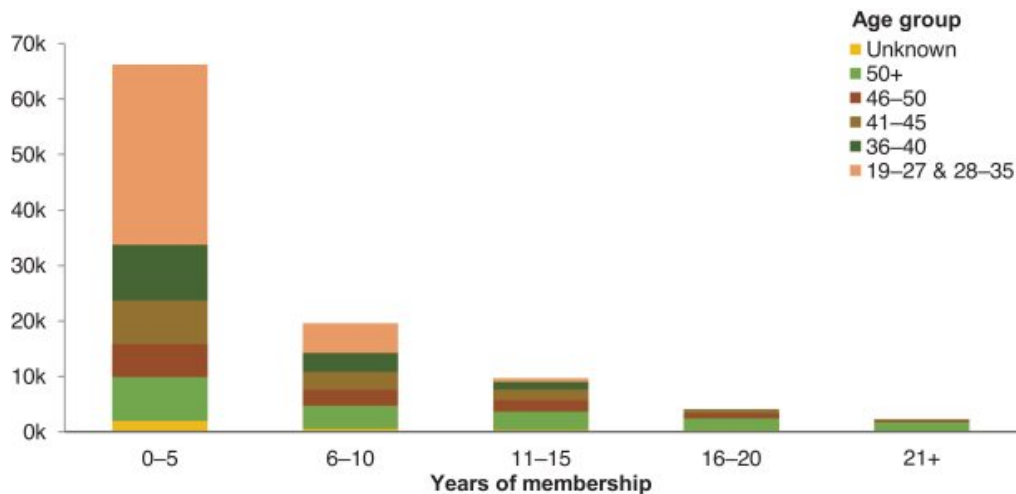
Adult Membership Fee Ranges Local Currency	Annual		Under 27 Annual	
	Local	Every	Local	Every
UK (£)	600-1,400	1,750	540-740	980
North America* (\$)	1,380-2,220	3,400	840-1,110	1,700
Europe (€)	960-1600	1,910	480-790	960
Hong Kong (HKD)	22,660	22,840	11,330	14,420

* excludes Little Beach House, Malibu

As we have opened new Houses, the supply of available memberships has grown, but demand has continued to outpace supply, and our wait list has continued to grow. Our wait list plays a critical role in bolstering the predictability over the long-term of our Membership Revenue. Our wait list refers to our list of applicants who have not yet been accepted but have applied since January 1, 2016. As some existing members reduce their frequency of use of a House over time, we are then able to offer membership to those on the wait list who are approved by the membership committee. Typically, applicants who are offered membership from our wait list accept. In 2019, 99% of applicants who were offered membership accepted. In addition, our wait list enables us to replace a departing member by offering membership to a new applicant. Naturally, the percentage of wait list applicants that are accepted as members varies across our Houses, depending on the maturity of the House in addition to factors such as how busy the House is and how many members have resigned their membership from that House. In 2019 this percentage of acceptance varied between 29% and 90% across our Houses. Our wait list also provides insights into demand, which allows us to plan future locations, including both new geographies and in-fill locations in existing cities.

Our Houses attract members from every walk of life, with members from “Generation Z” (21 years old and younger) and “Millennials” (22-to-37 year-olds) constituting the fastest-growing demographics. Of members who joined us in the past five years, 49% represented Generation Z and Millennials. Based on the increase in the amount of Under-27 members over the past five years, the average age of our membership is getting younger.

Global Membership Demographics by Membership Tenure

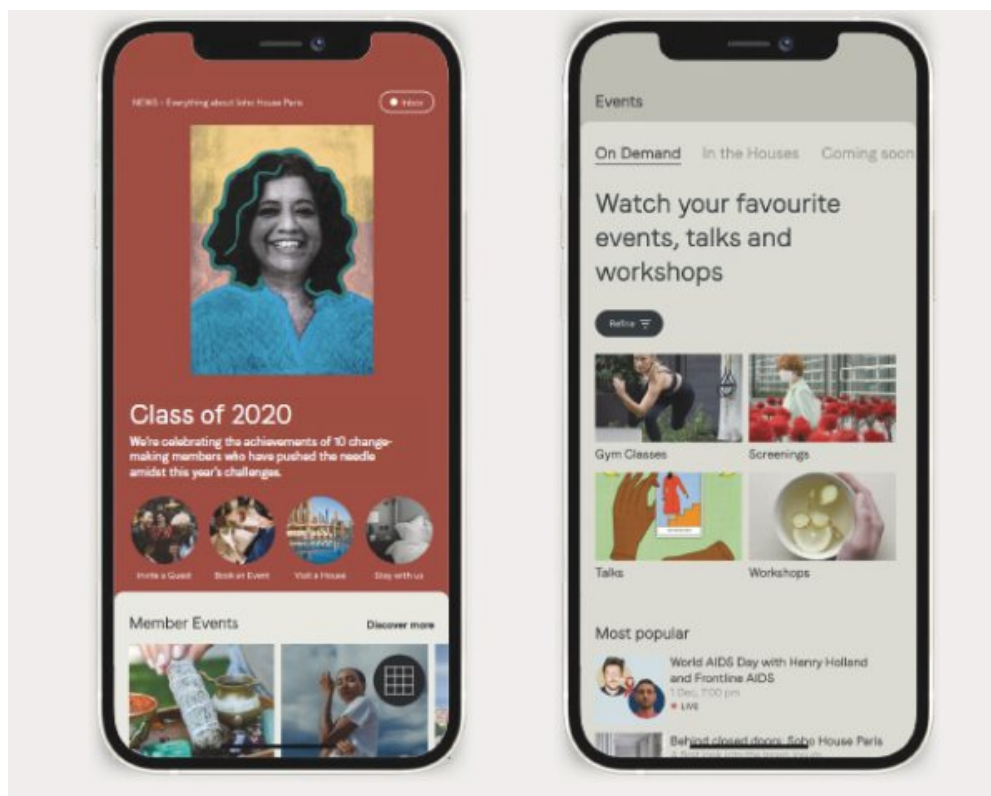


ENGAGEMENT

Our member events program is a key part of our membership, and we believe one of the first of its kind to be introduced when Soho House was created in 1995. From interviews and panel discussions, to workshops, dinners, performances and parties, the success of our programming underlines the importance of the experience economy, particularly to millennials. We believe our carefully curated programming is a key reason why the Soho House community places a high value on its membership.

We have created daily programming of member events and content. Across the business in 2020 we ran over 2,000 classes, events, screenings and pieces of digital content per month covering music, art, wellness, technology, work, film, fashion and food. During the COVID-19 lockdown period of 2020, we successfully pivoted to digital event programming on the SH.APP and our website.

Prior to 2020, we held House Festival annually for nine consecutive years, a summer music festival for our members in London which is a celebration of Soho House’s music programming and our food and drink culture. The majority of tickets are reserved for members only, but we also sell hospitality tents to our partners. Each year, tickets have sold out within an hour of going on sale, and headliners have included Kylie Minogue, Lana Del Rey, Tinie Tempah and Mumford & Sons. House Festival has the potential to expand to other key Soho House cities.



IN-HOUSE OFFERING

Our Houses offer a wide array of amenities to our members. From curated food and beverage offerings to stylish hotel bedrooms worldwide, our House offerings provide our members with a variety of exclusive lifestyle experiences. Our Houses also offer a number of wellness focused amenities, including gyms fitted out with steam rooms, studio spaces and spa facilities. Most Houses also have rooftop pools, which have become one of the defining features of a Soho House. Community spaces also figure prominently in all of our Houses, which include screening rooms, dedicated lounge areas or outdoor terraces and gardens.

We are passionate about the quality of the food and drink in our Houses and restaurants. The food offering in each House is built around a menu that combines a consistent selection of favorites from our Houses around the world, as well as food inspired from that city—all using locally sourced ingredients.

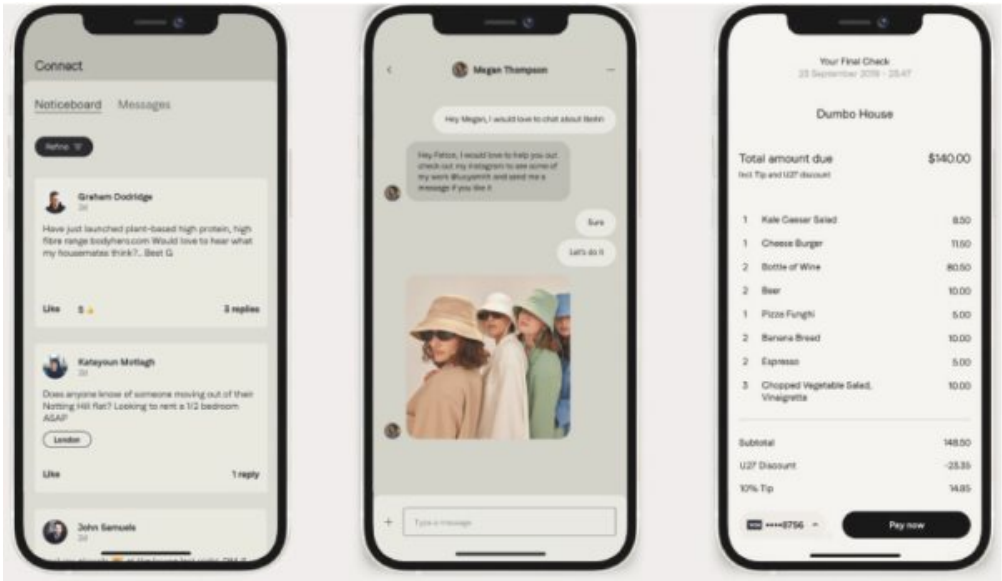
In order to continually develop and refine the quality of our food and drink, we also operate regular training programs for chefs and bartenders. This ensures that our team is equipped to provide each member and guest with the consistent service that they have come to expect across all of our Houses and restaurants globally.

Our House Tonic program, led by our drinks team, creates a similarly consistent selection of signature Soho House cocktails, available in all of our Houses. New drinks trends (such as a recently increased appetite for low-alcohol and low-sugar cocktails) inform ongoing development of our menus, while still retaining House favorites—including our much-loved Soho Negroni, Soho Mule, Eastern Standard and Picante de la Casa.

Our 855 bedrooms around the world, excluding at our two London Townhouses, are an important part of our offering. For fiscal 2019, our average daily occupancy rate was 90% and the average room rate was \$372 and for fiscal 2020, our average daily occupancy rate was 60% and the average room rate was \$344. Our approach is to make them a comfortable yet stylish home away from home, with every detail considered—from the comfort of our beds and the optimum pressure of our showers, to the provision of essential amenities and convenient positioning of electrical outlets. At the same time as we launched Soho Friends membership at the end of 2020, we restricted access to our bedrooms to Soho House and Soho Friends members only.

Many Houses also offer spa and gym facilities and we are continuing to grow and develop our wellness concept through the development of Soho Health Clubs. Soho Health Clubs will offer unique socially-optimized wellness spaces for members to move their bodies, look after their health, and see to their essential grooming.

Over the past twelve months, we have introduced a number of digital solutions to improve our member experience including ‘House Pay’, our proprietary digital payment service, ‘House Guest’, our global guest check in service, as well as other room booking functionalities.



SOHO HOUSE DESIGN

Soho House Design is our in-house team responsible for all aesthetic elements of our physical spaces, from architecture to interior design, finishings and furniture. The vertical integration of the Soho House Design team within the business is a key advantage, as it provides cost efficiencies and the ability to own and control the design process of every House from start to finish.

We recognized the value of keeping our design work in-house early, leading to the creation of Soho House Design as a core business function in 2013. As a result of our consistent, high quality design in the Houses, members began to ask us to assist with design projects for their own properties—a service that Soho House Design now offers privately for a limited number of customers.

ART COLLECTION

Our art collection is one of the largest of its kind, showcasing emerging talent alongside museum-level artists. Our in-house art team builds collections for each new House that include works created by our culturally diverse network of member artists, with a focus on those local to the neighborhood. The collection is almost unique for being gender neutral and highly diverse. The collection is non-commercial and we work in partnership with creators by part-exchanging artwork for membership and credit for in-House consumption.

The collection sits between each of our 28 Houses, restaurants and Townhouses comprising over 5,500 works from artists including Hank Willis Thomas, Damien Hirst, Rashid Johnson, Tracey Emin, Yinka Shonibare, Eddie Peake, Elizabeth Peyton, Nan Goldin, Adrien Ghenie, Lee Kit, Bharti Kher, Jenny Holzer, Oscar Murillo, Lynette Yiadom-Boakye, Wolfgang Tillmans, Julian Opie, Jenny Saville, and Carsten Höller. We work hard to support our artists beyond acquisitions, with member events and art specific content. We have also started to loan to museums.

The future of the acquisitions program will see higher diversity quotas which correlate closely to the cultural make up of each new location. For instance, 50% of the collection at Soho House Austin will be acquired from artists that identify as black, indigenous or people of color ('BIPOC') and within that there will be a considered split between Latinx, African American and Asian American artists. Soho House Paris will house our first painting-only collection and Soho House Rome will feature a collection curated around the theme of saints and sinners.

CITIES WITHOUT HOUSES

Our Cities Without Houses ('CWH') membership was launched in 2017 to open up the Soho House community to people who live in cities around the world where we don't yet have a physical House. CWH members are however able to access our existing Houses whenever they travel. As well as extending our brand awareness to cities where we do not currently have a physical presence, CWH membership gives us access to a pipeline of new, already engaged cities without significant development or marketing costs. As of April 4, 2021, the CWH program had more than 5,000 members.

<u>CWH Fees—Local Currency</u>	<u>Annual</u>	<u>Under 27 Annual</u>
North America (\$)	2,630	1,330
Europe (€)	1,600	800

SOHO FRIENDS

Our ambition has always been for the majority of our customer base to be made up of members. With this in mind, we launched Soho Friends membership in November 2020 offering our members access to Soho House bedrooms, Soho Studio (social spaces for members to meet, eat and drink with up to three guests) and a unique and curated program of events and screenings. Our Soho Friends membership also offers additional benefits, such as 20% off at our public restaurants, all the benefits of SOHO HOME+ membership, and 15% off Cowshed products and treatments.

Priced at an annual rate of £100, Soho Friends membership has broadened the accessibility of the Soho House brand. The membership is aimed at existing guests and customers of our business—people who have visited our Houses as a guest of a member, visited our public restaurants, visited our public spas, or stayed in one of our bedrooms.

As of April 4, 2021, Soho Friends membership has attracted almost 6,000 applications and we have accepted over 4,000 members. These applications were generated almost entirely by one email sent by Nick Jones to our UK Soho House member base at the start of November 2020.

SOHO WORKS

As international membership to Soho House grew, we saw that our members’ work patterns and styles had begun to shift away from the traditional nine-to-five. Instead, members were increasingly participating in the gig economy, building careers as entrepreneurs, freelancers, and small-business owners—with many of them looking for a place to connect, work and hold meetings. To meet this need, we launched Soho Works in Shoreditch, London in 2015, providing members with the space, programming, and resources to work alongside other like-minded individuals and companies. Today, Soho Works has nine sites across London, New York, and Los Angeles that draw on the same design principles and membership ethos as Soho House, but are purposed for work. This global community consists of both Soho House and non-Soho House members, with both a flexible (month-to-month) and commitment-based (three, six and 12 months) membership terms.

We offer four types of membership: (1) Lounge, a hot-desk membership that offers adaptable working and complete flexibility, (2) Desk, a fixed desk space to suit a member’s style of working with lockable storage, (3) Office, a private, standalone workspace for teams, and (4) Collective, a Group membership suitable for 15 people or more. Lounge, Desk, Office and Collective memberships vary by location and membership type. The vast majority of our Lounge members are currently House members as well.

Lounge Membership for Soho House Member—Local Currency	Monthly
North America (\$)	250
UK (£)	150

Soho Works is designed to be both comfortable and functional with everything a business or individual needs to succeed, from lounge areas, meeting rooms and phone booths, to podcast and video conferencing equipment, private offices and ample event space. Our on-site membership teams facilitate member introductions to help like-minded members from around the world meet, collaborate, and grow their businesses together. From a programming standpoint, we offer a curated calendar of events that appeal to our diverse membership base, including talks, masterclasses, and wellness workshops. Most Soho Works sites are also equipped with a Loft, a residential-style event space that can be booked out for private hire.

SCORPIOS

Set in a cove on the southern tip of Mykonos, Scorpios Beach Club has a restaurant, terraces, daybeds, and a distinctive wellness offering. Built around a contemporary interpretation of the ancient Greek agora, Scorpios is a gathering place intended to galvanize the artistic, spiritual and social life of its community.

A short walk away from Scorpios is Soho Roc House, a 44-bedroom Soho House with its own membership, featuring a poolside veranda, an outdoor gym, restaurant and lounge areas.

THE NED

The Ned has created a new space in the City of London to meet, eat, drink and socialize. Made up of a 250-bedroom hotel, and ten restaurants, The Ned also has its own private members’ club—Ned’s Club. We operate The Ned under a management contract.

Set in the former headquarters of Midland Bank, the historic Grade-I listed building was designed by Sir Edwin ‘Ned’ Lutyens almost 100 years ago. Soho House was responsible for the original concept and design of The Ned and remains the operator of the entire site under a management contract. Inspiration for the interior design of The Ned came from the faded glamour of a 1930s transatlantic ocean liner, with the design team trawling the bank’s archives to ensure that the building was reimaged sympathetically.

A membership is also offered to gain access to distinctive areas within The Ned property. The Ned’s Club is the membership offering and gives members access to the rooftop restaurants bar and pool, the basement level of

lounges and The Vault bar inside the former safety deposit strongroom. Membership to Ned's Club is aimed at a broader group of people than Soho House membership, but the concept of community is just as important. The Ned's Club member event program covers business, food & drink, technology, art, music, film and fashion.

We believe that The Ned has helped to redefine the City of London's place in the capital's cultural landscape. It has created a loyal following, turning it into a seven-day-a-week destination that now also attracts international leisure visitors. Ned's Club demonstrates that Soho House's community, operations and membership model works no matter who the customer is, and that we have a model that can be successfully applied to other businesses. The aim is to open one to two Ned sites a year going forward. It is also currently in the plan to launch Ned Friends—a more accessible membership similar to Soho Friends, for frequent visitors and customers of The Ned.

SOHO HOME

Soho Home is a modern interiors brand crafted for relaxed and everyday living. Inspired by 25 years of Soho House Design heritage, the range is designed to mirror the look and feel of our Soho Houses around the world. Made-to-order furniture sits alongside handwoven textiles, lighting and tableware. Traditional shapes are reinvented in new textures, creating welcoming living spaces. Whether it is the cup you use for your first coffee of the day, or the bed linen you slip into at night, Soho Home encapsulates the Soho House way of living.

Soho Home is available online through sohohome.com, as well as at several retail outlets including The Woodshed—a furniture showroom at Soho Farmhouse, opened in 2020. In 2021 we plan to open a central showroom and interior design studio in London's Carnaby Street and New York's Meatpacking district. Soho Home's most popular pieces are also available for less at Bicester Village, Oxfordshire.

SOHO HOME+ is our membership business that was launched in 2020. As of April 4, 2021, there were over 2,600 SOHO HOME+ members. The annual £60 membership offers complimentary interior design advice from a Soho House interiors expert, 15% off full price purchases, plus free UK delivery, early access to seasonal sales, 20% off sale prices and concierge service on orders above £2,000. Soho House, Soho Friends and Cities Without Houses members automatically receive all SOHO HOME+ benefits as part of their existing membership.

COWSHED

Named after our first spa opened in the old cow shed at Babington House in 1998, Cowshed is our much-loved beauty therapy and spa brand. Our vision has always been to create spas and products that are honest, natural and true to our British heritage. We now have spas in Soho House locations everywhere from Berlin to Miami, London to New York, all with a relaxed, sociable atmosphere that's become synonymous with Cowshed. Each spa offers a full range of treatments including manicures, pedicures, facials and massages.

Our award-winning products are made in England and use the very best organic and wildcrafted plant extracts and mood-boosting essential oils. All of our products are paraben-free, sulfate-free and contain no artificial fragrances and colors. We sell our products at each of our spas and Houses, as well as through a select global network of distributors and online retailers to allow our customers to relax and unwind wherever they are in the world.

STAND-ALONE PUBLIC RESTAURANTS & HOTELS

In addition to our membership concepts, we also operate stand-alone restaurants and hotels which are not directly tied to our membership offerings.

Originally opened by Enzo Cecconi in Mayfair, London, Cecconi's serves pasta, pizza, seafood and northern Italian food in a relaxed dining setting—a concept that we have successfully rolled out internationally. In addition to London, there are now Cecconi's restaurants in West Hollywood, Miami Beach, New York, Istanbul, Berlin, Amsterdam, Barcelona and Mumbai.

Our other public restaurants include Pizza East which has two locations in London, Dirty Burger in London and Chicago, and the Electric Diner in West London. In 2021, we plan to convert some of our other existing United Kingdom public restaurant sites into Soho Studios, a new space for Soho Friends and Soho House members, to further support our membership growth plans.

Our Townhouse brand has two sites in London with restaurants and bedrooms. Dean Street Townhouse has an all-day dining room in the heart of Soho, offering a menu of British classics. Above the restaurant, there are 39 bedrooms featuring emperor-sized beds, rainforest showers and freestanding bathtubs. Redchurch Townhouse is located in Shoreditch and includes 37 bedrooms and a Cecconi's restaurant on the ground floor.

SHARED VALUES

We understand how important a brand's values are to our members, our teams and our mission. For any brand, it is quite simply no longer good enough to talk the talk, but not walk the walk, when considering issues such as internal diversity, inclusivity and employee representation. We have made several recent pledges: to ensure 20% of our 70 most senior global roles (directors and above) are held by BIPOC leaders by the end of 2022. Also, we are committed to monitoring diversity data to ensure an inclusive employer brand and implementing skills and behavior-based assessments to take the bias out of the process. We have committed to publishing an annual diversity report that will summarize our progress in these areas - and we will act if and when we do not measure up. Our internal and external culture is also monitored closely: we require all members and our teams to sign a commitment to treat everyone with dignity and respect. We exercise a zero-tolerance policy on sexual harassment, discrimination and bullying. We also care deeply about the local communities where our Houses and clubs open; we understand the impact a Soho House can have on these areas, whether or not they are involved in the project or not. We are committed, therefore, to engage more closely with the wider communities on the ground and to support the areas around our Houses, be that through purchasing local produce or utilizing local expertise wherever possible.

HOUSE FOUNDATIONS

House Foundations is our social responsibility and sustainability program that represent the foundations of our House built on the following pillars:

- *Diversity and Inclusion:* We are committed to building an inclusive culture and helping to make the creative industries more accessible. We value diversity and want our members and teams to be represented in places where everyone feels at home
- *Soho Sustainability:* We have a responsibility to play our part in building a more sustainable world. We are in the early stages of an ambitious sustainability program, covering everything from where we source our food to how we build our Houses

- *Soho Mentorship*: In partnership with Creative Mentor Network, Routes In and Creative Futures Collective, our mentoring program pairs members with young people pursuing creative careers
- *Soho Talent*: We provide opportunities for creative people to gain funding and support to bring their endeavors to life across art, design, music, film, and food and drink
- *Soho Give*: A foundation set up to support our chosen charitable initiatives
- *Soho Chance*: An annual award giving entrepreneurs and creatives the opportunity to work with our teams to launch a new business, concept or design in one of six areas.
- *Soho Apprenticeship*: Apprenticeship programs for people living locally to our Houses will be launching in September 2021.

SOHO HOUSE ADVISORY BOARD

The Soho House Advisory Board was introduced in May 2021 and is designed to report to the Board on how to best support Soho House members around the world.

Consisting of existing members representing the different regions in which Soho House operates, the Advisory Board is responsible for sharing feedback on Soho House's content and digital platforms, insights on local cultural and societal trends and holding leadership accountable to achieving the goals set out in Soho House's Diversity & Inclusion Pledge, which launched in 2020.

The Advisory Board meet on a quarterly basis and are global ambassadors for Soho House who represent its values and long-time mission to continue making membership better.

EMPLOYEES AND HUMAN CAPITAL RESOURCES

As of May 2, 2021, Soho House employed 4,815 individuals including in our support offices of whom 641 are based at our support offices in London, New York and Los Angeles. None of our employees are currently covered by collective bargaining agreements or represented by labor unions.

Labor laws in the United Kingdom provide minimum standards regarding annual paid and unpaid leave, sick leave, maternity leave and other provisions regarding leave from work, severance pay, pension contributions and other terms of employment. The Group contributes to pension schemes (or similar type schemes) for its employees in the United Kingdom.

We are committed to a policy of recruitment, promotion and training on the basis of aptitude and ability. We have dedicated Diversity, Learning, and Inclusion teams across all four of our major regions of the Americas, United Kingdom, Europe, and Asia, and we offer a wide range of training and development programs. Training offered includes customer service and leadership courses to food tasting and cocktail training, first aid at work and health and safety courses. Diversity & Inclusion forms part of all training we conduct, as well as its own learning series designed for Senior Leadership to line staff level. We also operate dedicated Cook House and House Tonic training programs for our chefs and bartenders to ensure that each customer receives consistent food and drink across all of our Houses and restaurants. We are committed to encouraging people development and retention, including by providing sponsorship so that employees can increase know-how and widen their skill bases by attending third-party training and courses. We also operate a group-wide program that rewards employees that go the extra mile.

We have built a robust pledge and commitment to Diversity & Inclusion across all our functions in areas of representation, recruitment, culture, education, community engagement, and accountability. Our mission

statement and values set have also been rewritten to support these initiatives. In our pledge we have committed to increasing the BIPOC representation in our leadership, as well as underrepresented functions like Design and Retail—and we are able to achieve this by extensive outreach to diverse organizations and networks in our recruitment initiatives. We have rolled out a global training series on anti-racism and allyship and we have built an internal diversity steering committee consisting of a mix of employees from all levels across the global business to hold our executives accountable for the delivery of this pledge. Our employee handbook reflects progressive policies regarding Parental Leave, Flexible Working, and Company Sick Pay. We have developed a performance driven culture with feedback platforms that allow for objective evaluations of our staff and development plans for their growth.

With a view to building a strong community within our workforce, we have implemented dedicated communication channels for employees, led by Facebook Workplace.

INTELLECTUAL PROPERTY

Our portfolio of brand offerings, including Soho House, Soho Works, Scorpios, The Ned, Cowshed, Soho House Design, Soho Home and Cecconi's are very important to us. We rely on trademarks, copyrights, know-how and expertise, registered domain names, license agreements, intellectual property assignment agreements, confidentiality procedures and nondisclosure agreements to establish and protect our intellectual property and proprietary rights. We seek to protect our intellectual property and proprietary rights, including our proprietary technology, know-how and brand, by relying on a combination of federal, state, and common law rights in the US and other jurisdictions, as well as on contractual measures. As of April 30, 2021, we owned approximately 52 registered US trademarks, 36 pending US trademark applications, 494 registered non-US trademarks and 84 pending non-US trademark applications. As of April 30, 2021, we owned approximately 580 US and international registered domain names, including www.sohohouse.com and www.membershipcollectivegroup.com.

While we seek to own or obtain the necessary rights to use the trademarks, service marks, trade names and other intellectual property relating to the operations of our group, we may not be successful in obtaining, maintaining, defending, protecting and enforcing such intellectual property rights. As a business we are proactive in registering trademarks in our brand and logos in new markets, such as in India, Australia and Asia, and protecting our existing portfolio against third-party infringements, misappropriation or other violations, including oppositions, with the aim of ensuring that our established goodwill and reputation are not damaged.

Our strategy for opening any operation is to register national trademarks early in the process of expanding into new territories to prevent third parties from trademark squatting and registering their own competing trademarks before us. However, the efforts we take and have taken to protect our intellectual property rights may not be sufficient or effective. For example, brand squatting is an issue for us, particularly in places such as South America and Asia. In China and Australia, the presence of pre-existing third-party rights holders with 'Soho' trademarks has made registering our 'Soho House' trademark a challenge. Where there are pre-existing third-party rights in a particular jurisdiction, we generally assess the risk associated with such rights and take steps to oppose or negotiate with the trademark owner as appropriate, to protect our family of brands from dilution and customer confusion. Additionally, third parties have in the past and may in the future assert claims of infringement, misappropriation and other violations of intellectual property rights against us. Our trademarks have in the past and may in the future be opposed, contested, circumvented or found to be unenforceable, weak or invalid, and we may not be able to prevent third parties from infringing, misappropriating or otherwise violating them. To counter infringement or unauthorized use of our trademarks, we may deem it necessary to file infringement claims, which can be expensive and time consuming. For more information, see "Risk Factors—Risks Related to Our Business—Our intellectual property rights are valuable, and any failure to obtain, maintain, protect, defend and enforce our intellectual property, including due to 'brand squatting,' could have a negative impact on the value of our brand names and adversely affect our business."

JOINT VENTURES, OPERATING AGREEMENTS AND PARTNERSHIP AGREEMENTS

We operate a number of our Houses and complementary businesses through joint venture, operating agreements and partnership agreements with third parties (See Note 4 and Note 5 to our audited consolidated financial statements included elsewhere in this prospectus). We continue to explore additional opportunities for joint venture investments as part of our growth strategy, as it limits our exposure and capital when creating a new property. In some locations, partnering with a local partner is necessary for the successful development and launch of a new House. As of April 4, 2021, three of our Houses and one of our Townhouses were owned through unconsolidated joint ventures.

We also operate some of our businesses through such arrangements, including The Ned London and our Houses in Mumbai and Istanbul, in which we have agreed to manage operations pursuant to management agreements.

OWNED AND LEASED PROPERTIES

As of April 4, 2021, we directly own two properties in the UK: Babington House in Somerset and High Road House in London. We also directly own one property in the US, Soho Beach House in Miami. We own a share of three properties: Soho House Barcelona; Ludlow House in New York; and the hotel rooms and restaurant at 56-60 Redchurch Street, London through our joint venture companies.

While we operate Soho House Istanbul and Soho House Mumbai, these properties are leased by our local partners and we have no real estate interests in these properties.

The rest of our properties are leased, which reflects our asset-light real estate model. The terms of our typical lease agreements are generally 20-25 years and provide for fixed rents, although certain of our leases provide for periodic rent increases (usually pursuant to a reference index). In addition to base rent, a small number of our leases provide for additional rent, which is based on lease specific definitions of revenues or profitability. Certain of our leases in the UK are protected by the provisions of the Landlord and Tenant Act of 1954, which provides us with certain automatic renewal rights (the exercise of which can be prevented if certain statutory grounds arise). We generally structure leases that are not protected by statutory renewal rights with options to renew after the expiration of the initial term.

Leases of some of our Houses also contain a profit-sharing arrangement which permits us to share in the proceeds of a sale or refinancing of the property by the landlord after certain profitability hurdles have been met. These arrangements reflect the uplift in property values that are driven by our operations and status as the tenant.

INFORMATION TECHNOLOGY, DATA PRIVACY AND CYBERSECURITY

Our corporate, financial, human resources and similar systems are fully integrated across our brands and provide a solid foundation for our business.

Our technology complements our global membership platform by enabling the digital spaces where our culturally diverse membership connects. We purpose-built our digital infrastructure to support our members' experience—connecting our physical and digital spaces, and connecting our members with each other.

Our technology integrates seamlessly across our digital ecosystem, connecting members beyond our physical spaces. This seamless integration was especially important during the lockdown period of 2020, during which our member engagement quickly moved from our physical to our digital platforms.

We are always looking for new ways to improve the member experience through our technology platform. Over the past twelve months we have introduced 'House Pay', our proprietary digital payment service, 'House Guest', our global guest check in service, as well as other room and table booking functionalities. We have also expanded Soho Home offering on our website, and aim to expand our e-commerce offering further in the coming months.

We are also committed to protecting the security of member data and other PII. We undertake measures to protect our systems, including the SH.APP, and the member data and other PII that our systems collect, store, share, transmit, disclose and otherwise process. We have developed policies and procedures designed to manage data security risks. We employ technical security defenses, monitor servers and systems, and use technical measures such as data encryption. We also use third parties to assist in our security practices as well as to prevent and detect fraud. We are subject to a number of stringent, complex and evolving federal, state and local data protection, privacy and security laws, rules, regulations, policies, industry standards and other legal obligations in the US and around the world. Any actual or perceived failure by us or our third-party service providers to comply with our posted privacy policies or with any applicable federal, state, local or similar foreign laws, rules, regulations, industry standards, policies, certifications or orders relating to data privacy and security, or any compromise of security, including in connection with the SH.APP, that results in the theft, unauthorized access, acquisition, use, disclosure, or misappropriation of PII or other member data, could result in significant awards, fines, civil and/or criminal penalties or judgments, proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions and negative publicity and reputational harm, one or all of which could have an adverse effect on our reputation, business, financial condition and results of operations. For more information, see “Risk Factors—Risks Related to our Technology and Data—A cybersecurity attack, ‘data breach’ or other security incident experienced by us or our third-party service providers may result in negative publicity, claims, investigations and litigation and adversely affect our results of operation and financial condition” and “Risk Factors—Risks Related to our Technology and Data—If we fail to properly maintain the confidentiality and integrity of our data, including member and customer credit or debit card and bank account information and other PII, or if we fail to comply with applicable laws, rules, regulations, industry standards and contractual obligations relating to data privacy, protection and security, it may adversely affect our reputation, business and operations.”

We expect to continue to invest in technology capabilities to support, protect and drive our business.

COMPETITION

We believe that we are the only company to have pioneered and scaled a private membership platform with global presence, and our first-mover advantage has created a significant barrier to entry.

Though we face direct competition from other private members’ clubs that exist in proximity to our own Houses (as well as in numerous segments of the restaurant, hotel, co-working spaces, fitness and beauty care services and products industries), we believe that we do not have a direct competitor given the combination of different sectors in which we operate, combined with our geographical reach. Some membership clubs use a similar model, but we do not believe that they have been able to replicate our reach across the multiple cities, continents, and spaces in which we operate. In our view, there is a high barrier to entry, as to catch up with the size of our platform that would take significant time and investment.

We believe that these business sectors are each highly competitive. Primary competitive factors include name recognition, demographic considerations, effectiveness of public relations and brand recognition, level of service, convenience of location, quality of the property, pricing, product or service and range and quality of services and amenities offered.

We also compete with other restaurants, boutique hotels, co-working spaces, beauty care providers and retailers on a local level, as well as on a global level against certain larger chains with properties in the markets in which we operate.

INSURANCE

We maintain comprehensive insurance coverage for all of our Houses, restaurants and other businesses. Our insurance coverages across the world cover our assets and liability exposures. Our property insurance provides

coverage against all risks of loss or damage, including business interruption, fire, windstorm, flood earthquake and terrorism. Our liability program provides for third-party and employers liability, workers' compensation, product liability, directors and officers liability and cyber coverage for systems and data controlled by us. We do not have sufficient coverage to cover the entirety of potential losses from certain catastrophic events, including certain business interruption losses, such as those resulting from the COVID-19 pandemic. We will continue to maintain a sufficient suite of insurance policies, however the future availability of these policies in the market is not certain.

We believe our insurance policies alongside those maintained by third-party owners of our properties are appropriate for foreseeable losses which we may suffer and we believe these are on terms and conditions that are reasonable and are with solvent and highly rated insurance carriers.

We expect that being a public company will increase the cost of our insurance, in particular the expanded rules and regulations will make it more expensive to acquire director and officer liability insurance.

REGULATION

We are subject to numerous foreign, federal, state and local government laws and regulations, including those relating to the preparation and sale of food and beverages, building, zoning and environmental requirements, health and safety and fire codes, data privacy, protection and security and general business license and permit requirements, in the various jurisdictions in which we design, construct, manage, lease and/ or own properties. In addition, the retail nature of a portion of our business requires us to comply with laws and regulations concerning product safety and testing, as well as consumer rights. Our ability to develop new Houses and privately commissioned projects and to remodel, refurbish or add to our existing Houses is also dependent on obtaining permits from local authorities.

Regulations concerning the supply and sale of alcoholic beverages require us to apply to relevant local authorities for a license that must be renewed (usually on an annual basis) and which may be revoked or suspended for cause at any time. Applicable alcoholic beverage control regulations and licensing conditions apply to the supply of alcohol across our business, including in relation to the minimum age of patrons and employees, hours of operation, advertising, trade practices, wholesale purchasing, other relationships with alcohol manufacturers, wholesalers and distributors, inventory control and handling, storage and dispensing of alcoholic beverages.

We are also subject to laws governing our relationships with employees, including minimum wage requirements, overtime, working conditions, hiring and firing, non-discrimination for disabilities and other individual characteristics, work permits and benefit offerings. Federal, state and provincial laws and regulations require certain registration, disclosure statements, compliance with specific standards of conduct and other practices with respect to issuance of memberships.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

We are committed to providing safe and healthy premises, that are compliant with environmental, health and safety regulations, for our members and customers to enjoy and our colleagues to work in. Our operations and properties are subject to extensive laws and regulations relating to environmental, health and safety requirements in the UK, the US and every other country and locality in which we operate. We have an internal team of safety professionals who support the business through providing advice and guidance on compliance and best practices, auditing and monitoring site conditions along with compliance with both our safety management system and legislative requirements, and updating our environmental, health and safety management systems in light of new or changes to existing environmental and health and safety laws and regulations.

Since the beginning of 2020, the COVID-19 pandemic has been at the forefront of our minds. Working alongside our operations and people teams, and in collaboration with public health teams globally, the safety team

supported the successful re-opening of all our sites in accordance with the relevant local restrictions in force. This included introducing new physical measures to create safe spaces that reduce the risk of transmission (screens, mask wearing, reduced capacities to increase distancing, enhanced ventilation and cleaning regimes and providing hand sanitizer throughout our spaces), training all our colleagues on the new measures to protect themselves and our guests, and creating a robust internal contact tracing system to rapidly identify and isolate any colleagues (or guests) who may have been exposed to a COVID-19 positive individual.

From time to time, our operations or products have resulted in, or may result in, non-compliance with, or liability pursuant to, environmental, health and safety laws or regulations. Historically, the costs of achieving and maintaining compliance with environmental laws and regulations have not been material. However, we cannot assure you that future costs and expenses required for us to comply with any new, or changes to existing, environmental, health and safety laws and regulations or new or discovered environmental conditions will not have a material adverse effect on our business, results of operations and financial condition.

FOOD SAFETY

We are passionate about producing high-quality, reasonably priced food and we work hard to ensure our dishes are simple and seasonal, using locally sourced ingredients that can be tracked from farm to fork. We are highly focused on food safety and carry out periodic internal and external audits of our Houses, restaurants and suppliers. We also conduct regular site inspections, provide food hygiene and allergen awareness training and review our practices and procedures on a regular basis. Our internal safety team work alongside our operational teams across all of our Houses and restaurants to allow our chefs and their teams to take center stage ensuring they have the support and guidance to produce food that makes people happy.

LEGAL PROCEEDINGS

From time to time we are subject to legal proceedings and claims that arise in the ordinary course of business. We do not believe that the outcome of any of those matters will have a significant adverse effect on our business, financial condition, results of operations or cash flows. However, the results of litigation and arbitration are inherently unpredictable and the possibility exists that the ultimate resolution of matters to which we are or could become subject could result in a material adverse effect on our business, financial condition, results of operations and cash flows.

HOW DO WE FIND, DEVELOP AND OPEN OUR HOUSES?

Development opportunities at Soho House follow a ‘traffic light’ approval procedure from initial lead assessment to binding agreements and commencement of construction. As we approach any opportunity, a detailed feasibility exercise will be implemented by our in-house Development team in tandem with our board and shareholders as we seek to balance and align our objectives of curating Houses across the globe in keeping with our social responsibility and sustainability program that represent the foundations of each of our Houses across diversity, inclusion and sustainability.

RED ZONE – INITIAL ASSESSMENT (FOUR TO SIX WEEKS)

We maintain an active target list of cities with large creative communities for potential House expansion (for example, focusing on opportunities in our CWH locations). The strength of our brand provides a strong flow of unsolicited opportunities for sites, allowing us to operate with an efficient but scalable Development team and avoid finder’s fees or agent premiums. In addition to location, building characteristics and deal structure are other key screening criteria.

AMBER ZONE – SCHEME REFINEMENT & TERM SHEET NEGOTIATION (FOUR TO SIX WEEKS)

Our Soho House Design team and operations visit the potential site and develop a bespoke scheme which informs the financial projections and development budget. The scheme is refined to ensure a world-class members’ experience is paired with a strong and efficient back-of-house operation with sustainability being an ever increasing focus. A term sheet will then be negotiated and agreed.

GREEN ZONE – LEGAL AGREEMENTS & HANDOVER TO SOHO HOUSE DESIGN AND OPERATIONS (SIX TO 12 WEEKS)

The legal agreements will be negotiated with the support of our in-house legal, finance, development and commercial teams. After the signing of the agreements, the deal passes to the Soho House Design team to commence the design and construction process, and to operations and finance who will stay close to the project until opening and beyond. House openings can range from 18 months for small sites to 36 months for large sites that may need planning permissions.

SOHO HOUSES

UK

40 GREEK STREET

Opened in 1995, the original Soho House at 40 Greek Street occupies five Georgian townhouses in London's Soho. The House has four floors of spaces for eating and drinking; including the Circle Bar, Drawing Room, House Kitchen, event spaces and two rooftop terraces.

BABINGTON HOUSE

A Georgian manor in the heart of Somerset, 30 minutes from Bath in the UK. Babington House is home to the original Cowshed spa and has indoor and outdoor pools, a gym, a walled Victorian kitchen garden, tennis courts, a croquet lawn and 33 bedrooms. Babington House reinvented the country house hotel, creating a relaxed home away from home for members who don't want to leave their city comforts behind.

ELECTRIC HOUSE

Electric House on Notting Hill's Portobello Road has a members' space to eat, drink, work and relax. Next door, Electric Cinema—Soho House's first public screening room—occupies one of the earliest purpose-built cinemas in London, originally opened in 1911. After eight years in the dark, the cinema was brought back to life in 1993, with armchairs, sofas and a food and drink menu that transformed the modern cinema experience.

HIGH ROAD HOUSE

Situated in Chiswick, in west London, a 20-minute drive from Heathrow airport, High Road House opened in 2006 with a restaurant, bar, lounge space, flexible event spaces, a public brasserie and 14 bedrooms.

The growth of Soho House is driven by members and High Road House was opened as a response to many 40 Greek Street members who had grown up, had families and moved out of central London in the decade since opening, and were telling us they wanted a local House.

SHOREDITCH HOUSE

Set in a former warehouse in east London, Shoreditch House has a rooftop pool and restaurant, a large bar, House Kitchen, a gym and spa. There are 26 bedrooms located within the House and three minutes away is Redchurch Townhouse, with a further 37 bedrooms and Cecconi's restaurant that are open to the public.

Property prices in the area have increased dramatically since Shoreditch House opened, with Redchurch Street in particular undergoing an intense gentrification process, dubbed by local estate agents as 'the Soho House effect'.

LITTLE HOUSE MAYFAIR

Located on a quiet corner in London's Mayfair, Little House is a cozy space for eating, drinking and meeting, with four long-stay apartments above the main House.

Entering the gentleman's club heartland of St James's, Little House offers something different to the traditional Mayfair members' club. The lounge area and bar are relaxed and comfortable, designed with local creatives in mind.

SOHO FARMHOUSE

Soho Farmhouse was designed to have everything you might want within 100 acres, just an hour from London. Home to an indoor and outdoor pool, a boating lake, restaurants, cinema, shopping, spa, gym, stables and tennis courts. Soho Farmhouse brought American country cabin culture to the UK, and the site was expanded in 2019 to accommodate the high demand from members.

SOHO HOUSE 76 DEAN STREET

Occupying a restored Georgian townhouse, our second House in London's Soho includes seven bars, three club rooms, a House Kitchen, outdoor courtyard, terrace and 50-seat screening room. 76 Dean Street reinvented the club for a modern-day Soho.

WHITE CITY HOUSE

Occupying part of the former BBC Television Centre in White City, the House has a rooftop pool and terrace, gym with indoor pool, a cinema and 45 bedrooms. White City House not only gave young creatives of west London a place to meet and collaborate in, but also put the whole area back on the map as a major cultural hub in the city—shifting some of the focus from east London.

KETTNER'S

Originally opened in 1867, Kettner's was one of the first French restaurants in London. Restored and reopened by Soho House at the beginning of 2018, it occupies seven Georgian townhouses contains 33 Art Nouveau-style bedrooms and a Grade II listed Jacobean Suite.

180 HOUSE, LONDON

Located within an iconic Brutalist landmark, 180 House is a short walk from Somerset House on London's Strand. The House features 1970s-style interiors, a rooftop pool, club space and a Soho Works.



NORTH AMERICA & CARIBBEAN

SOHO HOUSE NEW YORK

Located in the Meatpacking District, with a rooftop pool, spaces for eating and drinking, the Vinyl Room, a Cowshed spa, screening room and 44 bedrooms. Soho House New York was the first House outside of the UK, marking the beginning of Soho House's expansion around the world, it was featured in *Sex And The City*, *The Simpsons* and *Saturday Night Live*, securing its place in popular culture.

SOHO HOUSE WEST HOLLYWOOD

Set on LA's Sunset Boulevard with a 14th-floor bar host to 360-degree views of Hollywood and beyond, a Nava restaurant, the Luckman bar and event space, screening room and valet parking. In 2015 *The Hollywood Reporter* named Soho House as the most important members' club in Hollywood, where important movie deals and talent introductions are made. Since opening, both Soho House West Hollywood and Cecconi's West Hollywood have been named in *THR*'s annual Power Lunch lists for industry insiders.

SOHO BEACH HOUSE MIAMI

The restored Art Deco building has two pools, a private beach, Cecconi's restaurant, Cowshed spa, gym and 49 bedrooms. Since opening in 2010, Soho Beach House Miami has become a hub for the creative community in the city, particularly during the Art Basel international art fair. The House redefined hotel culture in South Beach, with cultural member event programming and a variety of member spaces.

SOHO HOUSE TORONTO

In a restored Georgian landmark that was one of Toronto's first hotels, the House has two bars, a restaurant, roof terrace and library. After three years hosting pop-ups during the Toronto International Film Festival, Soho House Toronto opened in 2012. The House continues to be recognized as the epicenter of TIFF, where film industry leaders gather during the festival. The House frequently hosts events for future Oscar winners and nominees.

SOHO HOUSE CHICAGO

Filling a six-story former belt factory in the Fulton Market neighborhood the House has a gym, screening room, rooftop pool, The Allis restaurant, Chicken & Farm Shop restaurant, Fox Bar, Cowshed spa and 40 bedrooms.

When it opened, away from the traditional hotel hot spots of the city, Soho House put the West Loop and new Fulton Market neighborhood on the map.

LITTLE BEACH HOUSE MALIBU

A small, local House for the creative community in Malibu and the surrounding coastal areas, Little Beach House Malibu is right on the water, with terraces, a bar and restaurant.

The House has a stand-alone local membership and current Every House members can apply to add Malibu to their membership for an additional cost.

LUDLOW HOUSE, NEW YORK

The second House in New York occupies a former gold leaf factory, later a funeral home in the heart of the Lower East Side. The House has three bars, the Velvet Room, a screening room and Duckedup – a rooftop restaurant with a Cantonese-style menu. Ludlow House made New York the first US city with two Houses, each designed for its own neighborhood. Ludlow House is designed for the bohemian creative community of the

Lower East Side. The House is a space for creatives to meet, eat and drink, with member programming tailored around the area's musical history. In 2021 an extension was added in an adjoining ground floor space, housing Lou's kitchen and bar with an open kitchen and retractable roof.

DUMBO HOUSE, BROOKLYN NY

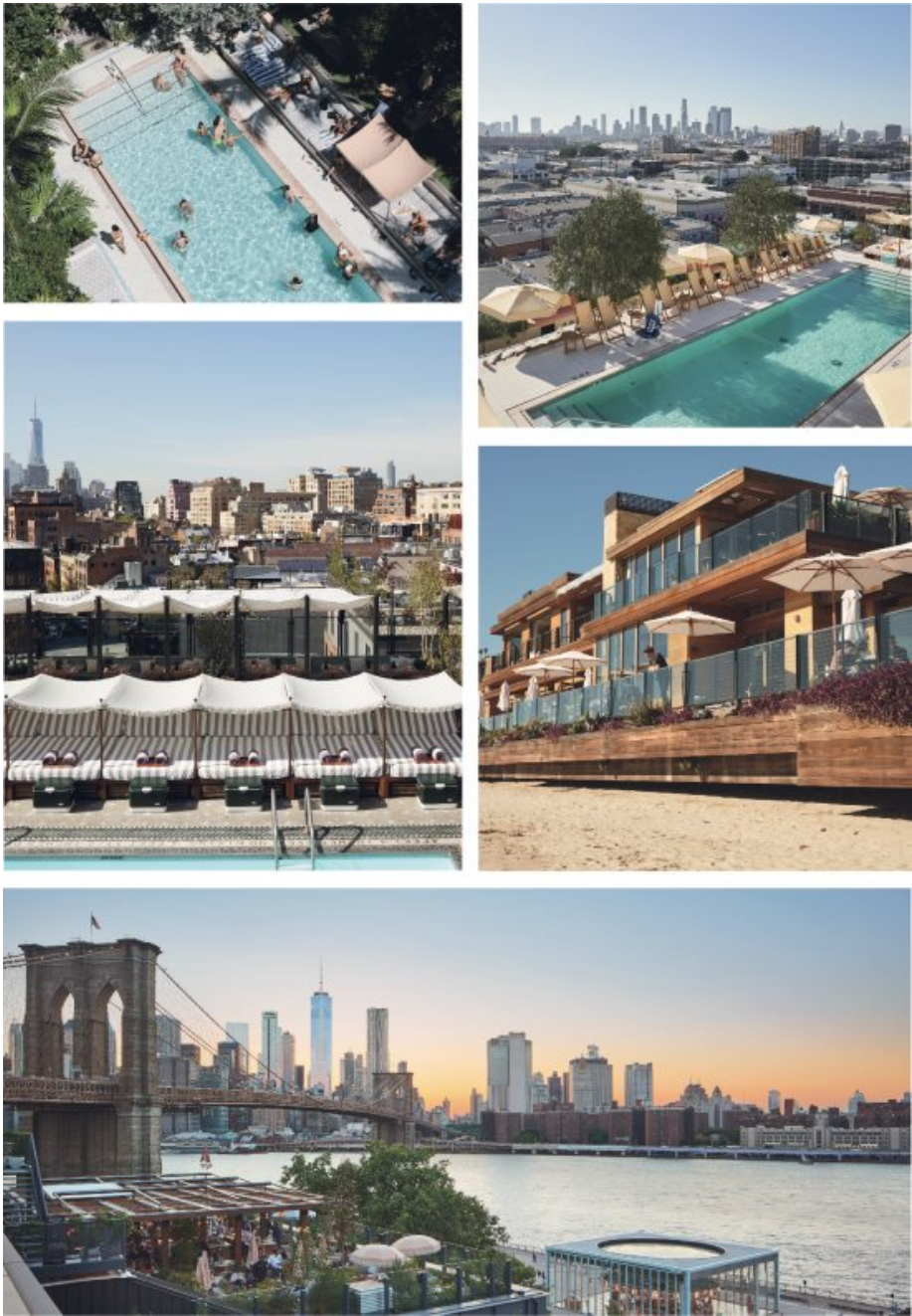
The third New York House— and first in Brooklyn—occupying the top two floors of DUMBO's Empire Stores (above Cecconi's). The House includes a club bar and restaurant, as well as an outside terrace and rooftop with a pool, all of which have views of the East River, downtown Manhattan and the Statue of Liberty. DUMBO House opened in a neighborhood in Brooklyn that had been, until recently, overlooked. The move has attracted a new local group of members who don't spend as much time in Manhattan and naturally fit into the Soho House membership.

SOHO WAREHOUSE, DOWNTOWN LA

The third House in California, Soho Warehouse in Downtown Los Angeles began life as an industrial building and recording studio. The site is split into four different areas: a House Garden, Sitting Room, Drawing room and Club Bar. It also includes 48 bedrooms, ranging from Cozy to Large, which are designed like artists' lofts as a nod to the building's history, as well as a gym and roof top pool.

SOHO BEACH HOUSE CANOUAN

On the secluded island of Canouan, part of St Vincent and the Grenadines, recently opened Soho Beach House has 40 bedrooms and a gym.



EUROPE & ASIA

SOHO HOUSE BERLIN

In the Mitte district, the House has spaces to eat and drink, a rooftop pool, Cecconi's, a screening room, Cowshed spa and The Store, plus 65 bedrooms, 20 serviced apartments and four lofts. Berlin is one of the most creative cities in the world and when Soho House Berlin opened in Mitte in 2010, there was nothing else like it in the city. The House changed the way the local creative community in Berlin operated, with a relaxed space to eat, drink and meet.

SOHO HOUSE ISTANBUL

Set in a restored 19th-century palazzo, with a screening room, Cowshed spa with hamam, gym, barbershop, The Allis and a Cecconi's in the courtyard garden, plus 87 bedrooms. When Soho House Istanbul opened in 2015, it put the historical city on the creative map and the opening made headlines worldwide. The House is operated pursuant to an operating agreement with a local partner.

SOHO HOUSE BARCELONA

Located on the waterfront in the city's Gothic Quarter, the House faces Port Vell marina and has a Cecconi's restaurant, club spaces, Cowshed spa, gym, two pools—one of which is on the roof—a screening room and 56 bedrooms. Named the best new hotel in Barcelona by *Condé Nast Traveler* in 2017, Soho House Barcelona embraces local Catalan culture, from the design to the food and drink—a part of the expanding global Soho House network, that at the same time feels local.

LITTLE BEACH HOUSE BARCELONA

A 30-minute drive south from Soho House Barcelona, the beachfront property is situated on the bay of Garraf, near popular Sitges. Formerly a hotel built in the 1960s, the House has 17 bedrooms set directly on the beach.

SOHO HOUSE AMSTERDAM

Overlooking a canal in the city center, Soho House Amsterdam opened in summer 2018 with a floor of club space, rooftop pool, gym, screening room, library, Cowshed spa and 79 bedrooms. The basement has space to park nearly 100 bikes.

SOHO HOUSE MUMBAI

Set on Juhu Beach with a rooftop pool and bar, two floors of members' spaces, screening room, gym, restaurant and 38 bedrooms. The House has interiors inspired by the local culture, with locally-sourced artwork and furniture and block-printed fabrics from Rajasthan.

SOHO HOUSE HONG KONG

Opened in 2019, Soho House Hong Kong is in Sheung Wan, set in a tower looking out over Victoria Harbour and the islands, with a club bar, Drawing Room, Pool Room, gym and event spaces.

SOHO ROC HOUSE, MYKONOS

On the Greek island of Mykonos, perched above a rocky stretch of Cycladic coastline with 44 bedrooms, a poolside veranda, an outdoor gym, restaurant and lounge areas a short walk away from Scorpios on Paraga beach.



MANAGEMENT

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

Membership Collective Group Inc. is a newly incorporated entity. The following table sets forth information regarding certain individuals who are expected to serve as members of our Board and executive officers following the completion of this offering:

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>
Ron Burkle	68	Executive Chairman and Director
Nick Jones	57	Chief Executive Officer and Director
Andrew Carnie	47	President and Director
Humera Afzal	43	Chief Financial Officer
Martin Kuczmarski	46	Chief Operating Officer
Nicole Avant*	53	Director Nominee
Richard Caring	72	Director Nominee
Alice Delahunt*	34	Director Nominee
Mark Ein*	56	Director Nominee
Joe Hage*	58	Director Nominee
Yusef D. Jackson*	50	Director Nominee
Ben Schwerin*	42	Director Nominee
Bippy Siegal	53	Director Nominee
Her Excellency Sheikha Al Mayassa Bint Hamad Al-Thani*	39	Director Nominee
Dasha Zhukova*	39	Director Nominee

* Independent director for purposes of NYSE corporate governance listing requirements.

The following are brief biographies describing the backgrounds of our current members of our Board, nominees to our Board whose appointment is scheduled to take effect upon the consummation of this offering and executive officers.

BOARD OF DIRECTORS

We believe our Board should be composed of a diverse group of individuals with sophistication and experience in many substantive areas that impact our business. We believe experience, qualifications and skills in the following areas are most important: accounting, finance, and capital structure; strategic planning and leadership of complex organizations; legal/regulatory and government affairs; personnel management; and board practices of other major corporations. We believe that all of our current Board members and nominees to our Board possess the professional and personal qualifications necessary for service on our Board, and have highlighted particularly noteworthy attributes for each board member and nominee in the individual biographies below.

RON BURKLE

Ron has been a member of the Soho House Board and the executive chairman since 2012. He founded The Yucaipa Companies in 1986 and is widely recognized as one of the most successful investors in the hospitality, retail, manufacturing and distribution sectors. He is a controlling stockholder of a number of businesses and a trustee of some key philanthropic organizations. We believe Ron is qualified to serve as a member of our Board due to his deep experience in the finance and hospitality industries.

ANDREW CARNIE

Andrew has served as President of Soho House since September 2020. He previously served as the Chief Commercial Officer of Soho House from June 2019 to September 2020. From November 2013 to April 2019, Andrew worked in various positions at Anthropologie Group, including as President from April 2018 to April 2019. We believe Andrew is qualified to serve as a member of our Board due to his experience in the retail and consumer industries.

NICK JONES

Nick is the founder and chief executive officer of Soho House and has been a member of the Soho House Board since its inception. He opened Cafe Boheme on Old Compton Street in 1992 in London's Soho, and went on to open the first House, Greek Street, in the space above in 1995. Nick has overseen every step of the growth of Soho House. He was awarded an MBE in the Queen's 2017 New Year's Honours List. We believe Nick Jones is qualified to serve as a member of our Board as a long term founder of the business, and due to his deep experience across all areas of the business including his membership and hospitality experience.

BOARD OF DIRECTORS NOMINEES

NICOLE AVANT

Nicole has worked in independent film development and production since 2017, and has been involved in political and charitable fundraising since 2006. Prior to her involvement in the film industry, Nicole served as the United States Ambassador to the Bahamas from October 2009 to November 2011. Nicole graduated from California State University, Northridge with a degree in Communications. Nicole previously served on the board of Revlon, Inc. from 2019 to 2020. We believe Nicole is qualified to serve as a member of our Board due to her extensive leadership experience.

RICHARD CARING

Richard has been a member of the Soho House Board since 2008. After starting out as one of the first fashion manufacturers to supply UK and US retailers from Hong Kong and China, he now holds diverse business interests in restaurants, hotels, private members' clubs and property, including as owner of the Caprice Group since 2005. He currently serves as chairman of The Ivy Collection Group, The Caprice Group, The Birley Group and The Bills Restaurant Group. We believe Richard is qualified to serve as a member of our Board due to his deep experience in the finance and hospitality industries.

ALICE DELAHUNT

Alice has served as Chief Digital & Content Officer at Ralph Lauren since 2018. Prior to joining Ralph Lauren, Alice worked at Burberry from 2011 to 2018, serving in a variety of roles, including as Director of Digital Marketing and Innovation. Alice graduated from Trinity College Dublin with a BA in Marketing and Politics. We believe Alice is qualified to serve as a member of our Board due to her experience in digital marketing.

MARK EIN

Mark is currently the founder, chairman and chief executive officer of Capitol Investment Corporation 5, the founder and chief executive officer of Venturehouse Group, LLC and Leland Investment Co., and has served in this role for various Capitol Investment Corporation groups since July 2007. Earlier in his career, Mark worked for The Carlyle Group, Brentwood Associates, and Goldman, Sachs & Co. Mark has a BS in economics from the University of Pennsylvania and a MBA from Harvard Business School. Mark currently serves as chairman on the board of Lindblad Expeditions Holdings, Inc. and of Kastle Systems, and is on the board of Custom Truck One Source. Mark has been a member of the Soho House Board since August 2018. We believe Mark is qualified to serve as a member of our Board due to his experience in the finance industry.

JOE HAGE

Joe has served as the managing partner of Joseph Hage Aaronson since March 2013. Prior to becoming a barrister, Joe qualified as a chartered accountant with PwC. Joe is the founder of HENI Group, an international art services business working with leading artists and estates across publishing, printmaking, digital, film and art research and analysis. Joe graduated from University of York, England with a BA in philosophy and went on to do postgraduate research in Philosophy at the University of Cambridge. Joe has been a member of the Soho House Board since April 2020. We believe Joe is qualified to serve as a member of our Board due to his management experience, as well as his expertise in legal matters.

YUSEF D. JACKSON

Yusef has served as an advisor to the ownership team of Aventiv at Platinum Equity since March 2021. Prior to his advisory role, since 2013, Yusef focused on his work with the Jackson Legacy Foundation and Rainbow Push Coalition. He was also the Chief Executive Officer of River North Sales and Service from 1998-2013. He earned both a BA in Government and Foreign Affairs and his JD from the University Virginia. Yusef currently serves as a director on the boards of directors of the Chicago Children's Choir, the Virginia Athletic Foundation, the Jackson Foundation, Rainbow Push Coalition and Yucaipa Acquisition Corporation, and is also a member of the Economic Club of Chicago. We believe Yusef is qualified to serve as a member of our Board due to his experience in the finance and consumer sectors.

BEN SCHWERIN

Ben has worked at Snap, Inc. since January 2015, serving in a variety of roles including Vice President of Partnerships and Senior Vice President, Content & Partnerships. Ben holds a BA from Cornell in Psychology. We believe Ben is qualified to serve as a member of our Board due to his experience in the technology industry.

BIPPY SIEGAL

Bippy is the founder and Chief Executive Officer of Raycliff Capital since 2002. He has been a member of the Soho House Board since August 2019 and also serves on the board of directors of Simon Properties Group Acquisition Holdings, Inc. Bippy's real estate and hospitality experience spans the US, Europe and Middle East, with notable developments including the Surf Club in Miami and Solage in Napa Valley. Bippy is also the founder of Modern Bank and has served as Chairman of its parent company, Modern Financial, Inc., since its inception in 2006. Bippy attended Boston University. Bippy is currently involved in numerous philanthropic initiatives, is a life member of The Council on Foreign Relations and is a former trustee of his alma mater, Boston University (2007-2018). We believe Bippy is qualified to serve as a member of our Board due to his extensive experience in the real estate and hospitality industries.

HER EXCELLENCY SHEIKHA AL MAYASSA BINT HAMAD AL-THANI

Her Excellency Sheikhha Al Mayassa bint Hamad Al-Thani has been a member of the Soho House Board since August 2020. Since April 2010, Her Excellency Sheikhha Al Mayassa has served as the Chairperson of the Doha Film Institute, and as the Chairperson of Reach Out To Asia since 2005. Her Excellency Sheikhha Al Mayassa holds an Executive MBA from HEC Paris in Qatar, a Master's degree in Human Rights from University College London and a bachelor's degree from Duke University. Her Excellency Sheikhha Al Mayassa currently serves on the Board of Trustees of the Qatar Museums Authority. We believe Her Excellency Sheikhha Al Mayassa is qualified to serve as a member of our Board due to her strategic and operational experience.

DASHA ZHUKOVA

Dasha has been working in residential rental development since 2017 and incorporated RAY LLC in 2019 where she is the owner and managing member. Dasha founded the Garage Museum of Contemporary Art in 2008 and Garage Magazine in 2011, and has continued her work with both to present day. Dasha graduated from the University of California, Santa Barbara with degrees in Slavic Studies and Literature. Dasha currently serves on the board of directors of The Shed and on the Board of Trustees of the Los Angeles County Museum of Art and the Metropolitan Museum of Art. We believe Dasha is qualified to serve as a member of our Board due to her leadership and production experience.

EXECUTIVE OFFICERS

Messrs. Jones and Carnie will serve as our Chief Executive Officer and President, respectively. Their biographies are set forth under “—Board of Directors.”

HUMERA AFZAL

Humera has served as the Chief Financial Officer of Soho House since December 2020. From February 2019 to December 2020, Humera served as the Director of Finance and then the Chief Financial Officer of Backed, a London-based venture capital fund. Prior to her time at Backed, Humera served as the Director of Deals Finance Consulting at PwC from September 2017 to January 2019, and as the Director of Innovations from December 2013 to July 2017.

MARTIN KUCZMARSKI

Martin currently serves as the Chief Operating Officer of Soho House. Martin joined Soho House in 2008 as general manager of Electric House, and progressed to director of operations for the UK and Europe before assuming his current role in January 2012. Prior to Soho House, Martin was involved in the Concept and Special Projects at Campbell Gray Hotels from March 2005 to December 2007, where he worked on expansion and development of hotels like One Aldwych, London and Carlisle Bay in Antigua. Previously to that he worked at the Ritz in Paris and Four Seasons in Milan.

CLASSIFIED BOARD OF DIRECTORS

Our Certificate of Incorporation will provide for our Board to be divided into three classes with members of each class serving staggered three-year terms.

Only one class of directors will be elected at each annual general meeting of stockholders, with directors in other classes continuing for the remainder of their respective three-year terms. Our current directors are divided among the three classes as follows:

- our Class I directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2024;
- our Class II directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2025; and
- our Class III directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2026.

Our directors hold office until their successors have been elected and qualified or until the earlier of their death, resignation or removal. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

The classification of our Board may have the effect of delaying or preventing changes of control of our company.

CONTROLLED COMPANY

Following the completion of this offering, we will be a ‘controlled company’ under the rules of the NYSE because more than 50% of the combined voting power of our common stock will be held by the Voting Group. Additionally, pursuant to the Stockholders’ Agreement, the Voting Group, of which Yucaipa forms a part, will own _____ shares of Class B common stock representing approximately _____ % of the combined voting power of our common stock outstanding after this offering (or approximately _____ % of the combined voting power of our common stock if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock) and will agree to vote with the other members of the Voting Group in favor of the election of Directors nominated by members of the Voting Group pursuant to the terms of the Stockholders’ Agreement. See “Certain Relationships and Related Party Transactions—Stockholders’ Agreement.” So long as the Voting Group owns a requisite percentage of shares of our total outstanding common stock and the Stockholders’ Agreement remains in effect, the Voting Group and individual members thereof will have the ability to nominate certain individuals to be included in the nominees recommended by our Board for election and to elect such individuals to our Board. Once the Voting Group owns less than 15% of the shares of our total outstanding common stock, all remaining shares of Class B common stock will automatically convert on a one-for-one basis into shares of Class A common stock, however the Voting Group will continue to be entitled to certain board nomination rights for so long as it continues to own at least 9% of the shares of our total outstanding common stock; provided, however, that in the event at any time either Mr. Caring or Mr. Jones (in the case of Mr. Jones, at such time as Mr. Jones is not also our Chief Executive Officer) (including their respective affiliates and family members) shall own less than 5% of our total outstanding shares of common stock, such member shall no longer have the nominee designation rights set forth above and such designation shall instead be made by Yucaipa. See “Description of Capital Stock—Certificate of Incorporation and Bylaw Provisions—Board Vacancies.”

We intend to rely upon the ‘controlled company’ exception relating to the Board and committee independence requirements under the listing rules of the NYSE. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our Board consist of a majority of independent directors and that our compensation committee and nominating and corporate governance committee be composed entirely of independent directors. The ‘controlled company’ exception does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Exchange Act and the rules of the NYSE, which require that our audit committee have at least one independent director upon the listing of our Class A common stock on the NYSE, a majority of independent directors within 90 days following the effective date of the registration statement relating to this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering.

CORPORATE GOVERNANCE GUIDELINES

Our Board is responsible for overseeing the management of Membership Collective Group Inc. On _____, our Board adopted the Governance Principles which sets forth our governance principles relating to, among other things:

- director independence;
- director qualifications and responsibilities;
- board structure and meetings;
- management succession; and
- the performance evaluation of our Board and Chief Executive Officer.

Our Governance Principles are available in the Investor Relations section of our website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

LIMITATION AND INDEMNIFICATION

Our Certificate of Incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which the director derived an improper personal benefit.

Our Certificate of Incorporation will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also provides that, subject to limited exceptions, we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permits us to secure insurance on behalf of any current or former director or officer against any liability asserted against such person, whether or not we would have the power to indemnify such person against such liability under our Certificate of Incorporation or otherwise. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our Board. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these provisions of our Certificate of Incorporation and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

COMMITTEES OF OUR BOARD OF DIRECTORS

AUDIT COMMITTEE

The audit committee's duties include, but are not limited to, assisting the Board with its oversight and monitoring responsibilities regarding:

- the integrity of the company's consolidated financial statements and financial and accounting processes;
- compliance with the audit, internal accounting and internal controls requirements by the company and its subsidiaries;
- the independent auditor's qualifications, independence and performance;
- the performance of the internal accounting and financial controls of the company and its subsidiaries (including monitoring and reporting by subsidiaries) and the function of the internal audit departments of the company and its subsidiaries;
- the company's legal and regulatory compliance and ethical standards; and

- procedures to receive, retain and treat complaints regarding accounts; internal accounting controls or auditing matters and to receive confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Members of our audit committee also review the company's financial disclosure and public filings.

Our audit committee is comprised of Messrs. _____, _____, and _____, _____ is the chair of the audit committee. We believe that _____ will qualify as an independent director according to the rules and regulations of the SEC and the listing rules of the NYSE with respect to audit committee membership. Not later than 90 days following the effectiveness of the registration statement, a majority of the members of the audit committee will be independent. Not later than the first anniversary of the effectiveness of the registration statement, all members of the audit committee will be independent.

We also believe that _____ qualifies as an 'audit committee financial expert,' as such term is defined in the rules and regulations of the SEC. Our Board has approved a written charter under which the audit committee will operate. Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter of our audit committee will be available on our principal corporate website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

We have established a nominating and corporate governance committee charter which provides that the purposes of the nominating and corporate governance committee are to:

- identify, evaluate and recommend individuals qualified to become members of Board or the boards of directors of material operating subsidiaries of the company (each, a 'Subsidiary Board'), consistent with criteria approved by our Board or Subsidiary Boards, as applicable;
- select, or recommend that our Board or any Subsidiary Board select, the director nominees to stand for election at each annual general meeting of stockholders of the company or any subsidiary or to fill vacancies on our Board or any Subsidiary Board, as applicable;
- develop and recommend to our Board a set of corporate governance guidelines applicable to the company and its subsidiaries; and
- oversee the annual performance evaluation of our Board and the Subsidiary Boards and each of their respective committees and management.

The nominating and corporate governance committee also recommends directors eligible to serve on all committees of our Board and committees of the Subsidiary Boards, as applicable. The nominating and corporate governance committee also reviews and evaluates all stockholder director nominees.

Our nominating and corporate governance committee is comprised of Messrs. _____, _____ and _____ and is the chair of the nominating and corporate governance committee.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter of our nominating and corporate governance committee will be available on our principal corporate website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

COMPENSATION COMMITTEE

We have established a compensation committee which provides that the purposes of the compensation committee are generally to:

- review and approve annually corporate goals and objectives, including financial and other performance targets, relevant to chief executive officer and executive officer compensation;
- review and approve annually corporate goals and objectives, including financial and other performance targets, relevant to compensation paid to the other executive officers and key employees of the company and its subsidiaries;
- review, approve and, when necessary, make recommendations to the Board regarding the company's compensation plans, including with respect to incentive compensation plans and share-based plans, policies and programs;
- review and administer the company's share incentive plans and any other share-based plan and any incentive-based plan of the company and its subsidiaries, including approving grants and/or awards of restricted stock, stock options and other forms of equity-based compensation under any such plans to executive officers;
- review and approve, for the chief executive officer and other executive officers of the company, when and if appropriate, employment agreements, severance agreements, consulting agreements and change in control or termination agreements;
- prepare the compensation committee report required to be included in an annual report or proxy statement, as required by applicable SEC and NYSE rules;
- review periodically the company's compensation plans, policies and programs to assess whether such policies encourage excessive or inappropriate risk-taking or earnings manipulation;
- review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the company's executive compensation policies and practices as a result of such vote; and
- monitor compliance with stock ownership guidelines for the chief executive officer and other executive officers of the company.

Our compensation committee is comprised of Messrs. _____, _____ and _____ is the chair of the compensation committee.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter of our compensation committee will be available on our principal corporate website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

DIRECTOR INDEPENDENCE

To qualify as 'independent' under NYSE listing standards and the rules and regulations of the SEC and the Sarbanes-Oxley Act, a director must meet objective criteria set forth in NYSE listing standards, and the Board must affirmatively determine that the director has no material relationship with us (either directly or as a partner, stockholder or officer of an organization that has a relationship with us) that would interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a director. The NYSE independence criteria include that the director must not be our employee and must not have engaged in various types of business dealings with us.

The Board will review all direct and indirect business relationships between each director (including his or her immediate family) and us, as well as each director's relationships with charitable organizations, to assess director independence as defined in the listing standards of the NYSE. The Board is in the process of reviewing the independence of our directors using the independence standards of the NYSE. Currently, we anticipate that the Board will determine that each of Mssrs. Ein, Hage, Jackson and Schwerin and Msses. Avant, Delahunt and Zhukova and Her Excellency Hamad Al-Thani are independent under the rules of the SEC, the Sarbanes-Oxley Act and the NYSE.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of the compensation committee who presently serve, or in the past year have served, on the compensation committee has interlocking relationships as defined by the SEC or had any relationships with us which would require disclosure under the SEC rules relating to certain relationships and related party transactions.

CODE OF ETHICS

We have adopted a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. Upon the effectiveness of the registration statement of which this prospectus forms a part, our code of ethics will be available on our principal corporate website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

COMMUNICATION WITH THE BOARD

Any stockholder or other interested party who desires to contact any member of the Board (or our Board as a group) may do so in writing to the following address:

Membership Collective Group Inc.
515 W. 20th Street
New York, New York 10011

Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication.

EXECUTIVE AND DIRECTOR COMPENSATION

The following is a discussion and analysis of compensation arrangements of our named executive officers. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. As an “emerging growth company” as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

OVERVIEW

Compensation decisions for our executive officers have historically been made by our board of directors. Prior to this offering, we will establish a compensation committee of our board of directors that will be responsible for setting the compensation of our executive officers.

Our current executive compensation program is intended to align executive compensation with our business objectives and to enable us to attract, retain and reward executive officers who contribute to our culture and long-term success. The compensation paid or awarded to our executive officers is generally based on the assessment of each individual’s performance compared against the business objectives established for the fiscal year as well as our historical compensation practices. For fiscal 2020, the material elements of our executive compensation program were base salary and equity awards.

This section provides a discussion of the compensation paid or awarded to our Chief Executive Officer and our two other most highly compensated executive officers as of January 3, 2021. We refer to these individuals as our “named executive officers.” For fiscal 2020, our named executive officers were:

- Nick Jones, Chief Executive Officer;
- Andrew Carnie, President; and
- Martin Kuczmarski, Chief Operating Officer.

2020 COMPENSATION OF NAMED EXECUTIVE OFFICERS

Base Salary. Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of our executive compensation program. The relative levels of base salary for our named executive officers are designed to reflect each executive officer’s scope of responsibility and accountability with us. During fiscal 2020, we established the Soho House Impact Fund to benefit employees facing financial hardship as a result of the COVID-19 pandemic. The fund was administered by Prism The Gift Fund, a registered UK charity, who independently reviewed and awarded all monetary grants to employees in need. Messrs. Jones, Carnie and Kuczmarski each voluntarily contributed 40% from the net pay of their respective base salaries over a three-month period to the Soho House Impact Fund. Mr. Jones made an additional personal contribution of £250,000 (US\$320,000) to the fund. Messrs. Jones, Carnie and Kuczmarski also sacrificed 20% of their base salaries over a six-month period in fiscal 2020 and a further four-month period during fiscal 2021. Please see the “Salary” column in the 2020 Summary Compensation Table for the base salary amounts received by each named executive officer in fiscal 2020.

Bonus Scheme. Historically, we have provided our senior leadership team with short-term incentive compensation through a discretionary bonus scheme. Annual bonus compensation holds executives accountable, rewards the executives based on actual business results and helps create a “pay for performance” culture. Our bonus scheme provides cash incentive awards based on a qualitative assessment of performance. In light of the impact of COVID-19 on our operations in fiscal 2020, our management team recommended no fiscal 2020 bonuses and, accordingly, none of our named executive officers received an annual incentive payout with respect to fiscal 2020 performance.

Equity Awards. In fiscal 2020, we granted equity awards to key members of management, including Messrs. Jones, Carnie and Kuczmarski. Equity awards were granted either in the form of growth shares or share appreciation rights. Each of the named executive officers received grants of growth shares in the form of Class D ordinary shares. Each of the named executive officers also received loans, in the form of a promissory note, to cover income tax arising on the grants of the Class D ordinary shares, which have been repaid in full. Growth shares entitle the recipient to participate on a pro rata basis in the increase in the fair market value of the company following the date of grant, subject to an equity value threshold and the occurrence of a liquidity event in the form of a change in control or initial public offering. In addition, the fiscal 2020 growth share awards vest in 25% annual increments based on the recipient's continued service through the applicable vesting date and accelerated vesting by one year in the event of an initial public offering. In connection with this offering, the growth share awards will be exchanged for awards with respect to Class A common stock based on the value of the underlying Class D ordinary shares prior to the closing of the offering.

Please see the "Stock Awards" column in the fiscal 2020 Summary Compensation Table for the grant date fair value of the growth shares received by each of the named executive officers in fiscal 2020 and the "2020 Outstanding Equity Awards at Fiscal Year-End" for a summary of equity awards held by the named executive officers as of January 3, 2021.

2020 SUMMARY COMPENSATION TABLE(1)

The following table shows information regarding the compensation of our named executive officers for services performed in the year ended January 3, 2021.

Name and Principal Position	Year	Salary (\$(2))	Bonus (\$(3))	Share Awards (\$(4))	Option Awards (\$(5))	Non-Equity Incentive Plan Compensation (\$(6))	All Other Compensation (\$(7))	Total (\$)
Nick Jones <i>Chief Executive Officer</i>	2020	2,322,000	—	3,288,035	—	—	58,587	5,668,622
Andrew Carnie <i>President</i>	2020	703,995	—	3,288,035	—	—	3,587	3,995,617
Martin Kuczmarski <i>Chief Operating Officer</i>	2020	703,995	—	3,288,035	—	—	2,808	3,994,838

- (1) Amounts reported in this table are converted from British pounds to U.S. dollars based on the average exchange rate for fiscal 2020.
- (2) Amounts reported in this column represent the base salary earned during fiscal 2020 by each of the named executive officers. As noted above, during fiscal 2020, we established the Soho House Impact Fund to benefit employees facing financial hardship as a result of the COVID-19 pandemic. Messrs. Jones, Carnie and Kuczmarski each voluntarily contributed 40% from the net pay of their respective base salaries over a three-month period to the Soho House Impact Fund. Additionally, Messrs. Jones, Carnie and Kuczmarski sacrificed 20% of their base salaries over a further six-month period in fiscal 2020 which is reflected in the salaries reported in this column.
- (3) Amounts reported in this column represent the aggregate grant date fair value of the growth shares awarded to each of the named executive officers in fiscal 2020, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation, calculated based on the fair market value of a Class D ordinary share as of the grant date and the number of Class D ordinary shares subject to award. The assumptions in determining the valuation of the share awards are found in footnote 14 to the Consolidated Financial Statements. Under applicable SEC disclosure rules, the entire grant date fair value is required to be reported in this column even though the award remains subject to service-based vesting conditions and the occurrence of a liquidity event. The amount expensed by the company during fiscal 2020 with respect to this award was \$295,000. As of fiscal 2020 year-end, none of the named executive officers have vested in the award and the value reported in this table may not represent the actual value earned by named executive officers, which will be dependent on whether the vesting conditions have been satisfied and our future stock price.

- (4) Amounts reported in this column for Mr. Jones relates to the cost of providing Company car services as well as medical premiums, while the amounts reported for Messrs. Carnie and Kuczmariski consist of medical premiums and retirement contributions.

2020 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Grant Date	Stock Awards	
		Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)
Nick Jones	8/25/2020	950,299	3,288,035
Andrew Carnie	8/25/2020	950,299	3,288,035
Martin Kuczmariski	8/25/2020	950,299	3,288,035

- (1) The growth shares vest in 25% annual increments on each of the first through fourth anniversaries of the grant date, subject to the recipient's continued employment. In the event of an initial public offering, the vesting of the award will accelerate by one year.
- (2) As of January 3, 2021, the growth shares are not publicly traded and, therefore, there was no ascertainable public market value for the growth shares as of January 3, 2021. For the purposes of this table, the growth shares have been valued on the basis set forth in Footnote 3 of the 2020 Summary Compensation Table above.

EMPLOYMENT AGREEMENTS

NICK JONES

The Company first entered into an employment agreement with Mr. Jones, the Company's founder, CEO and one of our principal stockholders in June 1998. The terms of Mr. Jones' current employment agreement provide for the employment of Mr. Jones as Chief Executive Officer at a base salary of £2,000,000 per year, subject to annual increases of up to 10% at the discretion of the Board, and payment into a personal pension of a sum equal to 5% of Mr. Jones' annual salary. In addition, pursuant to the employment agreement, Mr. Jones is entitled to participate in a bonus scheme with an annual bonus opportunity of 100% of base salary and a maximum bonus opportunity of 200% of base salary. The employment agreement may be terminated upon 12 months' written notice from either the Company or Mr. Jones (or, in case of a termination by the Company due to disability, nine months' written notice), with the Company having the election to place Mr. Jones on garden leave.

ANDREW CARNIE

The Company first entered into an employment agreement with Mr. Carnie as Commercial Director in June 2019. Following the successful transformation of the Company's commercial operations, digital infrastructure and platform expansion, Mr. Carnie was appointed President in September 2020. The terms of Mr. Carnie's current employment agreement provide for the employment of Mr. Carnie as President at a base salary of £1,100,000 per year and provides for participation in the Company's bonus scheme with an annual bonus opportunity of 100% of base salary and a maximum bonus opportunity of 200% of base salary and participation in the Company's enhanced pension scheme. Under the terms of Mr. Carnie's existing employment agreement, his employment may be terminated upon three months' written notice from either the Company or Mr. Carnie, with the Company having the election to place Mr. Carnie on garden leave.

MARTIN KUCZMARSKI

The Company first entered into an employment agreement with Mr. Kuczmarski as General Manager Electric House in February 2008 and progressed to Director of Operations for the UK and Europe. Mr. Kuczmarski was appointed Chief Operating Officer in January 2012. The terms of Mr. Kuczmarski's current employment agreement provide for the employment of Mr. Kuczmarski as Chief Operating Officer at a base salary of £800,000 per year and provides for the participation in the Company's bonus scheme with an annual bonus opportunity of 100% of base salary and a maximum bonus opportunity of 200% of base salary and participation in the Company's enhanced pension scheme. Under the terms of Mr. Kuczmarski's existing employment agreement, his employment may be terminated upon three months' written notice from either the Company or Mr. Kuczmarski, with the Company having the election to place Mr. Kuczmarski on garden leave.

PENSION PLAN

Employees, including each of our named executive officers, participate in a statutory pension scheme, which provides for Company contributions based on a percentage of base salary. Participants are always vested in their contributions to the plan. Under the terms of the pension scheme, participants receive benefits following the attainment of a statutory retirement age. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

POST-OFFERING COMPENSATION ARRANGEMENTS

We expect that our executive compensation program will evolve to reflect our status as a public company, market practices and environmental, social and corporate governance initiatives. Accordingly, in connection with this offering, we expect to enter into new employment agreements with Messrs. Jones, Carnie and Kuczmarski, with the terms based on prevailing market practices in the United Kingdom, including a -month notice period for Mr. Jones and -month notice period for the other named executive officers and a 12-month non-compete restrictive covenant for all the named executive officers.

In addition, effective from completion of the offering Nick Jones will contribute to Soho House's latest charitable initiative, Soho Give, by committing to forego one-fifth of his total annual cash bonus in exchange for an equivalent donation to the Charity for the duration of the time that he is CEO of the business. Based on his current employment contract and compensation this would equate to a pre-tax amount of c.\$1,100,000 (£800,000) annually assuming he earns the maximum performance bonus available to him. Mr. Jones is also intending to donate a similar proportion of any realised share incentive profits that he receives for the duration of the time that he is CEO of the business. Similarly, Messrs. Carnie and Kuczmarski plan to donate one-fifth of their annual bonus to Soho Give, which would equate to a pre-tax amount of c.\$602,800 (£440,000) for Mr. Carnie and c.\$438,400 (£320,000) for Mr. Kuczmarski assuming the bonus is paid at the maximum performance level due to Mr. Carnie and Mr. Kuczmarski respectively.

Soho Give is a charitable foundation which strives to fulfill Mr. Jones' vision to support causes that align with Soho House's values. The Charity will support three key areas - aiding career development in the creative and hospitality industries for the less advantaged; helping to build a more sustainable world in the way Soho House runs its business operations; and giving support to the local communities where Soho House sites are located.

Soho Give is funded by an annual company donation from Soho House, as well as various fundraising initiatives by Soho House teams and members. Soho House employees are also able to contribute to Soho Give, with the named executive officers leading by example through the commitments described above.

2021 EQUITY AND INCENTIVE PLAN

In fiscal 2020, we adopted the Soho House Holdings Limited 2020 Equity and Incentive Plan. In connection with this offering, our board of directors is expected to adopt, and our current stockholders are expected to approve,

the Membership Collective Group Inc. 2021 Equity and Incentive Plan (the ‘2021 Equity and Incentive Plan’) to, among other items, reserve shares of the new public company to be issued under the 2021 Equity and Incentive Plan. The following summary describes the expected material terms of the 2021 Equity and Incentive Plan. This summary is not a complete description of all provisions of the 2021 Equity and Incentive Plan and is qualified in its entirety by reference to the 2021 Equity and Incentive Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

- *Purposes:* The purposes of the 2021 Equity and Incentive Plan are to align the interests of our stockholders and those eligible for awards, to retain officers, directors, employees, and other service providers, and to encourage them to act in our long-term best interests.
- *Types of Awards:* Our 2021 Equity and Incentive Plan provides for the grant of incentive stock options, within the meaning of the US Internal Revenue Code Section 422, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock awards and performance awards.
- *Eligibility:* Officers, directors, employees, consultants, agents and independent contractors who provide services to us or to any subsidiary of ours are eligible to receive such awards.
- *Shares Subject to the Plan:* Subject to the adjustment provisions set forth in the 2021 Equity and Incentive Plan, the maximum aggregate number of shares that may be issued under the 2021 Equity and Incentive Plan is _____ shares of common stock, excluding shares issued as substitute awards for stock appreciation rights and growth share awards granted under the Soho House Holdings Limited 2020 Equity and Incentive Plan. Subject to the adjustment provisions set forth in the 2021 Equity and Incentive Plan, the number of shares of common stock available under the 2021 Equity and Incentive Plan will increase annually on the first day of each calendar year, beginning with the calendar year ending December 31, 2022, and continuing until (and including) the calendar year ending December 31, 2031, with such annual increase equal to the lesser of (i) _____ % of the number of Shares issued and outstanding on the last day of the immediately preceding fiscal year and (ii) an amount determined by the Board.

To the extent an award granted under the 2021 Equity and Incentive Plan (other than any substitute award) expires or otherwise terminates without having been exercised or paid in full, or is settled in cash, the shares subject to such award will become available for future grant or sale under the 2021 Equity and Incentive Plan. In addition, to the extent shares are withheld to satisfy a participant’s tax withholding obligation upon the exercise or settlement of any award (other than any substitute award) or to pay the exercise price of a share option, such shares will become available for future grant or sale under the 2021 Equity and Incentive Plan.

- *Plan Administration:* The compensation committee of our board of directors will administer the 2021 Equity and Incentive Plan. Our board has the authority to amend and modify the plan, subject to any stockholder approval required by law or stock exchange rules. Subject to the terms of the 2021 Equity and Incentive Plan, our compensation committee will have the authority to determine the eligibility for awards and the terms, conditions, and restrictions, including vesting terms, the number of shares subject to an award, and any performance goals applicable to grants made under the 2021 Equity and Incentive Plan. The compensation committee also will have the authority, subject to the terms of the 2021 Equity and Incentive Plan, to construe and interpret the 2021 Equity and Incentive Plan and awards, and amend outstanding awards at any time.
- *Stock Options and Stock Appreciation Rights:* Our compensation committee may grant incentive stock options, nonqualified stock options, and stock appreciation rights under the 2021 Equity and Incentive Plan, provided that incentive stock options are granted only to employees. The exercise price of stock options and stock appreciation rights under the 2021 Equity and Incentive Plan will be fixed by the compensation committee, but must equal at least 100% of the fair market value of a share of common stock on the date of grant. The term of an option or stock appreciation right may not exceed ten years; provided, however, that an incentive stock option held by an employee who owns more than 10% of all

of our classes of stock, or of certain of our affiliates, may not have a term in excess of five years, and must have an exercise price of at least 110% of the fair market value of a share of common stock on the grant date. Subject to the provisions of the 2021 Equity and Incentive Plan, the compensation committee will determine the remaining terms of the options and stock appreciation rights (e.g., vesting). Upon a participant's termination of service, the participant may exercise his or her option or stock appreciation right, to the extent vested (unless the compensation committee permits otherwise), as specified in the award agreement. The 2021 Equity and Incentive Plan expressly reserves the right of the compensation committee, without the approval of the Company's stockholders, to approve a repricing of share options and share appreciation rights when it deems appropriate.

- *Stock Awards.* Our compensation committee will decide at the time of grant whether an award will be in the form of restricted stock, restricted stock units, or another stock award. The compensation committee will determine the number of shares subject to the award, vesting, and the nature of any performance measures. Unless otherwise specified in the award agreement, the recipient of restricted stock will have voting rights and be entitled to receive dividends with respect to his or her restricted stock, provided that any dividends paid with respect to performance-based restricted stock will be subject to the same vesting conditions as the underlying shares of restricted stock. The recipient of restricted stock units will not have voting rights, but his or her award agreement may provide for the receipt of dividend equivalents, provided that any dividend equivalents paid with respect to performance-based restricted stock units will be subject to the same vesting conditions as the underlying restricted stock units.
- *Performance Awards.* Our compensation committee will determine the value of any performance award, the vesting and nature of the performance measures, and whether the award is denominated or settled in cash or in shares of our common stock. The performance goals applicable to a particular award will be determined by our compensation committee at the time of grant.
- *Dividends and Dividend Equivalents.* Our compensation committee may provide that holders of awards will be entitled to dividends or dividend equivalents, on such terms and conditions as may be determined by our compensation committee in its sole discretion; provided that no dividend equivalents will be payable with respect to unearned performance-based restricted stock, performance-based restricted stock units or performance awards (although dividend equivalents may be accumulated in respect of unearned awards and paid after such awards are earned).
- *Transferability of Awards.* The 2021 Equity and Incentive Plan does not allow awards to be transferred other than by will or the laws of inheritance following the participant's death, and options may be exercised, during the lifetime of the participant, only by the participant. However, an award agreement may permit a participant to assign an award to a family member by gift or pursuant to a domestic relations order, or to a trust, family limited partnership or similar entity established for one of the participant's family members. A participant may also designate a beneficiary who will receive outstanding awards upon the participant's death.
- *Certain Adjustments.* If any change is made in our common stock subject to the 2021 Equity and Incentive Plan, or subject to any award agreement under the 2021 Equity and Incentive Plan, without the receipt of consideration by us, such as through a stock split, stock dividend, extraordinary distribution, recapitalization, combination of shares, exchange of shares or other similar transaction, appropriate adjustments will be made in the number and class of shares subject to the Plan, and the number, class and price of shares subject to each outstanding award.
- *Change in Control.* Subject to the terms of the applicable award agreement, upon a "change in control" (as defined in the 2021 Equity and Incentive Plan), our board of directors may, in its discretion, determine whether some or all outstanding options and stock appreciation rights will become exercisable in full or in part, whether the restriction period or performance period applicable to some or all outstanding awards will lapse in full or in part and whether the performance measures applicable to some or all outstanding awards will be deemed to be satisfied. Our board of directors may further

require that shares of the corporation resulting from such a change in control, or a parent corporation thereof, be substituted for some or all of our shares of common stock subject to an outstanding award and that any outstanding awards, in whole or in part, be surrendered to us by the holder and be immediately cancelled by us in exchange for a cash payment, shares of capital stock of the corporation resulting from or succeeding us or a combination of both cash and such shares.

- *Plan Termination and Amendment.* Our board of directors has the authority to amend, suspend, or terminate the 2021 Equity and Incentive Plan, subject to any requirement of stockholder approval required by law or stock exchange rules. Our 2021 Equity and Incentive Plan will terminate on the ten-year anniversary of the approval of the plan by our board of directors, unless we terminate it earlier.

DIRECTOR COMPENSATION

In connection with this offering, we anticipate establishing a non-employee director compensation program with an initial annual value of \$300,000 to be payable 1/3 in cash and 2/3 in equity. In addition, we expect that the members of our board committees will receive an additional retainer of \$15,000, with the audit committee chair and audit committee members receiving an additional retainer of \$25,000 and \$20,000, respectively. Directors may also receive goods and services in kind in the form of rooms and food and beverages from our Houses from time to time. None of Messrs. Jones, Burkle or Carnie will receive additional compensation for their service on the Board or any committee thereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of certain relationships and transactions that exist or have existed or that we have entered into with our directors, executive officers, or stockholders who are known to us to beneficially own more than five percent of our voting securities and their affiliates and immediate family members.

RELATED PARTY TRANSACTION POLICY

We have established a written related party transaction policy that provides procedures for the review of transactions in excess of \$120,000 in any year between us and any covered person having a direct or indirect material interest with certain exceptions. Covered persons include any director, executive officer, director nominee, stockholders known to us to beneficially own 5% or more of our voting securities or any affiliates and immediate family members of the foregoing. Any such related party transactions shall require advance approval by a majority of our independent directors or by our audit committee.

The related party transactions described below have all been approved pursuant to the Company's existing related party transaction policy.

RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH OUR OWNERS AND DIRECTORS

Through Soho Works (LA), LLC, we are a party to a property lease agreement as of December 27, 2018 for 9100-9110 West Sunset Boulevard, LA, California with The Yucaipa Companies LLC, an affiliate of our Sponsor. This lease runs for a term of 15 years until December 31, 2033, with options to extend for two additional five-year terms. The operating lease asset and liability associated with this lease are \$12 million and \$17 million as of April 4, 2021, respectively, and \$14 million and \$17 million as of March 29, 2020, respectively. The operating lease asset and liability associated with this lease are \$12 million and \$17 million as of January 3, 2021, respectively, and \$14 million and \$17 million as of December 29, 2019, respectively. Rent expense associated with this lease totaled \$1 million and \$1 million the first quarter 2021 and first quarter 2020, respectively. Rent expense associated with this lease totaled \$3 million, \$2 million and \$2 million during the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively.

Through Soho-Ludlow Tenant LLC, we are a party to a property lease agreement dated May 3, 2019 for 137 Ludlow Street, New York with Ludlow 137 Holdings LLC, an affiliate of our Sponsor. This lease runs for a term of 22 years until April 20, 2041, with options to extend for three additional five-year terms. The operating lease asset and liability associated with this lease are \$9 million and \$15 million as of April 4, 2021, respectively, and \$10 million and \$11 million as of March 29, 2020, respectively. The operating lease asset and liability associated with this lease are \$9 million and \$15 million as of January 3, 2021, respectively, and \$10 million and \$11 million as of December 29, 2019, respectively. Rent expense associated with this lease totaled less than \$1 million and less than \$1 million for the first quarter 2021 and first quarter 2020, respectively. Rent expense associated with this lease totaled \$1 million and \$1 million during the fiscal years ended January 3, 2021 and December 29, 2019, respectively.

Through Little House West Hollywood, LLC, we are a party to a property lease agreement dated February 19, 2021 for 8465 Hollywood Drive, West Hollywood, California with GHWHI, LLC, which is indirectly under the control of Ron Burkle, Executive Chairman of our Board. This lease runs for a term of 15 years from October 16, 2021, with options to extend for two additional five-year terms. The annual rent is determined by reference to the total acquisition and development cost of the property, which is borne entirely by the lessor, and based on the project budget the starting rent is anticipated to be \$4,932,738 per annum.

Since 2018, from time to time Soho House Design has provided design services to certain of our owners and directors in the ordinary course and at market rates in a total amount of \$5,692,000.

Our Sponsor, Mr. Caring and Mr. Jones previously provided the Company with £19 million (\$24 million) in aggregate principal amount of unsecured, non-interest bearing stockholder loan notes. These loan notes were extinguished in May 2020 by virtue of an issuance of shares in the Company.

SOHO RESTAURANTS—MANAGEMENT SERVICES ARRANGEMENTS

Soho House Limited provides certain management services to Quentin Partners Limited at cost. This arrangement enables Quentin Partners Limited to provide management services to Soho Restaurants Limited, a casual fast-dining business that previously formed part of the Soho House group but which was spun-out in December 2017. Our Sponsor, Mr. Caring and Mr. Jones are owners of Quentin Partners Limited, which in turn owns 100% of Soho Restaurants Limited.

SOHO RESTAURANTS LOAN NOTES

Between March 20, 2015 and October 7, 2019 Soho Restaurants Limited issued to Soho House UK Limited and Soho House Limited unsecured interest bearing loan notes with aggregate principal amounts of £9.2 million (\$12.6 million) to fund working capital. These were assigned to Quentin Partners Limited and extinguished on August 18, 2020 meaning the full amount of the loan notes and other balances due from Soho Restaurants Limited were no longer recoverable; as a result, these amounts have been written off, and the Company recognized a charge of \$10 million, which is included in other, net in the consolidated statements of operations in fiscal 2019. The remaining amount had been written off in fiscal 2017.

Soho Restaurants Limited (or an affiliate of Soho Restaurants Limited) issued to Soho House UK Limited (i) in September 2020, £1.8 million (\$2.5 million) in aggregate principal amount of unsecured interest bearing loan notes, (ii) in October 2020, £400,000 (\$546,000) in aggregate principal amount of unsecured interest bearing loan notes, and (iii) in December 2020, £400,000 (\$546,000) in aggregate principal amount of unsecured interest bearing loan notes (together, the ‘Soho Restaurants Loan Notes’) to fund working capital. Interest accrues at 8% per annum under each of the Soho Restaurants Loan Notes. The Soho Restaurants Loan Notes constitute unsecured obligations and the rights of the noteholders under such Soho Restaurants Loan Notes are subordinated to any secured senior indebtedness of Soho Restaurants Limited. The Soho Restaurants Loan Notes do not have a stated maturity date; however, the Soho Restaurants Loan Notes become due and payable, in part or in whole, at any time at the option of the holder or Soho Restaurants Limited. If Soho Restaurants Limited or its affiliate, as applicable, fails to pay any amounts due and payable on the Soho Restaurants Loan Notes when they become due, Soho Restaurants Limited or its affiliate, as applicable, shall pay to the holder default interest at a rate of 3.00% per annum on such overdue amount. The Soho Restaurants Loan Notes are currently outstanding. The Company expects these to be recoverable.

SOHO RESTAURANTS LEASE GUARANTEES

Through certain of our subsidiaries, we guarantee the obligations of Soho Restaurants Limited (and its subsidiaries) under 8 property leases (the ‘Soho Restaurants Leases’) to which Soho Restaurants Limited (or its subsidiaries) are party (the ‘Soho Restaurants Guarantees’). The Soho Restaurants Guarantees are historical lease guarantees that have remained in place following the spin out of Soho Restaurants Limited from the Soho House group in December 2017. The lease guarantees of the Soho Restaurants Leases are all full lease term guarantees. In the event that Soho Restaurants Limited (or its subsidiaries) fails to make any required rental or other payments under any of the Soho Restaurants Leases, the Soho Restaurants Guarantees provide that we shall become obligated to make such required payments. The principal terms of each of the Soho Restaurants Leases are described in the table below:

Property	Lessor	Lessee	Guarantor(s)	Aggregate payments due on lease in fiscal 2020	Term of Lease
		Dirty Burger			
Arch 54 South Lambeth Road, Vauxhall, London	Network Rail Infrastructure Limited	Dirty Burger Limited	Soho House UK Limited	£39,726	August 5, 2013 to August 4, 2023
27a Mile End Road, Whitechapel, London	Interstate Financial Ventures SA	Dirty Burger Limited	SHG Acquisition (UK) Limited	£59,409	November 22, 2013 to November 21, 2028
Tea Building, Shoreditch, London	Derwent Valley London Limited	Dirty Burger Limited	Soho House Limited	£8,450	April 27, 2015 to March 24, 2031
17 Exmouth Market, London	The Honourable Charlotte Anne Townshend & James Reginald Townshend and Ilchester Trustee Company Limited	Dirty Burger Limited	SHG Acquisition (UK) Limited	£78,349	November 20, 2015 to November 19, 2030
		Chicken Shop			
128 Allitsen Road, St John’s Wood, London	Manatee Properties Limited	Chicken Shops Galore Limited	Soho House UK Limited	£78,290	November 25, 2015 to November 24, 2035
46 The Broadway, Crouch End, London	Longmill Management Co Ltd	Chicken Shops Galore Limited	SHG Acquisition (UK) Limited	£47,269	October 21, 2015 to October 20, 2030
Piano House, Brixton, London	TCN (Brixton) Limited	Chicken Shops Galore Limited	Soho House UK Limited	£158,080	June 27, 2016 to June 26, 2036
7A Chestnut Grove, Balham, London	Raj Thaker	Chicken Shops Galore Limited	Soho House UK Limited	£47,085	July 27, 2006 to July 26, 2022 (extended to March 22, 2035)

As of the date of this prospectus, we have not made any guarantee payments nor have we become obligated to make any payments pursuant to any Soho Restaurants Guarantee.

In 2021 we plan to convert some of our other existing Soho Restaurants Limited sites into Soho Studios, a new space for Soho Friends and Soho House members, to further support our membership growth plans.

CONSULTANCY ARRANGEMENTS

The Company has previously engaged the consultancy services of Sevengage Limited in respect of the procurement of artists and entertainment services for ‘House Festival’, an annual Soho House event. Sevengage Limited is run by Mr. Caring’s son, Jamie Caring. Since January 1, 2018, payments made to Sevengage Limited in respect of this consultancy arrangement have totaled approximately £123,487 (\$168,720).

THE NED

On September 25, 2014, through Soho House-Sydell LLP (the ‘LLP’), we entered into a hotel management agreement to operate The Ned Hotel in London in return for a fee. Pursuant to a separate limited liability partnership agreement dated September 25, 2014 in relation to Poultry Ownership LLP, the Company is also a member of Poultry Ownership LLP, in connection with which it is entitled (once minimum IRR hurdles have been achieved) to a share in the upside brought about by the increased property value driven by the operations. Our Chairman, Mr. Burkle has a beneficial interest in the LLP and Poultry Ownership LLP through various affiliated companies. Total payments to us in respect of these management fees was less than \$1 million for first quarter 2021 and less than \$1 million for first quarter 2020. Total payments to us in respect of these management fees was \$866,000 for fiscal 2020, \$2,759,000 for fiscal 2019 and \$2,754,000 for fiscal 2018.

ISSUANCE OF CLASS B COMMON STOCK IN CONNECTION WITH THIS OFFERING

Our business is conducted through Soho House Holdings Limited and its subsidiaries. In connection with, we have formed Membership Collective Group Inc., a Delaware corporation and the issuer of the shares of Class A common stock offered hereby. Immediately prior to the consummation of this offering, certain existing stockholders of Soho House Holdings Limited consisting of members of the Voting Group will exchange their equity interests in Soho House Holdings Limited for a number of shares of Class B common stock of Membership Collective Group Inc. having an equivalent value to such equity interests. Certain other existing stockholders of Soho House Holdings Limited who are not members of the Voting Group will exchange their equity interests for a number of shares of Class A common stock of Membership Collective Group Inc. having an equivalent value to such equity interests. The shares of Class B common stock of Membership Collective Group Inc. have the same rights to dividends and distributions, whether in cash or stock, as the shares of Class A common stock, but entitle the holder of shares of Class B common stock to ten votes per share on matters presented to the stockholders of Membership Collective Group Inc. See “Description of Capital Stock.” Pursuant to our Certificate of Incorporation, each holder of our Class B common stock shall have the right to convert its shares of Class B common stock into shares of Class A common stock on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

Upon completion of this offering:

- the investors in this offering will collectively own _____ shares of Class A common stock (or _____ shares of Class A common stock if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock), representing _____ % of the combined voting power in Membership Collective Group Inc. (or _____ % if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock); and
- the Voting Group will collectively hold _____ shares of Class B common stock, representing _____ % of the combined voting power in Membership Collective Group Inc. (or _____ % if the underwriters exercise in full their option to purchase an additional _____ shares of Class A common stock).

- Once the Voting Group owns less than 15% of our total outstanding shares of common stock, all remaining shares of Class B common stock will convert on a one-for-one basis into shares of Class A common stock automatically.

STOCKHOLDERS' AGREEMENT

Concurrently with the consummation of this offering, the members of the Voting Group will enter into a Stockholders' Agreement pursuant to which the Voting Group will agree to vote together as a group so long as the Voting Group owns a requisite percentage of our total outstanding share of common stock. Immediately following the consummation of this offering, the Voting Group will hold all of our issued and outstanding shares of Class B common stock representing approximately % of the combined voting power of our common stock (or approximately % if the underwriters exercise in full their option to purchase an additional shares of Class A common stock). See "Certain Relationships and Related Party Transactions—Related Party Transactions—Stockholders' Agreement."

Pursuant to this Stockholders' Agreement, the Voting Group and certain members thereof will be entitled to designate a number of individuals to be included in the nominees recommended by our Board for election to our Board (including a majority of those individuals immediately following the consummation of this offering), so long as the Voting Group owns a requisite percentage of our total outstanding shares of common stock. Following the consummation of this offering, the Voting Group and its members will be entitled to designate individuals for nomination for election to our Board as follows:

- so long as the Voting Group owns at least 35% of our total outstanding shares of common stock, it will be entitled to designate nine directors for nomination, of which Yucaipa shall have the right to designate seven directors for nominations, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 35% but at least 15% of our total outstanding shares of common stock, it will be entitled to designate six directors for nomination, of which Yucaipa shall have the right to designate four directors for nominations, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 15% but at least 9% of the shares of our total outstanding shares of common stock, it will be entitled to designate three directors for nomination of which Yucaipa shall have the right to designate one director for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination; and
- in the event that the Voting Group owns less than 9% of our total outstanding shares of common stock, neither the Voting Group nor any members (subject to the following paragraph) will be entitled to designate any individuals for nomination for election to the Board;

provided, however, that in the event at any time Mr. Caring, or Mr. Jones (at such time as Mr. Jones is not also our Chief Executive Officer) (including their respective affiliates and family members) shall own less than 5% of our total outstanding shares of common stock, such member shall no longer have the nominee designation rights set forth above and such designation shall instead be made by Yucaipa.

Separately, in each case where any individual member owns more than 5% of the total number of our outstanding shares of common stock at any time after the Voting Group owns less than 9% of our total outstanding shares of common stock, each such member shall be entitled to nominate one director for election. However, the other Voting Group members shall have no obligation to vote in favor of any such nomination. Additionally, for so long as Mr. Jones serves as our Chief Executive Officer, he will be entitled to remain as a director on our Board.

The members of the Voting Group, will agree in the Stockholders' Agreement to vote their shares of the common stock in favor of the directors nominated as set forth above.

Once the Voting Group owns less than 15% of our total outstanding shares of common stock, all remaining shares of Class B common stock will convert on a one-for-one basis into shares of Class A common stock.

REGISTRATION RIGHTS AGREEMENT

In connection with this offering, we intend to enter into a registration rights agreement with each member of the Voting Group, which includes affiliates of the Sponsor, Mr. Jones, Mr. Caring, and certain other shareholders (including Goldman Sachs affiliates who are holders of the Senior Preference Shares (the ‘Goldman Sachs affiliates’)). The registration rights agreement will provide certain members of the Voting Group and certain other shareholders (including the Goldman Sachs affiliates) with demand registration rights, including shelf registration rights, in respect of any of our shares of Class A common stock beneficially owned by it, subject to certain conditions. In addition, in the event that we register additional shares of Class A common stock for sale to the public following the completion of this offering, we will be required to give notice of such registration to each such member of the party to the agreement of our intention to effect such a registration, and, subject to certain limitations, include shares of Class A common stock beneficially owned by them in such registration. We will be required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares pursuant to the agreement. The agreement will include customary indemnification provisions in favor of each shareholders and any person who is or might be deemed a control person, (within the meaning of the Securities Act and the Exchange Act) and related parties against certain losses and liabilities (including reasonable costs of investigation and legal expenses) arising out of or based upon any filing or other disclosure made by us under the securities laws relating to any such registration.

FEE AGREEMENTS

In return for arranging, and providing financial and transaction advisory services in connection with, the issuance of senior secured notes and Senior Preference Shares to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates as described in “Description of Certain Indebtedness and Preferred Equity – Goldman Sachs Senior Secured Notes,” Yucaipa Alliance Management LLC, an affiliate of our Sponsor, received a fee in an aggregate of \$10,200,000 pursuant to a fee letter arrangement with the Company dated March 23, 2021.

Our Sponsor is providing us with assistance in preparing for a successful initial public offering and becoming a public company, and as a consequence, on _____, 2021 we entered into a contingent fee agreement under which, following the consummation of this offering, we will pay Yucaipa Alliance Management LLC, an affiliate of our Sponsor, a fee that is equal to _____.

SENIOR SECURED NOTES

On March 31, 2021, Soho House Bond Limited, a wholly-owned subsidiary of Soho House Holdings Limited, issued senior secured notes pursuant to a Notes Purchase Agreement in aggregate amounts equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million), which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates. The senior secured notes are currently listed on The International Stock Exchange. See “Description of Certain Indebtedness and Preferred Equity.”

DESCRIPTION OF CAPITAL STOCK

This section contains a description of our capital stock and the material provisions of our Certificate of Incorporation and bylaws that will be in effect upon the completion of this offering and is qualified by reference to the forms of our Certificate of Incorporation and our bylaws filed as exhibits to the registration statement relating to this prospectus, and by the applicable provisions of Delaware law. The descriptions of our common stock reflect changes to our capital structure that will occur immediately prior to the consummation of the offering. For more information concerning the transactions, see “Prospectus Summary—Our Structure.”

GENERAL

On incorporation, our share capital was \$10 comprising 1,000 shares of common stock, par value \$0.01 per share, which was issued fully paid. The shares of Class A common stock have been created under the laws of the State of Delaware.

Immediately prior to the closing of this offering, our Certificate of Incorporation will authorize _____ shares of Class A common stock, par value \$0.01 per share and _____ shares of Class B common stock, par value \$0.01 per share and _____ shares of preferred stock, the rights, preferences and privileges of which may be designated from time to time by our Board.

The number of shares of common stock to be outstanding after this offering excludes _____ shares of Class A common stock that will be available for future issuance under our 2021 Equity and Incentive Plan, which will become effective on the date of this prospectus. There are currently no outstanding shares of our preferred stock.

CLASS A COMMON STOCK

DIVIDEND RIGHTS

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our Class A common stock are entitled to receive dividends out of funds legally available if our Board, in its discretion, determines to issue dividends and only then at the times and in the amounts that our Board may determine. See “Dividend Policy” for more information.

VOTING RIGHTS

The holders of our Class A common stock are entitled to one vote per share. Stockholders do not have the ability to cumulate votes for the election of directors. Our Certificate of Incorporation and bylaws that will be in effect immediately prior to the effectiveness of the registration statement of which this prospectus forms a part will provide for a classified Board consisting of three classes of approximately equal size, each serving staggered three-year terms. Only one class of directors will be elected at each annual general meeting of stockholders, with directors in other classes continuing for the remainder of their respective three-year terms. Our current directors are divided among the three classes as follows:

- our Class I directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2024;
- our Class II directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2025; and
- our Class III directors are Messrs. _____, _____ and _____ and their terms will expire at our annual general meeting in 2026.

Pursuant to our Certificate of Incorporation, neither Yucaipa nor any of its respective affiliates is required to present corporate opportunities to us.

NO PREEMPTIVE OR SIMILAR RIGHTS

Our Class A common stock is not entitled to preemptive rights and is not subject to redemption or sinking fund provisions.

RIGHT TO RECEIVE LIQUIDATION DISTRIBUTIONS

Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our Class A common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

CLASS B COMMON STOCK

DIVIDEND RIGHTS

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our Class B common stock are entitled to receive dividends out of funds legally available if our Board, in its discretion, determines to issue dividends and only then at the times and in the amounts that our Board may determine. See “Dividend Policy” for more information.

VOTING RIGHTS

Upon the consummation of this offering, the holders of our Class B common stock will be entitled to ten votes per share. Pursuant to our Certificate of Incorporation, each holder of our Class B common stock shall have the right to convert its shares of Class B common stock into shares of Class A common stock, at any time, upon notice to Membership Collective Group Inc., on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock.

Pursuant to the Stockholders’ Agreement described under “Certain Relationships and Related Party Transactions—Related Party Transactions—Stockholders’ Agreement,” the Voting Group will be entitled upon the consummation of this offering to designate a majority of individuals to be included in the nominees recommended by our Board for election to our Board so long as the Voting Group owns a requisite percentage of our total outstanding common stock. Following the consummation of this offering, the Voting Group and its members will be entitled to designate individuals for nomination for election to our Board as follows:

- so long as the Voting Group owns at least 35% of our total outstanding shares of common stock, it will be entitled to designate nine directors for nomination, of which Yucaipa shall have the right to designate seven directors for nominations, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 35% but at least 15% of our total outstanding shares of common stock, it will be entitled to designate six directors for nomination, of which Yucaipa shall have the right to designate four directors for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination;
- so long as the Voting Group owns less than 15% but at least 9% of our total outstanding shares of common stock, it will be entitled to designate three directors for nomination, of which Yucaipa shall have the right to designate one director for nomination, Mr. Caring shall have the right to designate one director for nomination and Mr. Jones shall have the right to designate one director for nomination; and
- in the event that the Voting Group owns less than 9% of our total outstanding shares of common stock, neither the Voting Group nor any member (subject to the following paragraph) will be entitled to designate any individuals for nomination for election to the Board;

provided, however, that in the event at any time Caring or Jones (at such time as he is not also our chief executive officer) (including their affiliates and family members) shall own less than 5% of the shares of our outstanding common stock, he shall no longer have the nominee designation rights set forth above and such designation shall instead be made by Yucaipa.

Separately, in each case where any individual member owns more than 5% of the total number of our outstanding common stock at any time after Voting Group owns less than 9% of the our total outstanding shares of common stock, each such member shall be entitled to nominate one director for election. However, the other Voting Group members shall have no obligation to vote in favor of any such nomination. Additionally, for so long as Mr. Jones serves as our Chief Executive Officer, he will be entitled to remain as a director on our Board.

The members of the Voting Group will agree in the Stockholders' Agreement to vote their shares of the common stock in favor of the directors nominated as set forth above.

Once the Voting Group owns less than 15% of our total outstanding shares of common stock, all remaining shares of Class B common stock will automatically convert on a one-for-one basis into shares of Class A common stock. The Stockholders' Agreement will automatically terminate once the Voting Group owns less than 9% of the shares of our total outstanding common stock.

NO PREEMPTIVE OR SIMILAR RIGHTS

Our Class B common stock is not entitled to preemptive rights and is not subject to redemption or sinking fund provisions.

RIGHT TO RECEIVE LIQUIDATION DISTRIBUTIONS

The holders of outstanding shares of Class B common stock do not have any right to receive a distribution upon our liquidation, dissolution or winding-up.

COMBINED VOTING POWER OF CLASS A COMMON STOCK AND CLASS B COMMON STOCK

Holders of Class A common stock and Class B common stock will vote together as a single class on all matters requiring approval by our stockholders unless otherwise required by law.

Upon consummation of this offering, assuming no exercise of the underwriters' option to purchase an additional _____ shares of our Class A common stock, holders of our Class A common stock will hold approximately _____ % of the combined voting power of our outstanding common stock, and holders of our Class B common stock will hold approximately _____ % of the combined voting power of our outstanding common stock.

If the underwriters exercise in full their option to purchase an additional _____ shares of our Class A common stock, holders of our Class A common stock will hold approximately _____ % of the combined voting power of our outstanding common stock, and holders of our Class B common stock will hold approximately _____ % of the combined voting power of our outstanding common stock. See "Certain Relationships and Related Party Transactions—Stockholders' Agreement."

TRANSFER OF CLASS B COMMON STOCK

Each share of Class B Common Stock shall automatically, without any further action, convert into one share of Class A Common Stock immediately following a transfer to any person other than a member of the Voting Group. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares (if any) are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the

shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock are either delivered to the Company or its transfer agent, or the holder notifies the Company that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the shares of Class B Common Stock, the holder of Class B Common Stock so converted shall surrender the certificates representing such shares (if any) at the offices of the Company or its transfer agent.

PREFERRED STOCK

Pursuant to our Certificate of Incorporation that will become effective immediately prior to the closing of this offering, our Board will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our Board can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our Board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our Class A common stock. We have no current plan to issue any shares of preferred stock.

ANTI-TAKEOVER PROVISIONS

The provisions of the DGCL, our Certificate of Incorporation and our bylaws to be in effect following this offering could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and encourage persons seeking to acquire control of our company to first negotiate with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

SECTION 203 OF THE DGCL

Our Certificate of Incorporation will provide that we are not governed by Section 203 of the DGCL which, in the absence of such provisions, would have imposed additional requirements regarding mergers and other business combinations.

However, our Certificate of Incorporation will include a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder. Such restrictions will not apply to any business combination between our controlling stockholder and any affiliate thereof or their direct and indirect transferees, on the one hand, and us, on the other. In addition, such restrictions will not apply if:

- a stockholder becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that it ceases to be an interested stockholder and (ii) within the three-year period immediately prior to the business combination between the Company and such stockholder, would not have been an interested stockholder but for the inadvertent acquisition of ownership; or

- the business combination is proposed prior to the consummation or abandonment of, and subsequent to the earlier of the public announcement or the notice required under the Certificate of Incorporation of, a proposed transaction that (i) constitutes one of the transactions described in the proviso of this sentence, (ii) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of our Board and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors; provided that the proposed transactions are limited to (x) a merger or consolidation of the Company (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Company is required), (y) a sale, lease, exchange, mortgage, whether as part of a dissolution or otherwise, of assets of the Company or of any direct or indirect majority-owned subsidiary of the Company (other than to any wholly owned subsidiary or to the Company) having an aggregate market value equal to 50% or more of either that aggregate market value of all the assets of the Company determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Company or (z) a proposed tender or exchange offer for 50% or more of the outstanding voting stock of the Company; provided further that the Company will give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in clause (x) or (y) above.

Additionally, we would be able to enter into a business combination with an interested stockholder if:

- before that person became an interested stockholder, our Board approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;
- upon consummation of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) stock held by directors who are also officers of our Company and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; or
- following the transaction in which that person became an interested stockholder, the business combination is approved by our Board and authorized at a meeting of stockholders by the affirmative vote of the holders of at least 66 2/3% of the voting power of our outstanding voting stock not owned by the interested stockholder.

In general, a "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" is any person who, together with affiliates and associates, is the owner of 15% or more of our outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of our outstanding voting stock at any time within the three-year period immediately before the date of determination.

This provision of our Certificate of Incorporation could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

CERTIFICATE OF INCORPORATION AND BYLAW PROVISIONS

Our Certificate of Incorporation and our bylaws will include a number of provisions that may have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our Board or our governance or policy or preserving the rights of certain shareholders vis-a-vis other shareholders, including the following:

BOARD VACANCIES

Our Certificate of Incorporation and bylaws will authorize generally only our Board to fill vacant directorships resulting from any cause or created by the expansion of our Board. In addition, the number of directors constituting our Board may be set only by resolution adopted by a majority vote of our entire Board. These provisions prevent a stockholder from increasing the size of our Board and gaining control of our Board by filling the resulting vacancies with its own nominees.

CLASSIFIED BOARD

Our Certificate of Incorporation and bylaws will provide that our Board is classified into three classes of directors. The existence of a classified Board could delay a successful tender offeror from obtaining majority control of our Board, and the prospect of that delay might deter a potential offeror. See “Management” for additional information.

DIRECTORS REMOVED ONLY FOR CAUSE

Our Certificate of Incorporation will provide that stockholders may remove directors only for cause.

SUPERMAJORITY REQUIREMENTS FOR AMENDMENTS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS

Our Certificate of Incorporation will further provide that the affirmative vote of holders of at least two-thirds of the voting power of our outstanding common stock will be required to amend certain provisions of our Certificate of Incorporation, including provisions relating to the classified board, the size of the Board, removal of directors, special meetings, actions by written consent and designation of our preferred stock. The affirmative vote of holders of at least two-thirds of the voting power of our outstanding common stock will be required to amend or repeal our bylaws, although our bylaws may be amended by a simple majority vote of our Board.

SPECIAL MEETINGS OF STOCKHOLDERS

Our Certificate of Incorporation will provide that if less than 50.1% of the voting power of our outstanding common stock is beneficially owned by our controlling stockholder and its affiliates, special meetings of the stockholders may be called only by the chairman of the Board or by the secretary at the direction of a majority of the directors then in office. For so long as at least 50.1% of the voting power of our outstanding common stock is beneficially owned by Yucaipa Holdings, LLC and its affiliates, including our controlling stockholder, special meetings may also be called by the secretary at the written request of the holders of a majority of the voting power of the then outstanding common stock. The business transacted at any special meeting will be limited to the proposal or proposals included in the notice of the meeting.

STOCKHOLDER ACTION BY WRITTEN CONSENT

Subject to the rights of the holders of one or more series of our preferred stock then outstanding, any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting of our stockholders; provided, that prior to the time at which our controlling stockholder ceases to beneficially own at least 50.1% of the voting power our outstanding common stock, any action required or permitted to be taken at

any annual or special meeting of our stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, is signed by or on behalf of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and are delivered in accordance with applicable Delaware law.

ADVANCE NOTICE REQUIREMENTS FOR STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

Our bylaws provide that stockholders who are seeking to bring business before an annual meeting of stockholders and stockholders (other than our controlling stockholder and its affiliates) who are seeking to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder's notice generally must be delivered to and received at our principal executive offices not earlier than the close of business on the 120th day and not later than the close of business of the 90th day prior to the first anniversary of the preceding year's annual meeting of our stockholders; provided, that in the event that the date of such meeting is advanced by more than 30 days prior to, or delayed by more than 60 days after, the anniversary of the preceding year's annual meeting of our stockholders, a stockholder's notice to be timely must be so delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the 90th day prior to such meeting or, if the first public announcement of the date of such meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made. Our bylaws specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

All of the foregoing provisions of our Certificate of Incorporation and bylaws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the Board and in the policies formulated by the Board and to discourage certain types of transactions that may involve an actual or threatened change in control. These same provisions may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interest. In addition, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

NO CUMULATIVE VOTING

The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's Certificate of Incorporation provides otherwise. Certificate of Incorporation and bylaws will not provide for cumulative voting.

ISSUANCE OF UNDESIGNATED PREFERRED STOCK

We anticipate that after the filing of our Certificate of Incorporation, our Board will have the authority, without further action by the stockholders, to issue up to _____ shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our Board. The existence of authorized but unissued shares of preferred stock enables our Board to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

EXCLUSIVE FORUM

Our Certificate of Incorporation will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (1) any derivative action or

proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the DGCL or our Certificate of Incorporation or bylaws, (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) or (5) any other action asserting an “internal corporate claim,” as defined in Section 115 of the Delaware General Corporation Law, in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our Certificate of Incorporation will also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

CORPORATE OPPORTUNITY

Under Delaware law, officers and directors generally have an obligation to present to the corporation they serve business opportunities which the corporation is financially able to undertake and which falls within the corporation’s business line and are of practical advantage to the corporation, or in which the corporation has an actual or expectant interest. A corollary of this general rule is that when a business opportunity comes to an officer or director that is not one in which the corporation has an actual or expectant interest, the officer is generally not obligated to present it to the corporation. Certain of our officers and directors may serve as officers, directors or fiduciaries of other entities and, therefore, may have legal obligations relating to presenting available business opportunities to us and to other entities. Potential conflicts of interest may arise when our officers and directors learn of business opportunities (e.g., the opportunity to acquire an asset or portfolio of assets, to make a specific investment, to effect a sale transaction, etc.) that would be of material advantage to us and to one or more other entities of which they serve as officers, directors or other fiduciaries.

Section 122(17) of the DGCL permits a corporation to renounce, in advance, in its Certificate of Incorporation or by action of its Board, any interest or expectancy of a corporation in certain classes or categories of business opportunities. Where business opportunities are so renounced, certain of our officers and directors will not be obligated to present any such business opportunities to us. Our Certificate of Incorporation provides that, to the fullest extent permitted by law, no officer or director of ours who is also an officer, director, principal, partner, member, manager, employee, agent, or other representative of Yucaipa or its respective affiliates will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to Yucaipa or its respective affiliates and representatives, as applicable, instead of us, or does not communicate information regarding a corporate opportunity to us that such individual has directed to Yucaipa or its respective affiliates and representatives, as applicable. As of the date of this prospectus, this provision of our Certificate of Incorporation relates only to the directors nominated by Yucaipa.

LIQUIDATION RIGHTS

On our liquidation, dissolution or winding-up, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

CHANGE OF CONTROL TRANSACTIONS

The holders of Class A common stock and Class B common stock will be treated equally and identically with respect to shares of Class A common stock or Class B common stock owned by them, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of each class treated differently, voting separately as a class, on (a) the closing of the sale, transfer or other disposition of all or substantially all of our assets, (b) the consummation of a consolidation, merger or reorganization which results in our voting securities outstanding immediately before the transaction (or the voting securities issued with respect to our voting securities outstanding immediately before the transaction) representing less than a majority of the combined voting power of the voting securities of the company or the surviving or acquiring entity or (c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons or securities of the company if, after closing, the transferee person or group would hold 50% or more of the outstanding voting power of the company (or the surviving or acquiring entity). However, consideration to be paid or received by a holder of common stock in connection with any such asset sale, consolidation, merger or reorganization under any employment, consulting, severance or other compensatory arrangement will be disregarded for the purposes of determining whether holders of common stock are treated equally and identically.

TRANSFER AGENT AND REGISTRAR

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock will be Computershare Trust Company, N.A. The transfer agent's address is 150 Royall Street, Canton, Massachusetts 02021, and its telephone number is (800) 962-4284.

EXCHANGE LISTING

We intend to apply for listing the shares of Class A common stock on the NYSE under the ticker symbol 'MCG.'

DESCRIPTION OF CERTAIN INDEBTEDNESS AND PREFERRED EQUITY

We summarize below certain terms and provisions of the agreements that govern our Revolving Credit Facility (as defined below) and certain of our other existing indebtedness as of the date of this prospectus. We refer you to the exhibits to the registration statement relating to this offering for a copy of our Revolving Credit Facility and the agreements covering our other existing indebtedness described below as this summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the applicable agreements.

REVOLVING CREDIT FACILITY

We entered into a senior revolving facility agreement (the ‘Revolving Credit Facility’) with HSBC Bank PLC (‘HSBC’) on December 5, 2019. The borrowers under the Revolving Credit Facility are SHG Acquisition (UK) Limited and Soho House U.S. Corp., two of our wholly-owned indirect subsidiaries. The initial size of the Revolving Credit Facility was £55 million (\$72 million).

The Revolving Credit Facility was extended on May 7, 2020 in order to access an additional facility of £20 million, bringing the borrowing capacity up to an aggregate of £75 million (\$99 million).

As of February 1, 2021 the full £75 million (\$105 million) has been drawn, including the letter of guarantee detailed below. Loans under the Revolving Credit Facility are capable of being borrowed, repaid and re-borrowed at any time in accordance with the terms thereof.

The Revolving Credit Facility matures on January 25, 2023.

Borrowings under the Revolving Credit Facility bear interest at a floating rate equal to LIBOR, EURIBOR or HIBOR of the relevant currency (as the case may be) plus an applicable margin of 3.35%. We have the flexibility, however, to reduce this margin as our Total Net Leverage Ratio (as defined in the Revolving Credit Facility) decreases.

The Revolving Credit Facility contains customary affirmative and restrictive covenants and a financial covenant described below.

From December 31, 2020, until the maturity date, we are required to maintain a Consolidated Obligor EBITDA (as defined in the Revolving Credit Facility) at or above a certain level. This level is £5 million (\$7 million) at April 4, 2021 and scales up to £32 million (\$43 million) at December 31, 2021 in line with the anticipated recovery from the pandemic. As of April 4, 2021, we are in compliance with all affirmative, restrictive and financial covenants of the Revolving Credit Facility.

In June 2018, Soho House (Hong Kong) Limited issued a letter of guarantee, secured by HSBC, in place of a cash deposit totaling HKD 40.6 million (£4 million) (\$7 million) in connection with its agreement for lease of Soho House Hong Kong. Upon entering the Revolving Credit Facility, this letter of guarantee is deemed to have been drawn from the Revolving Credit Facility, thus reducing the maximum that can be drawn in cash from the facility.

OTHER EXISTING AND ANTICIPATED INDEBTEDNESS AND PREFERRED EQUITY

GOLDMAN SACHS SENIOR SECURED NOTES

On March 31, 2021, Soho House Bond Limited, a wholly-owned subsidiary of Soho House Holdings Limited, issued pursuant to a Notes Purchase Agreement an aggregate of \$441 million in senior secured notes (the 'Initial Notes'), which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC and its affiliates. The Notes mature on March 31, 2027 and bear interest at a fixed rate equal to a cash margin of 2.0192% per annum for the Initial Notes or 2.125% per annum for any Additional Notes (as defined below), plus a payment-in-kind (capitalized) margin of 6.1572% per annum for the Initial Notes or 6.375% per annum for the Additional Notes. The Notes may be redeemed and prepaid for cash, in whole or in part, at any time in accordance with the terms thereof, subject to payment of redemption fees. The net proceeds from the Initial Notes were used to repay a portion of our senior credit facility with Permira Credit Solutions II G.P. Limited, Permira Credit Solutions III G.P. Limited, and the other lenders party thereto (the "Senior Credit Facility"). As of April 4, 2021, the Senior Credit Facility has been repaid in full. Under a previous arrangement with Permira, we have agreed to pay to it (and other lenders in the Senior Credit Facility), an exit fee following the consummation of this offering, in an aggregate amount of \$5 million, payable in cash or shares of our Class A common stock, at the option of Permira and the other lenders.

The terms of the related Notes Purchase Agreement includes an option to issue, and a commitment on the part of the purchasers to subscribe for, further notes in one or several issuances on or prior to March 31, 2022 in an aggregate amount of up to \$100 million (the 'Additional Notes' and, together with the Initial Notes, the 'Notes').

The Notes Purchase Agreement contains customary affirmative and restrictive covenants. As of March 31, 2021, the company is in compliance with all affirmative and restrictive covenants under the Notes Purchase Agreement.

The Notes are guaranteed and secured on substantially the same basis as our Revolving Credit Facility. See "—Revolving Credit Facility." Upon completion of this offering, certain of the guarantees and security granted by our non-US subsidiaries in respect of the Notes will be released.

Upon the completion of this offering and provided our Total Net Leverage Ratio (as defined in the Notes Purchase Agreement) decreases to 4.00:1 or less, certain of the restrictions and covenants under the Notes will cease to apply.

ISSUANCE OF SENIOR CONVERTIBLE PREFERENCE SHARES

On March 31, 2021, Soho House Holdings Limited issued 12,970,766 senior convertible preference shares (the 'Senior Preference Shares') in an aggregate liquidation preference of \$175 million, or approximately \$13.49 per Senior Preference Share (the 'Issuance Price'), to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC and its affiliates (the 'Preference Share Investors'), for net proceeds of \$162 million. In addition, the Preference Share Investors granted us the right to cause the Preference Share Investors to subscribe for, at our discretion at any time for up to six months effective from March 31, 2021, but prior to the pricing of an initial public offering generating at least \$300 million in gross proceeds, 5,558,900 Senior Preference Shares in an aggregate liquidation preference of \$75 million. We do not intend to exercise our right to cause the Preference Share Investors to subscribe for such additional Senior Preference Shares prior to the pricing of this offering, which will cause such right to terminate without any additional Senior Preference Shares subscribed for or issued. Soho House Holdings Limited has a call option of up to 25% of the Senior Preference Shares outstanding in the aggregate from the Preference Share Investors at a redemption price equal to approximately \$17.49 per share at any time until March 31, 2022. The Senior Preference Shares rank in right of payment and priority to all other classes of shares of the company and junior in right of payment to all classes of indebtedness of the company. A portion of the net proceeds from the sale of the Senior Preference Shares were used to repay the remaining outstanding amounts under our Senior Credit Facility and the remaining proceeds will be used for general corporate purposes.

The Senior Preference Shares accrue a non-cash dividend of 8% per annum on the investment amount of the Senior Preference Shares plus all previously compounded non-cash dividends. Dividends on the Senior Preference Shares accrue daily (based on a 360-day year comprised of twelve 30-day months) and on each June 30 and December 30 compound by increasing the then-accrued compounded amount. The investment amount of the Senior Preference Shares plus all accrued dividends compounded as described in the immediately preceding sentence is referred to as the “Compounded Amount.”

Upon completion of this offering, the Senior Preference Shares will convert into a number of shares of Class A common stock equal to the quotient of the Compounded Amount plus all accrued but not compounded dividends *divided by* the lesser of (i) the Issuance Price, as adjusted for certain share splits or other reclassification of our existing share capital, and (ii) the product of the initial public offering price *multiplied by* a discount factor (which will be 0.825 until September 30, 2021). This prospectus assumes the conversion of all outstanding Senior Preference Shares into an aggregate of _____ shares of Class A common stock of Membership Collective Group Inc. (the ‘Converted Preference Shares’) immediately upon closing of this offering, based on the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated initial offering price range set forth on the cover page of this prospectus.

The purchasers of the Senior Preference Shares have entered into customary lockup arrangements with respect to the shares of Class A common stock to be received upon conversion and have customary registration rights, including demand and piggy-back registration rights, in each case as described in “Shares Eligible for Future Sale—Registration Rights.”

REPAYMENT OF US PPP LOANS

On April 24, 2020, in respect of our various US subsidiaries, we received 11 Payroll Protection Plan loans (“PPP loans”) totaling \$22 million, at a 1% interest rate and a maturity of 2 years. Payments under these loans were deferred for the first 6 months for both principal and interest. We used amounts under these PPP loans for qualifying expenses, including, but not limited to, payroll costs, rent, interest on mortgage debt and utilities over the 24-week eligibility period. We repaid these PPP loans in full on April 1, 2021.

LUDLOW—NATIXIS LOAN FACILITY

139 Ludlow Acquisition, LLC (the ‘Ludlow Borrower’) entered into a Loan Agreement (the ‘Natixis Loan Agreement’) with Natixis Real Estate Capital LLC (‘Natixis’) on December 6, 2017. The Ludlow Borrower is a joint venture owned equally by Soho 139 Holdco, LLC (the entity controlled by Soho House), 139 Owners, LLC (the entity controlled by Alf Namen, and a co-Manager of the Ludlow Borrower), and SATB Ludlow LLC (the entity controlled by Bill Schaffel, and a Co-Manager of the Ludlow Borrower).

The total loan amount under the Natixis Loan Agreement is \$33.5 million (the ‘Ludlow Loan’) to the Ludlow Borrower and is secured by a mortgage on the Ludlow House property. The Ludlow Loan is interest-only, with a term of 120 months. The Ludlow Loan is required to be repaid in full on the expiration of such term. Interest is fixed at 4.443% (i.e., 2.09% plus the 10-year swap rate), payable monthly beginning February 5, 2018.

The Natixis Loan Agreement contains affirmative and restrictive covenants and a financial covenant.

The Loan is generally ‘non-recourse,’ but is subject to standard ‘carve-outs’ for which US AcquireCo, Inc., Alf Namen, Bill Schaffel, Alex Schaffel, and Trevor Stahelski (‘Guarantors’) provided a Guaranty of Recourse Obligations. The Guarantors, collectively, must maintain combined liquid assets in excess \$3.35 million, and must maintain a combined net worth in excess of \$16.75 million (with any negative net worth of any individual Guarantor being deemed to be \$0 for calculation purposes). Each Guarantor shall deliver to the Lender, within (a) one hundred twenty (120) days after the end of each fiscal year of Guarantor, a complete copy of Guarantor’s annual financial statements, (b) twenty (20) days after request by the Lender, such other financial information with respect to Guarantor as Lender may reasonably request.

In addition, US AcquireCo, Inc. and Lender entered into a side letter, pursuant to which (a) US AcquireCo, Inc. is required to maintain an Adjusted EBITDA (as defined in the Loan Agreement) of not less than \$15.665 million, and (b) falling below such amount shall cause a cash management period (as defined in the Loan Agreement) to commence and continue until Adjusted EBITDA for six (6) consecutive months is equal to or greater than \$15.665 million. US AcquireCo, Inc. also provided to the Ludlow Borrower (as landlord) a lease guaranty for all of the obligations of Soho 139 Holdco, LLC, as Borrower Affiliated Tenant (as defined in the Loan Agreement) under its lease at the property. As of April 4, 2021, we are in compliance with all affirmative, restrictive and financial covenants of the Natixis Loan Agreement.

REDCHURCH—HSBC LOAN FACILITY

On May 12, 2017, Raycliff Red LLP ('Raycliff'), the joint venture entity through which we own the property at 56-60 Redchurch Street, London (the 'Redchurch Property'), entered into an amended and restated loan agreement letter relating to a committed term loan facility in an amount up to £20.331 million with Investec Bank Plc (the 'Investec Loan Facility'), the proceeds of which were to be applied towards interest roll-up and the development of the Redchurch Property. The Investec Loan Facility was re-financed with HSBC UK Bank Plc and extended to £22.4 million pursuant to a loan agreement dated October 10, 2019 (the 'Redchurch HSBC Facility') and an overdraft facility dated September 25, 2020. As of April 4, 2021 £21.4 million (\$29.6 million) is drawn under the Redchurch HSBC Facility.

Borrowings under the Redchurch HSBC Facility bear interest at LIBOR plus 2.65% and the facility matures on October 10, 2024. The Redchurch HSBC Facility contains customary affirmative covenants and a number of financial covenants as detailed below. Raycliff has also granted full security over the assets within the LLP including a legal mortgage over the Redchurch Property, and SHG Acquisition (UK) Limited has given an interest shortfall guarantee in respect of the Redchurch HSBC Facility.

The financial covenants applicable to the Redchurch HSBC Facility are that loan to value will not exceed 70%, Net Interest Cover must not exceed 150%, and Net Debt Service Cover must be at least 125%. As at April 4, 2021 Raycliff is in compliance with the loan to value covenant, and the Net Interest Cover and Net Debt Service Cover covenants have been waived through September 30, 2021.

Raycliff is required to repay £50,000 of the drawn amount of the principal of the loan per quarter, although the repayments for September 30, 2020 and December 31, 2020 have been waived by HSBC UK Bank PLC.

BEACH HOUSE—WELLS FARGO SENIOR AND MEZZANINE LOAN FACILITIES

Following a \$81.5 million freehold property acquisition in March 2014, Beach House Owner, LLC ('SOHO Owner') a direct subsidiary of Beach House Holdco, LLC ('SOHO Holdco') of which we control 100% of the voting rights, acquired the entire Soho Beach House property in Miami (the 'Miami Acquisition'). In connection with the Miami Acquisition, SOHO Owner, entered into a \$55 million senior loan agreement secured by a mortgage on the Soho Beach House property (as refinanced as detailed below, the 'Soho Beach House Senior Loan Facility') and SOHO Holdco, entered into a \$12 million mezzanine agreement (as refinanced as detailed below, the 'Soho Beach House Mezzanine Loan Facility').

On February 27, 2019 the Soho Beach House Senior Loan Facility was refinanced with Citi Real Estate Funding Inc. and the Soho Beach House Mezzanine Loan Facility was refinanced with NongHyup Bank and increased to \$62 million.

The Soho Beach House Senior Loan Facility bears interest at the rate of 5.34% per annum and matures on February 6, 2024. The Soho Beach House Senior Loan Facility also includes an excess cash flow sweep provision that is triggered under certain circumstances, including if the borrower fails to exceed certain operating and membership levels. The Soho Beach House Senior Loan Facility is secured by a mortgage on the Soho Beach House property.

The Soho Beach House Mezzanine Loan Facility bears interest at the rate of 7.25% per annum, also matures on February 6, 2024, and is secured by a pledge of the membership interests in SOHO Owner.

The obligations under each of the Soho Beach House Senior Loan Facility and the Soho Beach House Mezzanine Loan Facility are guaranteed solely by US AcquireCo, Inc. ('AcquireCo'). Under the terms of the non-recourse guarantees, AcquireCo is liable only for certain specified breaches of the borrowers (not including defaults in the payment of interest or principal) and the obligations of the borrowers become fully recourse to AcquireCo only in certain circumstances. AcquireCo is also subject to a maximum leverage ratio covenant under the guarantees. Any direct or indirect transfer of ownership in SOHO Holdco in violation of both the Soho Beach House Senior Loan Facility and the Soho Beach House Mezzanine Loan Facility and will result in a default under both agreements.

BARCELONA—SENIOR LOAN FACILITY

On November 18, 2016 Mirador Barcel, S.L. ('Mirador')—in respect of which Soho House Limited indirectly holds 50% of the equity and voting rights—subrogated as borrower into a mortgage loan facility dated March 14, 2005 between Banca March, S.A. ('Banca March') (as lender) and Residencial Paseo Colo'n, S.L. (as borrower), with the amount outstanding under such facility being €11.55 million (\$14.03 million). As part of the same transaction Mirador entered into an extension and amendment of such loan facility with Banca March for an amount equal to €6.45 million (the initial facility, as amended, being the 'Banca March Loan Facility'). On March 21, 2019 this facility was extended by €23.5 million (\$28.5 million), bringing the total amount drawn to €39.5 million (\$48 million).

The Banca March Loan Facility is repayable in monthly installments, comprising repayment of the interest only until May 1, 2022, and thereafter comprising repayment of the principal together with interest. The Banca March Loan Facility matures on March 1, 2036.

Borrowings under the Banca March Loan Facility bear interest at 2.5% per annum until March 31, 2022 and at 12-month Euribor plus 2.5% per annum thereafter.

The performance and payment obligations of Mirador under the Banca March Loan Facility are secured by way of a mortgage over the Soho House Barcelona club (the 'Soho Barcelona Property') which is owned by Mirador.

By way of additional security in respect of the Banca March Loan Facility, €5 million (\$6.1 million) of the Banca March Loan Facility has been used to purchase shares in "March Cartera Conservadora" (a financial investment fund managed by Banca March) which are pledged in favor of Banca March. The pledge over the shares will be released once the EBITDA of Mirador reaches €6 million.

The Banca March Loan Facility contains customary affirmative covenants from Mirador. The affirmative covenants require, among other things (a) preservation of the Soho Barcelona Property, informing Banca March immediately of any damage to the Soho Barcelona Property, and repairing any such damage; (b) payment of all taxes, fees, contributions and expenses that apply to the Soho Barcelona Property; (c) maintaining an insurance policy in respect of the Soho Barcelona Property against fire risks during the entire term of the Banca March Loan Facility for an amount equal to the auction value of the Soho Barcelona Property and designating Banca March as beneficiary under the policy; (d) not leasing the Soho Barcelona Property for a term shorter than the term of the Banca March Loan Facility or for an annual rent lower than the annual amounts due under the Banca March Loan Facility, without the express written consent of Banca March; and (e) making filings with the Spanish land registry as required. As of April 4, 2021, Mirador is in compliance with all affirmative covenants of the Banca March Loan Facility.

BARCELONA—LITTLE BEACH HOUSE €5 MILLION LOAN FACILITY

On November 28, 2018 Little Beach House Barcelona S.L. entered into a €5 million (\$6 million) loan agreement with Orca Finance and Invest Ltd ('Orca') to be applied towards the purchase and development of the Little

Beach House Barcelona property and associated costs. Orca is an affiliate of the JV partner that indirectly holds 50% of the equity and voting rights in Mirador. The interest payments due on June 30, 2020 and December 31, 2020 have both been capitalized, bringing the principal amount under this facility to €5,517,417 (\$6,700,649). Future interest payments can be capitalized at Little Beach House Barcelona S.L.'s option and the facility matures on December 31, 2021. Borrowings under this Loan Facility bear interest at an annual rate of 11%. The loan is secured by way of a pledge over the shares that Mirador holds in Little Beach House Barcelona S.L.

BARCELONA—€5.95 MILLION INTEREST BEARING LOAN

On June 10, 2020, Mimea XXI, S.L. ('Mimea')—in which Soho House Limited indirectly holds 50% of the equity and voting rights—entered into a €5.95 million (\$7.23 million) loan agreement with Orca in order to repay debt incurred in connection with the purchase and development of Little Beach House Barcelona S.L.

The interest rate applicable to the facility is 10% per annum. To date all interest has been capitalized and as such at January 1, 2021 the new principal subject to interest is €6,287,991 (\$7,636,476). Mimea has the option to capitalize all interest payable up to when the facility matures on December 31, 2021.

Mimea has provided a share pledge over the Mirador shares that it 100% owns as security over this debt. Beyond the payment obligations, Mimea has a number of information, affirmative, financial and negative undertakings to the lender. As of April 4, 2021, Mimea is in compliance with these undertakings.

SOHO HOUSE (HONG KONG) LIMITED—LOAN

On June 27, 2018, Soho House (Hong Kong) Limited drew down \$6.5 million pursuant to a loan agreement dated July 12, 2017 (as amended on June 1, 2018 and on March 7, 2019) with Bright Success Investment Ltd, an affiliate of the landlord of Soho House Hong Kong. The facility is guaranteed by SHG Acquisition (UK) Limited.

Interest on this balance accrues at LIBOR plus 7% and is payable annually. The facility expires on June 27, 2023.

SCORPIOS LOAN FACILITIES

On August 31, 2020 Q Hellas PC, 75% indirectly owned by Soho House Limited entered into a facility with Optima Bank for €0.5 million and Paraga Beach SA, 67% indirectly owned by Soho House Limited, entered into a loan facility with Optima Bank for €1.5 million (\$1.8 million). The interest rate applicable to these loans is 4% per annum and the capital element of the loan is repayable in monthly installments through to maturity on September 1, 2023.

On July 23, 2020 Paraga Beach SA, entered into a €1.5 million (\$1.8 million) loan facility with the National Bank of Greece at an interest rate of 3.1%. The capital element of this loan is to be repaid at a rate of €375,000 (\$445,420) per annum starting on January 24, 2022 up to maturity on July 23, 2025.

On April 21, 2020 Q Hellas PC entered into a loan facility to borrow up to €456,000 (\$477,801) from its minority stockholders and Paraga Beach SA entered into a loan facility to borrow up to €144,000 (\$169,466) from its minority stockholders. The interest rate applicable to these loans is 4% per annum through to maturity on December 31, 2021.

PARIS FF&E LOAN FACILITY

On December 17, 2019, Soho House Paris SAS entered into a loan facility with Compagnie de Phalsbourg LLC, the owner of the building in which Soho House Paris operates, of up to €5.179 million (\$6.3 million) in order to finance the purchase of the FF&E at the Soho House Paris site. The loan matures on December 17, 2024 and is guaranteed by SHG Acquisition (UK) Limited. Interest on this facility is fixed at 7% per annum. As of April 4, 2021 €2.9 million (\$3.5 million) of the loan had been drawn.

£10 MILLION PREFERENCE SHARES

On May 12, 2016, Soho House & Co Limited issued 10 million preference shares of £1.00 each to certain of our landlords in return for subscription proceeds of £10 million. No voting rights apply to these preference shares. The preference shares accrue a 7% annual cumulative preferential dividend which is compounded annually on December 31 of each year.

On a successful listing, these preference shares are required to be redeemed by Soho House & Co Limited at the original issue price of the preference share plus an amount equal to all accrued but unpaid preferential dividends.

PRINCIPAL STOCKHOLDERS

The following table sets forth information as of _____, 2021 regarding the beneficial ownership of our shares of Class A common stock and our shares of Class B common stock, after giving effect to the exchange to take place immediately prior to the consummation of the offering of equity interests by the stockholders of Soho House Holdings Limited for a number of shares of Class B common stock of Membership Collective Group Inc. having an equivalent value, by (1) each person or group who is known by us to own beneficially more than 5% of our outstanding shares of Class A common stock or our shares of Class B common stock (including any securities convertible or exchangeable within 60 days into shares of Class A common stock or shares of Class B common stock, as applicable), (2) each of our named executive officers, (3) each of our directors and director nominees and (4) all of our current executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days. Owners of our shares of Class B common stock are entitled to convert their shares of Class B common stock on a one-for-one basis for shares of Class A common stock at any time at the option of the holder. Accordingly, for the purposes of this table each holder of shares of Class B common stock is deemed to be the beneficial owner of an equal number of shares of Class A common stock (in addition to any other shares of Class A common stock beneficially owned by such holder), which is reflected in the table entitled “Amount and Nature of Beneficial Ownership” under the columns “Number of Shares” and “Percent” for the shares of Class A common stock.

The percentage of shares beneficially owned is computed on the basis of _____ shares of Class A common stock outstanding as of _____, 2021, and _____ shares of Class B common stock outstanding as of _____, 2021. Shares of Class A common stock that a person has the right to acquire within 60 days of _____, 2021 (including the right to exchange described above) are deemed outstanding for purposes of computing the percentage ownership of such person’s holdings, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group.

To our knowledge, each person named in the table below has sole voting and investment power with respect to all of the shares of Class A common stock and shares of Class B common stock, except as otherwise set forth in the notes to the table and pursuant to applicable community property laws. Unless otherwise indicated in the table or footnotes below, the address for each officer and director listed in the table is c/o Membership Collective Group Inc., 515 W. 20th Street, New York, New York 10011, (212) 627-9800.

The voting rights of the principal holders of our shares of Class A common stock do not differ from the voting rights of the other holders of shares of Class A common stock.

Name of beneficial owner	Shares of Class A Common Stock Beneficially Owned ⁽¹⁾⁽²⁾					
	Shares of Class A Common Stock Beneficially Owned before this offering		Shares of Class A Common Stock Beneficially Owned after giving effect to this offering (no option)		Shares of Class A Common Stock Beneficially Owned after giving effect to this offering (with option)	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
>5% Stockholders						
Yucaipa Companies, LLC ⁽³⁾						
Global Joint Venture Investment Partners LP ⁽⁴⁾						
Directors, Director Nominees and Executive Officers						
Nick Jones ⁽⁵⁾						
Andrew Carnie						
Humera Afzal						
Martin Kuczmarski						
Ron Burkle						
Nicole Avant						
Richard Caring ⁽⁶⁾						
Alice Delahunt						
Mark Ein						
Joe Hage						
Yusef D. Jackson						
Ben Schwerin						
Bippy Siegal						
Her Excellency Sheikha Al Mayassa Bint Hamad Al-Thani						
Dasha Zhukova						
All Directors, Director Nominees and Executive Officers as a group⁽⁷⁾						

Name of beneficial owner	Shares of Class B Common Stock Beneficially Owned ⁽¹⁾			
	Shares of Class B Common Stock Beneficially Owned before this offering		Shares of Class B Common Stock Beneficially Owned after giving effect to this offering	
	Number of Shares	Percentage	Number of Shares	Percentage
>5% Stockholders				
Yucaipa Companies, LLC ⁽³⁾				
Nick Jones ⁽⁵⁾				
Richard Caring ⁽⁶⁾				

* Represents beneficial ownership of less than 1%.

- (1) Gives effect to the exchange to take place immediately prior to the consummation of this offering of equity interests by the stockholders of Soho House Holdings Limited for a number of shares of Class B Common Stock of Membership Collective Group Inc. having an equivalent value.
- (2) Pursuant to our Certificate of Incorporation, each holder of our shares of Class B common stock shall have the right to convert its shares of Class B common stock for our shares of Class A common stock on a one-for-one basis, at any time, upon notice to the company. Additionally, shares of Class B common stock will automatically convert into shares of

Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock. See “Certain Relationships and Related Party Transactions—Related Party Transactions—Issuance of Class B common stock in Connection With This Offering” and “Description of Capital Stock.”

- (3) Shares of Class A common stock shown as beneficially owned by Yucaipa Companies, LLC before this offering include: (a) shares of Class A common stock underlying an identical number of shares of Class B common stock held by Yucaipa American Alliance Fund II, L.P., a Delaware limited partnership, and (b) shares of Class A common stock underlying an identical number of shares of Class B common stock held by Yucaipa American Alliance (Parallel) Fund II, L.P., a Delaware limited partnership. Ron Burkle is the controlling partner of an affiliate of The Yucaipa Companies and as such may be deemed to have voting and dispositive control of the shares of Class B common stock of the Company that are held such affiliates. The address of Yucaipa Companies, LLC is 9130 W. Sunset Blvd., Los Angeles, CA 90069.
- (4) Shares of Class A common stock shown as beneficially owned by Global Joint Venture Investment Partners LP before this offering include: . is the controlling partner of and as such may be deemed to have voting and dispositive control of the shares of Class A common stock of the Company that are held by such affiliates. The address of Global Joint Venture Investment Partners LP is .
- (5) Includes shares of Class A common stock underlying an identical number of shares of Class B common stock held by Mr. Jones.
- (6) Includes shares of Class A common stock underlying an identical number of shares of Class B common stock held by Mr. Caring. of Mr. Caring’s shares are pledged to a financial institution.
- (7) Includes shares of Class A common stock underlying an identical number of shares of Class B common stock held by our current directors and executive officers as a group.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our shares of Class A Common Stock. Future sales of substantial amounts of our shares of Class A Common Stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our shares of Class A common stock and could impair our ability to raise capital through the sale of our equity securities. See “Risk Factors—Risks Related to our Common Stock—Future sales, or the perception of future sales, of our Class A common stock may depress the price of our Class A common stock.” No prediction can be made as to the effect, if any, of future sales of shares, or the availability of shares for future sales, will have on the market price of our Class A common stock prevailing from time to time.

SALE OF RESTRICTED SHARES

Upon the closing of this offering, we will have outstanding an aggregate of approximately _____ shares of Class A common stock and approximately _____ shares of Class B common stock, assuming no exercise by the underwriters of their option to purchase an additional _____ shares of Class A common stock.

The shares of Class A common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except that any shares of such class acquired by our affiliates, as that term is defined under Rule 144 of the Securities Act, may be sold only in compliance with the limitations described below. Our shares of Class B common stock will be deemed restricted securities, as defined under Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration, generally under Rules 144 or 701 under the Securities Act, which we summarize below. All of these shares will be subject to lock-up agreements described below.

In addition, upon the consummation of this offering, the Voting Group will beneficially own _____ shares of Class A common stock, upon conversion of their shares of Class B common stock. Pursuant to our Certificate of Incorporation, each holder of our shares of Class B common stock shall have the right to convert their shares of Class B common stock into shares of Class A common stock on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock. Once the Voting Group owns less than 15% of the shares of our total outstanding common stock, all remaining shares of Class B common stock will convert on a one-for-one basis into shares of Class A common stock.

Any shares of Class A common stock that may be issued to or held by the members of the Voting Group would be ‘restricted securities,’ as defined in Rule 144. As a result, absent registration under the Securities Act or compliance with Rule 144 thereunder or an exemption therefrom, these shares of Class A common stock will not be freely transferable to the public. However, we have entered into a registration rights agreement with the members of the Voting Group and affiliates of Goldman Sachs that will require us to register under the Securities Act the resale of these shares of Class A common stock (including shares of Class A common stock arising on conversion of a corresponding number of shares of Class B common stock). See “—Registration Rights” and “Certain Relationships and Related Party Transactions—Related Party Transactions—Registration Rights Agreement.” Such securities registered under any registration statement will be available for sale in the open market unless restrictions apply.

RULE 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, and subject to the lock-up agreements described below, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any shares Class A common stock that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations subject only to the availability of current public information about us (which requirement will cease to apply after such person has beneficially owned such shares for at least 12 months).

Certain of our outstanding Class A common stock that are not subject to the lock-up agreements described below will be eligible for sale under Rule 144 immediately upon the closing of this offering.

Without giving effect to any lock-up agreements, beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned our shares of Class A common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of Class A common stock then outstanding, which will equal approximately _____ shares immediately after this offering; and
- the average weekly trading volume in our shares of Class A common stock during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

RULE 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisers who purchase shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information or holding period requirements of Rule 144. However, all or substantially all Rule 701 shares are subject to lock-up agreements as described below.

LOCK-UP AGREEMENTS

We and each of our directors, executive officers and certain other stockholders, who will collectively beneficially own substantially all shares of Class A common stock (including securities convertible into our shares of Class A common stock, including our shares of Class B common stock), following this offering, have agreed that, without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of Class A common stock or any securities convertible into or exchangeable or exercisable for our shares of Class A common stock for a period of 180 days after the date of this prospectus. The lock-up restrictions and specified exceptions are described in more detail under “Underwriting.”

REGISTRATION RIGHTS

Subject to the lock-up agreements described above, certain holders of our shares of Class A common stock, or securities convertible into shares of Class A common stock, including our shares of Class B common stock, may demand that we register the sale of their shares under the Securities Act or, if we file another registration statement under the Securities Act other than Form S-8 covering securities issuable under our equity plans or on Form S-4, may elect to include their shares of Class A common stock in such registration. Following such registered sales, the shares will be freely tradable without restriction under the Securities Act, unless held by our affiliates. See “Certain Relationships and Related Party Transactions—Related Party Transactions—Registration Rights Agreement.”

MATERIAL FEDERAL INCOME TAX CONSEQUENCES TO NON-US HOLDERS OF OUR CLASS A COMMON STOCK

The following are the material US federal income tax consequences to Non-US Holders, as described below, of owning and disposing our Class A common stock. It does not describe all tax considerations that may be relevant to a particular person's decision to acquire Class A common stock.

This discussion applies only to Class A common stock acquired in this offering for cash and held as capital assets for US federal income tax purposes. In addition, it does not describe all of the US federal income tax consequences that may be relevant in light of a US Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the Medicare contribution tax on net investment income and tax consequences applicable to Non-US Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Class A common stock as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated;
- persons entering into a constructive sale with respect to the Class A common stock;
- Non-US Holders whose functional currency for US federal income tax purposes is not the US dollar;
- entities classified as partnerships for US federal income tax purposes;
- tax-exempt entities, including an 'individual retirement account' or 'Roth IRA';
- persons subject to special tax accounting rules as a result of their use of applicable financial statements within the meaning of Section 451(b)(3) of the Internal Revenue Code of 1986, as amended, or the 'Code';
- persons holding Class B common stock;
- persons who are Eligible Members;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid US federal income tax; or
- US expatriates and former citizens or long-term residents of the United States.

If an entity that is classified as a partnership for US federal income tax purposes holds Class A common stock, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A common stock and partners in such partnerships should consult their tax advisers as to the particular US federal income tax consequences of owning and disposing of the Class A common stock.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect. We have not sought and will not seek an advance ruling from the Internal Revenue Service, or the 'IRS,' regarding any matter discussed in this prospectus and the statements in this prospectus are not binding on the IRS or any court. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences described below.

A 'Non-US Holder' is, for US federal income tax purposes, a beneficial owner of Class A common stock, who is, for US federal income tax purposes:

- a non-resident alien individual, other than a former citizen or resident of the United States subject to US tax as an expatriate;
- a foreign corporation; or
- a foreign estate or trust.

Non-US Holders should consult their tax advisers concerning the US federal, state, local and non-US tax consequences of owning and disposing of Class A common stock in their particular circumstances.

TAXATION OF DISTRIBUTIONS

As discussed above under "Dividend Policy," we may make distributions on our Class A common stock, which we expect to make in US dollars. A Non-US Holder will be subject to the following tax consequences upon receipt of distributions in respect of the Class A common stock:

- Distributions paid on Class A common stock, other than certain pro rata distributions of Class A common stock, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under US federal income tax principles). Amounts not treated as dividends for US federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-US Holders' adjusted tax basis in its Class A common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Disposition of Class A common stock."
- Subject to the discussion below on effectively connected income, dividends paid to a Non-US Holder of Class A common stock will be subject to US federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-US Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate).
- dividends paid to a Non-US Holder that are effectively connected with the Non-US Holder's conduct of a trade or business within the United States, or 'effectively connected dividends,' (and if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by the non-US Holder in the United States) will not be subject to the US federal withholding tax described above if the non-US Holder provides a properly executed IRS Form W-8ECI. Instead, the effectively connected dividends will be subject to US federal income tax on a net income basis as if the non-US Holder were a US person (as defined under the Code). A Non-US Holder that is a corporation for US federal income tax purposes also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable tax treaty) on such effectively connected dividends, as adjusted for certain items.
- A Non-US Holder eligible for a reduced rate of US federal withholding pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Non-US Holders should consult their tax advisers regarding their entitlement to benefits under any applicable income tax treaty.

SALE OR OTHER DISPOSITION OF CLASS A COMMON STOCK

Subject to the discussion below under “Information Reporting and Backup Withholding” and “FATCA,” a Non-US Holder will not be subject to the US federal income tax on any gain realized upon the sale or other disposition of Class A common stock unless:

- The gain is effectively connected with the Non-US Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-US Holder in the United States), in which case the gain will be subject to US federal income tax generally in the same manner as effectively connected dividends as described above;
- The Non-US Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met, in which case the gain (net of certain US-source losses) generally will be subject to US federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty); or
- We are or have been a “United States real property holding corporation” (as described below) at any time within the five-year period preceding the disposition or the non-US Holder’s holding period, whichever period is shorter, and either (i) our Class A common stock is not regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs or (ii) the non-US Holder has owned or is deemed to have owned, at any time within the five-year period preceding the disposition or the non-US Holder’s holding period, whichever period is shorter, more than 5% of our Class A common stock.

We will be a United States real property holding corporation at any time that the fair market value of our “United States real property interests,” as defined in the Code and applicable Treasury regulations, equals or exceeds 50% of the aggregate fair market value of our worldwide real property interests and our other assets used or held for use in a trade or business (all as determined for the US federal income tax purposes). We believe that we are not, and do not anticipate becoming in the foreseeable future, a United States real property holding corporation.

Non-US Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Dividends on Class A common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-US status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connect with any distributions on Class A common stock paid to the Non-US Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld.

In addition, proceeds of the sale or other taxable disposition of Class A common stock within the United States or conducted through certain US-related brokers generally will be subject to backup withholding or information reporting, unless the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of Class A common stock conducted through a non-US office of a non-US broker generally will not be subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-US Holder’s US federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act ('FATCA')) on certain types of payments made to non-US financial institutions and certain other non-US entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our Class A common stock, in each case, paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations (including providing sufficient documentation evidencing its compliance (or deemed compliance) with FATCA), (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the US Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Class A common stock. While withholding under FATCA would have applied to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the Class A common stock.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement dated the date of this prospectus with respect to the shares of Class A common stock being offered (other than the shares of Class A common stock being offered directly by us to UK Eligible Participants). Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of Shares</u>
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
BofA Securities, Inc.	
HSBC Securities (USA) Inc.	
Citigroup Global Markets Inc.	
William Blair & Company, L.L.C.	
Total	

The underwriters are committed to take and pay for all of such shares of Class A common stock being offered, if any are taken, other than the shares of Class A common stock covered by the option described below unless and until this option is exercised. The underwriters will not take or pay for the shares of our Class A common stock to be sold directly by us to UK Eligible Participants.

The underwriters have an option to buy up to an additional _____ shares of Class A common stock from us to cover sales by the underwriters of a greater number of shares of Class A common stock than the total number set forth in the table above. They may exercise that option for 30 days. If any shares of Class A common stock are purchased pursuant to this option, the underwriters will severally purchase shares of Class A common stock in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase an additional _____ shares of Class A common stock.

	<u>No Exercise</u>	<u>Full Exercise</u>
Per shares of Class A common stock	\$	\$
Total	\$	\$

Shares of Class A common stock sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares of Class A common stock sold by the underwriters to securities dealers may be sold at a discount of up to \$ _____ per share from the initial public offering price. After the initial offering of the shares of Class A common stock, the representatives may change the offering price and the other selling terms. The offering of the shares of Class A common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part.

We, our officers, directors and certain of our other stockholders, including the members of the Voting Group, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their shares of Class A common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

These lock-up restrictions on us, our officers, directors and the holders of substantially all of our common stock, including the members of the Voting Group, will be subject to certain exceptions, including, but not limited to transfers:

- as a bona fide gift or gifts;
- to any trust for the direct or indirect benefit of such person or the immediate family of such person;
- by way of testate or intestate succession or by operation of law;
- to a corporation, partnership, or limited liability company or other entity that controls or is controlled by, or is under common control with, such person and/ or by members of the immediate family of such person, or to any investment fund or other entity controlled or managed by such person;
- if the shares of Class A common stock are held by a corporation, partnership, limited liability company or other entity, to any of its stockholders, partners, members or affiliates or any of its affiliates' directors, officers and employees other equity holders;
- to the Company in connection with any "cashless" exercise of any equity awards disclosed in this prospectus;
- to the Company for the primary purposes of satisfying any tax or other governmental withholding obligation with respect to shares of Class A common stock issued upon the exercise of an option or warrant (or upon the exchange of another security or securities) pursuant to a plan described in this prospectus or issued under an employee equity or benefit plan described in this prospectus;
- pursuant to an order of a court or regulatory agency; or
- pursuant to 10b5-1 plans entered into prior to the date of this prospectus.

Prior to the offering, there has been no public market for the shares of Class A common stock. The initial public offering price will be negotiated among the company and the representatives. Among the factors to be considered in determining the initial public offering price of the shares of Class A common stock, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to apply for listing the shares of Class A common stock on the NYSE under the ticker symbol 'MCG.'

In connection with the offering, for a period of time following this offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Stabilization transactions aim at supporting the market price of the securities during the stabilization period. Stabilization may be undertaken but there is no assurance that it will be undertaken and it may be stopped at any time. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A 'covered short position' is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. 'Naked' short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of

shares of Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company's shares of Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of Class A common stock. As a result, the price of the shares of Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

The company estimates that the total expenses of the offering, including registration, filing and listing fees, printing fees and legal and accounting expenses and the expenses of Financial Industry Regulatory Authority, Inc., or FINRA, qualification, but excluding underwriting discounts and commissions, will be approximately \$. The company has agreed to reimburse the underwriters for expenses relating to clearance of this offering with FINRA.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses. In particular, certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC and its affiliates subscribed for (i) the Notes and (ii) the Senior Preference Shares, as described under "Other Existing and Anticipated Indebtedness and Preferred Equity", for which Goldman Sachs & Co. LLC received customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

COMMUNITY OFFERS

Up to % of the shares of our Class A common stock to be sold in this offering are being offered directly from us, at the initial public offering price per share set forth on the cover page of this prospectus, to certain UK Eligible Employees and UK Eligible Members, in each case who are located in the United Kingdom, which sales will be made only pursuant to a prospectus prepared by us in accordance with the prospectus regulation rules of the FCA and made under section 73A of the Financial Services and Markets Act 2000 by applying through PrimaryBid Limited, a UK-based platform (or applying as otherwise described in the prospectus), through a

directed share program, which we refer to as the UK Community Offer, certain eligible employees who are located outside the United Kingdom and eligible members who are located in the United States of, which sales will be made by Morgan Stanley & Co. LLC, an underwriter in this offering, through a directed share program, which we refer to as the US Community Offer. Subject to the following sentence, each Eligible Participant will be able to purchase 100 shares (but no other number) of our Class A common stock (or, for UK Eligible Participants, as near 100 shares as possible based on foreign currency conversions) in the offering through the Directed Share Program. In the event the demand for shares of our Class A common stock in the Community Offers exceeds the number of shares of our Class A common stock reserved for sale in the Community Offers, we reserve the right to allocate shares in our sole discretion, which may result in each Eligible Participant receiving (and being obligated to pay for) fewer than 100 shares of our Class A common stock. We do not know if these parties will choose to purchase all or any portion of these offered shares, but any purchases they do make will reduce the number of shares of our Class A common stock available to the general public in this offering. Any portion of the shares of Class A common stock being offered pursuant to the US Community Offer which are not purchased by Non-UK Eligible Participants will be offered by the underwriters to the general public on the same terms as the other shares of our Class A common stock, and any portion of the shares of our Class A common stock being offered pursuant to the UK Community Offer which are not purchased by UK Eligible Participants will not be resold and will remain unissued. Shares sold through the Community Offers will not be subject to lockup restrictions.

In connection with the UK Community Offer, we have entered into an engagement letter with PrimaryBid pursuant to which we have agreed to pay PrimaryBid a sales commission of approximately \$ per share sold directly by us in the UK Community Offer. PrimaryBid is not a broker-dealer registered with the SEC and therefore may not effect sales in the United States or to U.S. persons not located in the UK. None of the shares of our Class A common stock to be sold directly by us in the UK Community Offer will be sold in the United States or to U.S. persons not located in the UK.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area (each a “Relevant State”), no Shares have been offered or will be offered pursuant to the to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State (other than a Relevant State where there is a Permitted Public Offer) who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with us and the underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to

an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

The above selling restriction is in addition to any other selling restrictions set out below.

In connection with the offering, the underwriters are not acting for anyone other than the issuer and will not be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In relation to the UK, we are offering our Class A common stock (the “Shares”) to UK Eligible Participants who are located in the UK pursuant to a prospectus that has been approved by the Financial Conduct Authority in connection with the UK Community Offer. The UK Community Offer is not being made to the general public in the UK or to any person other than UK Eligible Participants.

All other offers of Shares in the UK are being made pursuant to this prospectus. Any Shares offered pursuant to this prospectus in the UK, will be offered pursuant to exemptions under the UK Prospectus Regulation and FSMA, including:

- a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or
- c. in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Shares shall require us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an offer to the public in relation to any Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression FSMA means the Financial Services and Markets Act 2000, as amended.

In the UK, this prospectus is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the Financial Promotion Order), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Promotion Order, (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (FSMA)) in connection with the issue or sale of the Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons). In the UK, this prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons and any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

The shares of Class A common stock may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares of Class A common stock must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

The shares of Class A common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ('Companies (Winding Up and Miscellaneous Provisions) Ordinance') or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ('Securities and Futures Ordinance'), or (ii) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares of Class A common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for

subscription or purchase, of the shares of Class A common stock may not be circulated or distributed, nor may the shares of Class A common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA')) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares of Class A common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ('Regulation 32').

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares of Class A common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

The shares of Class A common stock have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The shares of Class A common stock may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

The shares of Class A common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ('SIX') or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of Class A common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares of Class A common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of Class A common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares of Class A common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ('CISA'). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of Class A common stock.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE ('DIFC')

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ('DFSA'). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED ARAB EMIRATES

The shares of Class A common stock have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA

This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the 'Corporations Act');
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ('ASIC'), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The shares of Class A common stock may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares of Class A common stock may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares of Class A common stock may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares of Class A common stock, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of Class A common stock under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of Class A common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares of Class A common stock, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

NOTICE TO PROSPECTIVE INVESTORS IN BERMUDA

Shares of Class A common stock may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

NOTICE TO PROSPECTIVE INVESTORS IN SAUDI ARABIA

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ('CMA') pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the 'CMA Regulations'). The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

NOTICE TO PROSPECTIVE INVESTORS IN THE BRITISH VIRGIN ISLANDS

Shares of Class A common stock are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the company. Shares of Class A common stock may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), 'BVI Companies,' but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

NOTICE TO PROSPECTIVE INVESTORS IN CHINA

This prospectus does not constitute a public offer of shares, whether by sale or subscription, in the People's Republic of China (the 'PRC'). Shares of Class A common stock are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Shares of Class A common stock or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

NOTICE TO PROSPECTIVE INVESTORS IN KOREA

The shares of Class A common stock have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the 'FSCMA'), and the shares of Class A common stock have been and will be offered in Korea as a private placement under the FSCMA. None of the shares of Class A common stock may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the 'FETL'). The shares of Class A common stock have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares of Class A common stock shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares of Class A common stock. By the purchase of the shares of Class A common stock, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares of Class A common stock pursuant to the applicable laws and regulations of Korea.

NOTICE TO PROSPECTIVE INVESTORS IN MALAYSIA

No prospectus or other offering material or document in connection with the offer and sale of the shares of Class A common stock has been or will be registered with the Securities Commission of Malaysia ('Commission') for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of Class A common stock may not be circulated or distributed, nor may the shares of Class A common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the shares of Class A common stock, as principal, if the offer is on terms that the shares of Class A common stock may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the shares of Class A common stock is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

The shares of Class A common stock have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial

Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares of Class A common stock in Taiwan.

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH AFRICA

Due to restrictions under the securities laws of South Africa, the shares of Class A common stock are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

- (i) the offer, transfer, sale, renunciation or delivery is to:
 - (a) persons whose ordinary business is to deal in securities, as principal or agent;
 - (b) the South African Public Investment Corporation;
 - (c) persons or entities regulated by the Reserve Bank of South Africa;
 - (d) authorized financial service providers under South African law;
 - (e) financial institutions recognized as such under South African law;
 - (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
 - (g) any combination of the person in (a) to (f); or
- (ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No 'offer to the public' (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the 'South African Companies Act')) in South Africa is being made in connection with the issue of the shares of Class A common stock. Accordingly, this document does not, nor is it intended to, constitute a 'registered prospectus' (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the shares of Class A common stock in South Africa constitutes an offer of the shares of Class A common stock in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from 'offers to the public' set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as 'SA Relevant Persons'). Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

LEGAL MATTERS

The validity of the shares of Class A common stock offered by this prospectus and other certain legal matters will be passed upon for us by Sidley Austin LLP. In addition, Davis Polk & Wardwell LLP will act as counsel to the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of Soho House Holdings Limited as of January 3, 2021, December 29, 2019 and December 30, 2018 and for the 53 week period ended January 3, 2021 and for each of the 52 week periods ended December 29, 2019 included in this Prospectus and in the Registration Statement have been so included in reliance on the report of BDO LLP, an independent registered public accounting firm, appearing elsewhere herein and in the Registration Statement, given on the authority of said firm as experts in auditing and accounting.

BDO LLP, London, United Kingdom, is a member of the Institute of Chartered Accountants in England and Wales.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to the shares of Class A common stock being sold in this offering. This prospectus constitutes a part of that registration statement. This prospectus does not contain all the information set forth in the registration statement and the exhibits and schedules to the registration statement, because some parts have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our shares of Class A common stock being sold in this offering, you should refer to the registration statement and the exhibits and schedules filed as part of the registration statement. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

We are not currently subject to the informational requirements of the Exchange Act. As a result of this offering we will become subject to the informational requirements of the Exchange Act and, in accordance therewith, will file reports and other information with the SEC. The SEC also maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information that we file electronically with the SEC. We also maintain a website at www.membershipcollectivegroup.com. Information contained on our website or connected thereto does not constitute a part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

Answers to Frequently Asked Questions from Members

1. Why is Soho House becoming a public company and rebranding itself as the Membership Collective Group (MCG)?

- Since founding Soho House in 1995, we have been obsessed by making sure that our members are at the heart of everything we do. This approach has been our guiding principle over the last 25 years, from when we started as one small club in London's Soho, through our global expansion, to where we stand today as the Membership Collective Group.
- We've grown memberships for social, work, and retail under Soho House as we have grown, and have evolved our platforms to create new opportunities for current and future members. Now, as MCG – the collection of all our membership platforms across Soho Home, Soho Works, The Ned and Scorpios Beach Club – we can use the expertise and infrastructure we have built to help members further connect and flourish all over world.
- We believe that our initial public offering will help us to better serve our members.

2. What is the Membership Collective Group?

- The Membership Collective Group (MCG) is a global membership platform of all our physical and digital membership offerings across the world.
- MCG comprises of Soho House, Soho Works, The Ned, Scorpios Beach Club and our interiors and lifestyle retail brand Soho Home+.

3. How will the IPO impact me and my membership?

- There will be no immediate impact to you or your membership, although over time as we continue to grow, we expect you will have access to more physical and digital offerings, including new Soho Houses.
- Our focus remains solely on doing what we do best: delivering the high-quality service that you expect from us.

4. Will I be able to buy shares in the company?

- We want our members who have helped build this business to be part of any IPO and will give members the opportunity to directly purchase shares in MCG should our public offering go ahead.
- Regrettably, local restrictions only allow us to make the share offer available to members resident in the UK and the United States.

5. You're just becoming a corporate business aren't you?

- We believe that the IPO gives us the opportunity to continue to grow our business, but we do not expect it will fundamentally affect how we do business.
- Our goal remains constant - making membership better – and that won't ever change.
- We fully expect that the quality, comfort, community, and experience you've come to know and love will remain and grow.
- Nick and the whole team have no plans to change approach, and expect to continue to be involved and focused on enhancing the membership experience.

6. Is Nick leaving the company?

- Nick will continue to serve as CEO and remain very involved in the day to day running of the business. The existing executive management team is committed to MCG. There is a shared vision to actively participate in the next phase of growth.

7. Will membership fees increase?

- Although, of course, rates with our business (like any business) may change over time, our IPO is not related to how we price our membership offerings.

8. Will the same unique culture and community continue to exist?

- That is certainly our goal. All we've ever wanted to do is make membership better – and that won't ever change.
- We fully expect that the quality, comfort, community, and experience you've come to know and love will remain and grow.
- As we expand, we understand the importance of integrating ourselves in the culture of each location. Our teams are very localised and we ensure we're tailoring our Houses to their respective communities.

9. If I resign my membership what happens to my shares?

- Should our public offering go ahead, if you purchase any MCG shares you will own such shares and your ownership of them is unaffected by your membership status.

Annex II

Answers to Frequently Asked Questions from Employees

1. What has happened today?

- We have begun the process for an initial public offering on the New York Stock Exchange, with plans to list as the Membership Collective Group.
- As part of that process, we have filed an S-1 registration statement, which continues the process of registering our IPO with the SEC, and a prerequisite to becoming a publicly traded company.

2. What is the Membership Collective Group?

- The Membership Collective Group (MCG) is a global membership platform of all our physical and digital membership offerings across the world.
- MCG comprises Soho House, Soho Work, The Ned, Scorpions Beach Club and Soho Home+.

3. What does it mean to go public?

- It means that the company is filing a registration statement with the SEC for an initial public offering and applying to list its shares on a stock exchange to become publicly traded. If the process is completed, shares of Class A common stock of the Membership Collective Group will be listed for trading on the New York Stock Exchange (NYSE).

4. When do we become a public listed company? Is it today?

- No, today only represents the filing of the registration statement to conduct a public offering. We are not able to price and close the offering until the registration statement is declared effective by the SEC.

5. Why is Soho House / MCG doing this now?

- We believe that this will help us to continue growing the business while, at the same time, pay off a portion of our existing debt so we can focus on investing in the expansion of our membership platforms.

6. How does this benefit Soho House / MCG?

- Everything we do within MCG is about giving our members a better experience, whether that is through our physical or digital offerings.
- We believe that an IPO will help us grow to support that goal.

7. Will this impact my role? Will there be any layoffs or closures as a result of the IPO?

- No, the filing and IPO will not have any immediate impact on your role at the company. It's business as usual.
- We remain committed to providing a workplace that inspires creativity, excitement and reflects our shared values.

8. Will the IPO change the way that we work?

- In short, no – it's very much business as usual. Everyone's roles and day-to-day responsibilities following an IPO will stay largely the same as they are today. We remain

committed to providing a workplace that inspires creativity, excitement and reflects our shared values.

- However, all employees should be aware of the implications of being a public company and it goes without saying we should not be discussing any aspects of the business with anyone outside the company, as is our current way of working.
- There are strict rules involved in sharing information during the course of an IPO. For that reason, we'd ask you to please not talk about MCG, this process, our business and financial performance, operations, or future plans outside of the company. This includes any email communications, conversation on social media (e.g., Twitter, Instagram, Facebook, etc.), or discussions with anyone, such as members, friends and family and the press.

9. Will the IPO definitely happen? What's the anticipated timing for completing the process?

- There is no absolute certainty we will end up going public. We are committed to pursuing whatever strategic option we believe is in the best interest of our employees and members.
- We will keep you informed as much as possible as the process progresses.

10. Is Nick leaving the company?

- Nick will continue to serve as CEO and remain very involved in the day to day running of the business. The existing executive management team is committed to MCG.

Soho House Holdings Limited
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Soho House Holdings Limited
Condensed Consolidated Balance Sheets
As of April 4, 2021 (Unaudited) and January 3, 2021 (Unaudited)

	Pro forma Shareholders' Deficit (Unaudited)	April 4, 2021	January 3, 2021
<i>(in thousands, except for par value and share data)</i>			
Assets			
Current assets			
Cash and cash equivalents		\$ 71,674	\$ 52,887
Restricted cash		7,029	7,083
Accounts receivable, net		10,591	9,659
Inventories		24,100	22,551
Prepaid expenses and other current assets		48,314	43,563
Total current assets		161,708	135,743
Property and equipment, net		673,936	669,650
Operating lease assets		951,397	961,787
Goodwill		200,025	201,482
Other intangible assets, net		107,494	107,844
Equity method investments, net		21,923	24,102
Deferred tax assets		382	377
Other non-current assets		5,297	3,460
Total non-current assets		1,960,454	1,968,702
Total assets		<u>\$ 2,122,162</u>	<u>\$ 2,104,445</u>
Liabilities, Redeemable Shares and Shareholders' Deficit			
Current liabilities			
Accounts payable		\$ 69,833	\$ 61,540
Accrued liabilities		42,836	61,117
Current portion of deferred revenue		71,707	66,420
Indirect and employee taxes payable		14,210	15,743
Current portion of debt, net of debt issuance costs		103,039	88,802
Current portion of related party loans		589	611
Current portion of operating lease liabilities—sites trading less than one year		1,983	605
Current portion of operating lease liabilities—sites trading more than one year		27,472	26,036
Other current liabilities		48,946	38,584
Total current liabilities		380,615	359,458
Debt, net of current portion and debt issuance costs		441,071	574,580
Property mortgage loans, net of debt issuance costs		114,973	114,798
Related party loans, net of current portion and imputed interest		17,463	17,595
Operating lease liabilities, net of current portion—sites trading less than one year		56,469	68,708
Operating lease liabilities, net of current portion—sites trading more than one year		1,002,912	994,849
Finance lease liabilities		74,350	73,558
Financing obligation		74,247	74,161
Deferred revenue, net of current portion		23,485	23,959
Deferred tax liabilities		895	1,299
Other non-current liabilities		270	368
Total non-current liabilities		1,806,135	1,943,875
Total liabilities		<u>2,186,750</u>	<u>2,303,333</u>

Commitments and contingencies (Note 18)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Balance Sheets
As of April 4, 2021 (Unaudited) and January 3, 2021 (Unaudited)

	Pro forma Shareholders' Deficit (Unaudited)	April 4, 2021	January 3, 2021
<i>(in thousands, except for par value and share data)</i>			
Senior convertible preference shares, £1 par value, 20,000,000 shares authorized, 12,970,766 shares issued and outstanding as of April 4, 2021; redeemable preferred shares, £1 par value, 10,000,000 shares issued and outstanding as of April 4, 2021 and January 3, 2021 (Note 15)		176,274	14,700
Redeemable C ordinary shares, £1 par value; 45,000,000 shares authorized, 21,187,494 shares issued and outstanding as of April 4, 2021, and 25,000,000 shares authorized, 16,435,997 shares issued and outstanding as of January 3, 2021 (Note 16)		207,405	160,405
Shareholders' deficit			
A ordinary shares, £1 par value, 168,286,537 shares authorized, 166,575,991 A ordinary shares issued and outstanding as of April 4, 2021 and January 3, 2021; B ordinary shares, £0.0001 par value, 4,469,417 B ordinary shares authorized, issued and outstanding as of April 4, 2021 and January 3, 2021; C ordinary shares, £1 par value, 1,710,546 C ordinary shares authorized, issued and outstanding as of April 4, 2021 and January 3, 2021; C2 ordinary shares, £1 par value, 3,326,048 C2 ordinary shares authorized, issued and outstanding as of April 4, 2021 and January 3, 2021; D ordinary shares, £0.0001 par value, 3,991,256 D ordinary shares authorized, 2,850,897 D shares issued and outstanding as of April 4, 2021 and January 3, 2021 (Note 14, Note 16 and Note 17)		265,181	265,181
Additional paid-in capital		74,884	72,755
Accumulated deficit		(847,582)	(757,103)
Accumulated other comprehensive income (loss)		2,708	(13,257)
Total shareholders' deficit attributable to Soho House Holdings Limited		(504,809)	(432,424)
Noncontrolling interest		56,542	58,431
Total shareholders' deficit		(448,267)	(373,993)
Total liabilities, redeemable shares and shareholders' deficit		<u>\$ 2,122,162</u>	<u>\$ 2,104,445</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Statements of Operations (Unaudited)
For the 13 weeks Ended April 4, 2021 and March 29, 2020

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
<i>(in thousands except for per share data)</i>		
Revenues		
Membership revenues	\$ 40,493	\$ 47,752
In-House revenues	16,259	67,871
Other revenues	15,649	25,929
Total revenues	<u>72,401</u>	<u>141,552</u>
Operating expenses		
In-House operating expenses (exclusive of depreciation and amortization)	(45,809)	(95,469)
Other operating expenses (exclusive of depreciation and amortization)	(28,193)	(26,129)
General and administrative expenses	(16,505)	(24,147)
Pre-opening expenses	(4,825)	(5,687)
Depreciation and amortization	(17,845)	(14,949)
Other	(22,784)	(2,323)
Total operating expenses	<u>(135,961)</u>	<u>(168,704)</u>
Operating loss	<u>(63,560)</u>	<u>(27,152)</u>
Other (expense) income		
Interest expense, net	(29,604)	(17,756)
Gain on sale of property and other, net	—	1
Share of loss of equity method investments	(696)	(176)
Total other expense, net	<u>(30,300)</u>	<u>(17,931)</u>
Loss before income taxes	<u>(93,860)</u>	<u>(45,083)</u>
Income tax benefit	823	103
Net loss	<u>(93,037)</u>	<u>(44,980)</u>
Net loss attributable to noncontrolling interests	2,558	1,349
Net loss attributable to Soho House Holdings Limited	<u>\$ (90,479)</u>	<u>\$ (43,631)</u>
Net loss attributable to A ordinary, B ordinary, C ordinary, and C2 ordinary shareholders		
Basic and diluted	\$ (0.49)	\$ (0.26)
Pro forma net loss attributable to ordinary shareholders		
Basic and diluted (unaudited)	\$	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Statements of Comprehensive Loss (Unaudited)
For the 13 Weeks Ended April 4, 2021 and March 29, 2020

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
<i>(in thousands)</i>		
Net loss	\$ (93,037)	\$ (44,980)
Other comprehensive income		
Foreign currency translation adjustment	15,965	13,741
Comprehensive loss	(77,072)	(31,239)
Loss attributable to noncontrolling interest	2,558	1,349
Foreign currency translation adjustment attributable to noncontrolling interest	(44)	250
Total comprehensive loss attributable to Soho House Holdings Limited	\$ (74,558)	\$ (29,640)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Statement of Changes in Redeemable Shares and Shareholders' Deficit (Unaudited)
For the 13 Weeks Ended April 4, 2021 and March 29, 2020

	Redeemable Preferred Shares		Redeemable C Ordinary Shares		Ordinary Shares										Total Shareholders' Deficit Attributable to Soho House Holdings Limited	Noncontrolling Interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares	D Ordinary Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)				
(in thousands except for share data)																	
As of December 29, 2019	10,000,000	\$ 14,700	6,933,004	\$ 67,416	166,110,113	4,469,417	—	3,326,048	—	\$ 262,532	\$ 48,461	\$ (528,642)	\$ 26	\$ (217,623)	\$ 35,654	\$ (18,419)	
Net loss	—	—	—	—	—	—	—	—	—	—	—	(43,631)	—	(43,631)	(1,349)	(45,980)	
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(271)	—	
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15,213	—	
Net change in cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	13,741	13,741	(250)	—	
As of March 29, 2020	10,000,000	\$ 14,700	6,933,004	\$ 67,416	166,110,113	4,469,417	—	3,326,048	—	\$ 262,532	\$ 48,461	\$ (572,273)	\$ 13,767	\$ (247,513)	\$ 48,997	\$ (18,419)	
As of January 3, 2021	10,000,000	\$ 14,700	16,435,997	\$ 160,405	166,575,991	4,469,417	1,710,546	3,326,048	2,850,897	\$ 265,181	\$ 72,755	\$ (757,103)	\$ (13,257)	\$ (432,424)	\$ 58,431	\$ (37,558)	
Net loss	—	—	—	—	—	—	—	—	—	—	—	(90,479)	—	(90,479)	(2,558)	(93,037)	
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(19)	—	
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	644	—	
Issuance of senior convertible preference shares (Note 15)	12,970,766	175,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Senior convertible preference shares issuance costs	—	(13,426)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Issuance of redeemable C ordinary shares (Note 16)	—	—	4,751,497	47,000	—	—	—	—	—	—	—	—	—	—	—	—	
Share-based compensation, net of tax	—	—	—	—	—	—	—	—	—	—	2,129	—	—	2,129	—	—	
Net change in cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	15,965	15,965	44	—	
As of April 4, 2021	22,970,766	\$ 176,274	21,187,494	\$ 207,405	166,575,991	4,469,417	1,710,546	3,326,048	2,850,897	\$ 265,181	\$ 74,884	\$ (847,582)	\$ 2,708	\$ (504,809)	\$ 56,542	\$ (41,577)	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 13 Weeks Ended April 4, 2021 and March 29, 2020

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
<i>(in thousands)</i>		
Cash flows from operating activities		
Net loss	\$ (93,037)	\$ (44,980)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	17,845	14,949
Share-based compensation, net of tax	2,129	—
Income tax benefit	(823)	(103)
Gain on disposal of property and other, net	—	(1)
Share of loss of equity method investments	696	176
Amortization of debt issuance costs	1,082	1,359
Loss on debt extinguishment	9,126	—
Imputed interest on interest free related party loans	—	533
PIK interest settled on extinguishment, net of non-cash interest	(77,502)	3,103
Distributions from equity method investees	—	751
Loss on foreign currency exchange rates	14,867	391
Changes in assets and liabilities:		
Accounts receivable	1,947	6,120
Inventories	(1,087)	1,636
Operating leases, net	7,409	13,309
Other operating assets	(4,237)	(5,664)
Deferred revenue	4,272	1,826
Accounts payable and accrued and other liabilities	12,918	(951)
Net cash used in operating activities	(104,395)	(7,546)
Cash flows from investing activities		
Purchase of property and equipment	(15,163)	(26,177)
Purchase of intangible assets	(2,312)	(3,721)
Net cash used in investing activities	(17,475)	(29,898)
Cash flows from financing activities		
Repayment of borrowings	(508,386)	—
Payment for debt extinguishment costs	(4,109)	—
Proceeds from borrowings	456,635	19,568
Payments for debt issuance costs	(12,523)	(235)
Proceeds from finance leases	—	104
Principal payments on finance leases	(45)	(31)
Proceeds from financing obligation	—	2,631
Principal payments on financing obligation	(318)	(268)
Distributions to noncontrolling interest	(19)	(271)
Contributions from noncontrolling interest	644	15,213
Senior convertible preference shares issued, net of issuance costs (Note 15)	161,574	—
Proceeds from issuance of redeemable C ordinary shares, net of issuance costs (Note 16)	47,000	—
Net cash provided by financing activities	140,453	36,711

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 13 Weeks Ended April 4, 2021 and March 29, 2020

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
<i>(in thousands)</i>		
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	150	(1,638)
Net increase (decrease) in cash and cash equivalents, and restricted cash	18,733	(2,371)
Cash, cash equivalents and restricted cash		
Beginning of period	59,970	56,315
End of period	\$78,703	\$ 53,944
Cash, cash equivalents and restricted cash are comprised of:		
Cash and cash equivalents	\$71,674	\$ 46,250
Restricted cash in current assets	7,029	7,694
Cash, cash equivalents and restricted cash as of April 4, 2021 and March 29, 2020	\$78,703	\$ 53,944
Supplemental disclosures:		
Cash paid for interest (including settlement of paid-in-kind interest), net of interest capitalized	\$98,997	\$ 11,457
Cash paid for income taxes	77	1,164
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	\$ —	\$ 11,977
Accrued capital expenditures	12,302	7,035

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Nature of the Business

Soho House Holdings Limited is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the platform to both work and socialize, to connect, create, have fun and drive a positive change. Our members engage with us through our global portfolio of 28 Soho Houses, nine Soho Works Clubs, The Ned in London, Scorpios Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels. Since the opening of our House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we are a community of more than 111,000 creative and loyal individuals, each of whom pays an annual membership fee for access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including our app (the “SH.APP”) and our website. Annually, we host thousands of physical and digital member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music – and help our members forge connections to bring them closer together.

The consolidated entity presented is referred to herein as “Soho House”, “we”, “us”, “our”, or the “Company”, as the context requires and unless otherwise noted.

2. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and are unaudited. The preparation of the financial statements in conformity with US GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. The Company’s significant estimates relate to the valuation of financial instruments, equity method investments, the measurement of goodwill and intangible assets, contingent liabilities, income taxes, leases, long-lived assets and the period over which revenue from one-time member registration fees is recognized. Although the estimates have been prepared using management’s best judgment and management believes that the estimates used are reasonable, actual results could differ from those estimates and such differences could be material. For example, the coronavirus (“COVID-19”) pandemic has had, and could continue to have, a significant impact on our results of operations. The extent to which the COVID-19 pandemic impacts our business, financial condition, results of operations, cash flows and liquidity may differ from management’s current estimates due to inherent uncertainties regarding the duration and further spread of the pandemic, actions taken to contain the virus, as well as, how quickly and to what extent normal economic and operating conditions resume.

We operate on a fiscal year calendar consisting of a 52- or 53-week period ending on the last Sunday in December or the first Sunday in January of the next calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations; in a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). The year-end condensed balance sheet data was derived from audited financial statements but does not include all disclosures required by US GAAP. The unaudited financial statements include normal recurring adjustments, which in the opinion of management are necessary for the fair presentation of the condensed consolidated balance sheets, condensed consolidated statements of

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

operations, of comprehensive loss, of changes in redeemable shares and shareholders' deficit, and of cash flows for the periods presented. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes hereto appearing elsewhere in the registration statement.

The results of operations for the 13-week periods ending April 4, 2021 and March 29, 2020 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

The condensed consolidated statement of operations and statement of comprehensive loss for the 13 weeks ended April 4, 2021 include the correction of an error related to the Company's consolidated financial statements for the fiscal years ended January 3, 2021 and December 29, 2019. The error relates to the correction of a consolidating adjustment for foreign currency transaction gains of \$13 million in the fiscal year ended January 3, 2021 and \$4 million in the fiscal year ended December 29, 2019. The correction of this error is presented within other in the condensed consolidated statement of operations for the 13 weeks ended April 4, 2021 and within foreign currency translation adjustment in the condensed consolidated statement of comprehensive loss for the 13 weeks ended April 4, 2021.

Certain prior period amounts have been reclassified to conform to the current period presentation with no impact on previously reported net loss or cash flows, and no material impact on financial position.

Going Concern

The accompanying condensed consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have experienced net losses and significant cash outflows from cash used in operating activities over the past years as we develop our Houses. During the 13 weeks ended April 4, 2021, the Company incurred a consolidated net loss of \$93 million and negative cash flows from operations of \$104 million. As of April 4, 2021, the Company had an accumulated deficit of \$848 million. As of April 4, 2021, the Company had cash and cash equivalents of \$72 million, and restricted cash of \$7 million.

In addition, since March 2020, the COVID-19 pandemic has significantly impacted our business and we have had to temporarily close some or all of our Houses, hotels and public restaurants, at different times due to the ongoing effects of the pandemic, which has and will continue to have an impact on our revenues. At the date of issuance of these condensed consolidated financial statements, our Houses are open where possible, but with varying restrictions on operating capacity, in most of our geographies.

In assessing the going concern basis of preparation of the condensed consolidated financial statements for the 13 weeks ended April 4, 2021, we have taken into consideration detailed cash flow forecasts for the Company, the Company's forecast compliance with bank covenants, and the continued availability of funding to the Company from banks and shareholders.

We have considered the impact of the COVID-19 pandemic on the Company and the resultant global economic uncertainties and have undertaken a re-assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Cash flow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, the timing of a full re-opening of our Houses staggered and/or deferred to the end of the calendar year, cost reductions, both limited and extensive, and a combination of these different scenarios. We have assessed the sensitivity analysis on cash flows, and in order to finance these cash flow forecasts, we have completed a series of positive financing events during the first quarter of 2021, including issuance of new senior secured

Soho House Holdings Limited

Notes to Condensed Consolidated Financial Statements (Unaudited)

notes in an aggregate amount equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) and \$175 million of senior convertible preference shares. The senior secured notes include an option for the Company to issue additional notes in an aggregate amount of up to \$100 million on or prior to March 31, 2022, while the senior convertible preference shares include an option for the Company to issue additional shares totaling \$75 million at any time up to six months from March 31, 2021. The proceeds from the senior secured notes and senior convertible preference shares have been used to repay all amounts outstanding under the Permira Senior Facility and the US government-backed bank loan. See Note 12, Debt, and Note 15, Redeemable Preferred Shares, for additional information.

We believe that the completed working capital events, our projected cash flows and the actions available to management to further control expenditure, as necessary, provide the Company with sufficient working capital (including cash and cash equivalents) to achieve its plans to recover from the impact of the pandemic, subject to the following key factors:

- the timing of re-opening of Houses in a manner that is compliant with local laws and regulations, as well as anticipated demand;
- the level of in-House sales activity (primarily sales of food and beverage) that, even after opening, may be subject to reduced capacity as a result of on-going restrictions;
- the continued high level of membership retention and renewals (which has been evidenced throughout the pandemic); and
- the implementation of extensive cost reduction measures that continue to support the timing of House re-openings and anticipated levels of capacity.

While the impact of lockdowns and other restrictions may continue beyond current expectations and impact the Company's ability to open Houses and return to a level of operation consistent with pre COVID-19 within the timeframes assumed in management's detailed cash flow forecasts, we believe that the Company has sufficient financial resources together with an established and cash generative business model, and access to capital.

Based on the available cash as a result of completed financing events discussed above, and the measures that have been put in place to control costs, we believe that the Company is able to continue in operational existence, meet its liabilities as they fall due, operate within its existing facilities, and meet all of its covenant requirements for a period of at least twelve months from the date these financial statements are issued.

Based on the above, the condensed consolidated financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, we continue to adopt the going concern basis in preparing the condensed consolidated financial statements for the 13 weeks ended April 4, 2021.

Restricted Cash

Restricted cash represents cash that is not available to the Company due to restrictions related to its use. As of April 4, 2021 and March 29, 2020, restricted cash related primarily to balances with the Company's payments service provider, financing arrangements for the Soho Beach House in Miami, and security deposits.

Unaudited Pro Forma Shareholders' Deficit and Net Loss Per Share

The unaudited pro forma shareholders' deficit as of April 4, 2021 reflects the automatic conversion of each senior convertible preference shares, redeemable preferred shares and redeemable C ordinary shares into ordinary shares upon completion of the proposed initial public offering. Unaudited pro forma basic and

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

diluted net loss per share for the period ended April 4, 2021 have been computed using the weighted-average ordinary shares outstanding after giving pro forma effect to the automatic conversion of all senior convertible preference shares, redeemable preferred shares and redeemable C ordinary shares into ordinary shares as if such conversions had occurred at the beginning of the fiscal year beginning January 4, 2021 or the date of original issuance, if later.

Deferred Offering Costs

Direct and incremental legal and accounting costs associated with the Company's proposed initial public offering are deferred and classified as a component of other assets in the consolidated balance sheet. Such costs will be offset against the proceeds received in the offering. If the proposed initial public offering is no longer probable of occurring, the deferred costs will be expensed at that time. During the 13 weeks ended April 4, 2021, the Company incurred \$0.6 million related to the offering which was included in other assets in the consolidated balance sheet. There were no deferred offering costs incurred during the 13 weeks ended March 29, 2020.

Foreign Currency and Operations

The functional currency of Soho House Holdings Limited is the British pound sterling ("GBP") and the condensed consolidated financial statements are presented in United States dollars ("USD").

The following exchange rates were used to translate the financial statements of the Company and its foreign subsidiaries into USD:

	April 4, 2021	January 3, 2021
Great Britain pound sterling	\$ 1.38	\$ 1.37
Canadian dollar	0.80	0.78
Euro	1.18	1.22
Hong Kong dollar	0.13	0.13
Israeli new shekel	0.30	0.31

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
Great Britain pound sterling	\$ 1.38	\$ 1.28
Canadian dollar	0.79	0.74
Euro	1.20	1.10
Hong Kong dollar	0.13	0.13
Israeli new shekel	0.30	0.29

Comprehensive Loss

The entire balance of accumulated other comprehensive income (loss), net of income taxes, is related to the cumulative translation adjustment in each of the periods presented. The changes in the balance of accumulated other comprehensive income (loss), net of income tax, are attributable solely to the net change in the cumulative translation adjustment in each of the periods presented, and include the error correction described above during the 13 weeks ended April 4, 2021.

Recently Adopted Accounting Standards

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*. ASU 2020-06

Soho House Holdings Limited**Notes to Condensed Consolidated Financial Statements (Unaudited)**

simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in US GAAP. The ASU's amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company elected to early adopt the ASU on January 4, 2021. The provisions of this ASU have been applied on a modified retrospective basis and did not have a material impact on the Company's condensed consolidated financial statements and related disclosures.

3. Acquisition*Quentin Limited (Soho Restaurants Limited) Reorganization*

In August 2020, the Company became the primary beneficiary of Quentin Limited (now known as Soho Restaurants Limited) after a related party became the sole equity owner of Soho Restaurants Limited following a reorganization of the entity. As a result, the Company began consolidating Soho Restaurants Limited and applied the acquisition method of accounting at the date that it became the primary beneficiary as a result of this transaction. No consideration was paid by the Company in this transaction. Upon initial consolidation, the Company recognized \$1 million of cash and cash equivalents, \$5 million of net working capital liabilities, and \$11 million of right-of-use assets and related lease liabilities. In addition, the Company recognized noncontrolling interest of \$2 million. There were no material property, plant and equipment and no intangible assets recognized by the Company as a result of consolidating Soho Restaurants Limited. See Note 4, Consolidated Variable Interest Entities, for further discussion.

Prior to the reorganization, the Company guaranteed the obligations of Soho Restaurants Limited under certain property leases with respect to any required rental and other payments. Prior to 2020, the Company did not have to make any payments under these rental guarantees and determined that the likelihood of the Company having to perform under the guarantees was remote. As a result of the impact of the COVID-19 pandemic on Soho Restaurants Limited's operations, the Company reassessed the likelihood of performance under the guarantees and recognized a charge of \$5 million prior to the Soho Restaurants Limited reorganization; this charge was recognized outside of the 13 weeks ended March 29, 2020. Upon consolidating Soho Restaurants Limited in August 2020, the Company's guarantee obligation pertaining to leases retained by Soho Restaurants Limited after the reorganization was effectively settled as a pre-existing relationship.

4. Consolidated Variable Interest Entities

The Company determined that it is the primary beneficiary of the following material variable interest entities ("VIEs"): Soho Restaurants Limited (13 weeks ended April 4, 2021 only); Soho House-Sydell, LLP (all periods presented); Soho Works Limited (all periods presented); and Soho Works North America, LLC (all periods presented).

Soho Restaurants Limited

Prior to December 2017, the Company held a 50% interest in Soho Restaurants Limited, a joint venture between the Company and Lansdowne Development Limited ("Lansdowne"). The Company accounted for its investment in Soho Restaurants Limited using the equity method of accounting, as Lansdowne had the power to participate in making decisions related to all of the entity's significant activities. In December 2017, the Company transferred its entire interest in Soho Restaurants Limited and subsidiaries for an immaterial amount to Quentin Partners Limited ("Quentin Partners"), an affiliate of the Company. As a result of the sale, the Company derecognized its equity-method investment in Soho Restaurants Limited. Following the sale, the Company entered into a Management Service Agreement (the "Quentin Partners MSA") to provide certain administrative and operating support to Quentin Partners. The Company receives

Soho House Holdings Limited
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costs reimbursements from Quentin Partners in relation to providing these services, which are netted against operating expenses recognized in the condensed consolidated statements of operations and are immaterial.

In addition, prior to December 2017, the Company and Lansdowne each agreed to provide unsecured non-interest-bearing loan notes ("Soho Restaurants Loan Notes") to Soho Restaurants Limited from time to time. The Soho Restaurants Loan Notes do not have a stated maturity date; however, the notes become due and payable, in part or in whole, at any time at the option of the holder or Soho Restaurants Limited. The Company retained the Soho Restaurants Loan Notes after the sale of its equity interest in Soho Restaurants Limited.

Prior to the August 2020 reorganization of Soho Restaurants Limited (as further described below), the Company concluded that the Soho Restaurants Loan Notes, lease guarantees and Quentin Partners MSA did not provide it with the power to direct Soho Restaurants Limited's most significant activities and, therefore, the Company was not the primary beneficiary of Soho Restaurants Limited.

On August 18, 2020, Soho Restaurants Limited underwent a series of reorganization steps, through which Lansdowne sold its 50% equity interest in Soho Restaurants Limited to Quentin Partners and concurrently acquired 100% of Soho Restaurants Limited's equity interest in Mollie's Motels Holdings Limited. Following the reorganization, Quentin Partners became the sole equity holder of Soho Restaurants Limited. Additionally, as part of these reorganization steps, various notes payable and receivable held by Soho Restaurants Limited were acquired, settled, or, in some cases, forgiven. Specifically, Quentin Partners acquired for nominal consideration (and forgave) all outstanding Soho Restaurants Loan Notes with the exception of a £1 million (\$1 million) Loan Note, which remains outstanding after the reorganization was completed. As a result of the reorganization and the Company's variable interest in Soho Restaurants Limited (consisting primarily of the Loan Note and certain lease guarantees, as described in Note 18, Commitments and Contingencies), the Company determined that it is the primary beneficiary of Soho Restaurants Limited due to its related party affiliation with Quentin Partners and its funding of the majority of Soho Restaurants Limited's operations. As such, the Company began consolidating Soho Restaurants Limited on August 18, 2020. The Soho Restaurants Limited reorganization transaction was accounted for using the acquisition method of accounting.

Soho House-Sydell, LLP

The Soho House-Sydell, LLP joint venture maintains an agreement to operate The Ned, owned by unconsolidated related parties to the Company. Management fees are recognized in other revenues in the condensed consolidated statements of operations. The Company has a higher economic interest in Soho House-Sydell, LLP as compared to its related party venture partner and therefore the Company is determined to be the primary beneficiary.

Soho Works Limited and Soho Works North America, LLC

The Soho Works Limited ("SWL") joint venture develops and operates Soho-branded, membership-based co-working spaces, with two sites currently in operation in the UK. The joint venture agreement relates to the UK only. The joint venture was formed on September 29, 2017 when the Company granted to two unrelated individuals an option to subscribe for 30% of the issued shares of SWL. The option has not yet been exercised and, consequently, the Company has 100% economic interest in SWL. Upon exercise of the option, the Company would have 70% economic interest in SWL. The options carry voting rights such that the Company and other joint venture partners each hold 50% of the voting rights in respect of shareholder resolutions and certain reserved matters as defined in the joint venture agreement. The Company is determined to be the primary beneficiary because it has the power to direct all significant activities of the joint venture.

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The Soho Works North America, LLC and its wholly owned subsidiaries (“SWNA”) joint venture plans to develop and operate Soho-branded, membership-based co-working spaces in North America. The joint venture agreement relates to North America only. The joint venture was formed on December 26, 2018 when the Company granted to related and unrelated individuals subscription for 30% of the issued shares of SWNA. Consequently, the Company has 70% economic interest in SWNA. The shares carry voting rights such that the Company and other joint venture partners each hold 50% of the voting rights in respect of shareholder resolutions and certain reserved matters as defined in the joint venture agreement. The Company is determined to be the primary beneficiary because the Company, together with its related party joint venture partners, has the power to direct the most significant activities that affect the economic performance of SWNA, and the parties have the obligations/rights to those economic losses or benefits that could be significant to SWNA.

The following table summarizes the carrying amounts and classification of the consolidated VIEs’ assets and liabilities included in the condensed consolidated balance sheets. The obligations of the consolidated VIEs other than Soho Restaurants Limited are non-recourse to the Company, and the assets of the VIEs can be used only to settle those obligations.

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Cash and cash equivalents	\$ 4,366	\$ 5,572
Restricted cash	—	172
Accounts receivable	1,474	1,449
Inventories	76	68
Prepaid expenses and other current assets	2,633	1,370
Total current assets	8,549	8,631
Property and equipment, net	85,136	84,483
Operating lease assets	247,393	248,975
Other intangible assets, net	48	49
Other non-current assets	209	207
Total assets	\$341,335	\$ 342,345
Accounts payable	16,399	8,379
Accrued liabilities	9,154	7,676
Indirect and employee taxes payable	238	54
Current portion of operating lease liabilities—sites trading less than one year	1,983	767
Current portion of operating lease liabilities—sites trading more than one year	11,783	9,395
Other current liabilities	371	47
Total current liabilities	39,928	26,318
Debt	17,463	17,585
Operating lease liabilities, net of current portion—sites trading less than one year	56,469	68,869
Operating lease liabilities, net of current portion—sites trading more than one year	227,835	220,529
Other non-current liabilities	270	368
Total liabilities	\$341,965	\$ 333,669
Net (liabilities) assets	\$ (630)	\$ 8,676

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Notes to Condensed Consolidated Financial Statements (Unaudited)

5. Equity Method Investments

The Company maintains a portfolio of equity method investments owned through noncontrolling interests in investments with one or more partners. Equity method investment ownership interests in each of the periods presented in these condensed consolidated financial statements are as follows:

Equity Method Investment	Ownership Interest (Percentage)	
	April 4, 2021	January 3, 2021
Soho House Toronto (House)*		
Soho House Toronto Partnership	50	50
Soho House—Cipura (Miami) (Restaurant)		
Soho House—Cipura (Miami), LLC	50	50
139 Ludlow Street New York (Property)		
139 Ludlow Acquisition, LLC	33.3	33.3
56-60 Redchurch Street, London (Property and Hotel)*		
Raycliff Red LLP	50	50
Raycliff Shoreditch Holdings LLP	50	50
Redchurch Partner Limited	50	50
Soho House Barcelona (Property, House, and Club)		
Mimea XXI S.L.	50	50
Mirador Barcel S.L.	50	50
Little Beach House Barcelona	50	50

* *Variable interest entity*

Under applicable guidance for VIEs, the Company determined that its investments in Soho House Toronto and 56-60 Redchurch Street, London are VIEs. Soho House Toronto owns and operates a House located in Toronto, while 56-60 Redchurch Street, London provides additional members' accommodation capacity for Shoreditch House in London. Prior to June 2020, the Company's investment in the entities comprising Soho House Barcelona were also considered to be VIEs, as described further below.

Toronto Joint Venture

On March 28, 2012, the Company and two unrelated investors ("Toronto Partners") formed Soho House Toronto Partnership ("Soho House Toronto") to establish and operate a house in Toronto, Canada. The Company is responsible for managing the development and operations of the property with key operating decisions requiring joint approval with the Toronto Partners. The Company owns a 50% interest and each of the Toronto Partners owns a 25% interest in Soho House Toronto. Each investor is entitled to a share of the profits or losses of Soho House Toronto in proportion to their respective ownership percentage. As part of the original agreement, the Toronto Partners received a put option to sell their interest in Soho House Toronto to the Company at fair value and the Company received a call option to purchase the Toronto Partners' interests at fair value. As of 2015, certain restrictions expired and the put and call options are exercisable. As of April 4, 2021, no options have been exercised. Soho House Toronto entered into a 10-year lease agreement with a landlord to lease the property. A subsidiary of the Company provided a guarantee to the landlord for Soho House Toronto's rental liabilities.

Barcelona Joint Venture

On January 28, 2014, the Company and an unrelated development partner ("Barcelona Partner") formed Mimea XXI, S.L.U. ("Mimea") to establish and operate Soho House Barcelona in Barcelona, Spain. Soho

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House Barcelona is owned by Mirador Barcel S.L., a subsidiary of Mimea. Each partner has a 50% interest in Soho House Barcelona through the indirect ownership of ordinary shares. Internal allocation of profits in relation to running Soho House Barcelona, calculated as defined in the contract, is shared between the Company and Barcelona Partner based on their respective ownership percentage. All remaining profits or losses of Soho House Barcelona are attributed solely to the Company in return for managing the operations. In addition, the Barcelona Partner received certain development-related fees for the development of the property. Following its redevelopment and opening of the Soho House Barcelona, the Company agreed to meet certain performance targets (see Note 18, Commitments and Contingencies). On June 4, 2020, the Company entered into an amended shareholders agreement as a result of a newly formed joint venture to operate Little Beach House Barcelona, a private members club and hotel developed at the existing Barcelona property. Little Beach House Barcelona is a newly formed subsidiary under Mimea. As a result of the reorganization and amendments to the shareholders agreement, the Company determined that the entities comprising the Barcelona joint venture are not VIEs and the investment is accounted for under the equity-method.

56-60 Redchurch Street, London Joint Venture

On July 6, 2015, the Company and an unrelated investor (“Raycliff Partner”) formed Raycliff Red LLP (“Club Row Rooms”) to develop and operate a hotel at 58-60 Redchurch Street intended to provide additional members’ accommodation to the nearby Shoreditch House in London. This was later extended to include 56 Redchurch Street under the same terms. The Company is responsible for managing the operations of the property and the Raycliff Partner is responsible for managing the building. Each partner has a 50% interest in Club Row Rooms through equal ownership of B units. The Raycliff Partner owns all A units. All profits and losses from operations are shared between parties based on their respective ownership of B units. Distributions from cash flows not generated from operations are first allocated to holders of A units (for an amount of up to £500,000), with the remainder distributed to holders of B units in proportion to their holdings. Under a hotel management agreement and restaurant management agreement between the Company and Club Row Rooms, the Company also receives a 2.5% management fee in return for managing the hotel operations and a 3.5% management fee in return for managing the restaurant operations of the property. The amounts received to date under this agreement are immaterial. Club Row Rooms, which owns the rights to the property, financed the development of the property through third-party debt. The Company has entered into a security arrangement with the bank in relation to this debt (see Note 18, Commitments and Contingencies).

The Raycliff Partner holds a put option which requires the Company to purchase all the Raycliff Partner’s interest at fair value in the event the Company ceases to own a controlling interest in the nearby Shoreditch House. As of April 4, 2021, the put option has not been triggered.

The Company concluded that it is not the primary beneficiary of the Soho House Toronto or 56-60 Redchurch Street, London VIEs in any of the periods presented, as its joint venture partners have the power to participate in making decisions related to the majority of significant activities of each investee. Accordingly, the Company concluded that application of the equity method of accounting is appropriate for these investees. Barcelona was previously determined to be a VIE; however, the execution of amended governing documents in June 2020 constitutes a reconsideration event and Barcelona no longer meets the VIE criteria.

Summarized Financial Information

The following tables present summarized financial information for all unconsolidated equity method investees. The Company’s maximum exposure to losses related to its equity method investments is limited

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to its ownership interests as well as certain guarantees as described in Note 18, Commitments and Contingencies.

<i>(in thousands)</i>	13 Weeks Ended	
	April 4, 2021	March 29, 2020
Revenues	\$ 6,644	\$ 11,506
Operating (loss) income	(1,564)	656
Net (loss) income*	(1,296)	46

* The net (loss) income shown above relates entirely to continuing operations.

<i>(in thousands)</i>	As of	
	April 4, 2021	January 3, 2021
Current assets	\$ 31,066	\$ 25,075
Non-current assets	152,890	155,836
Total assets	\$183,956	\$ 180,911
Current liabilities	17,005	5,392
Non-current liabilities	120,397	124,725
Total liabilities	\$137,402	\$ 130,117

The Company's equity method investees have not yet adopted ASC 842, *Leases*; therefore, the balance sheets of equity method investees do not include operating or finance lease right-of-use assets and liabilities.

6. Leases

The Company has entered into various lease agreements for its Houses, hotels, restaurants, spas and other properties across North America, Europe, and Asia. The Company's material leases have reasonably assured lease terms ranging from 3 years to 30 years for operating leases and 50 years for finance leases. Certain operating leases provide the Company with multiple renewal options that generally range from 5 years to 10 years, with rent payments on renewal based on a predetermined annual increase or market rates at the time of exercise of the renewal. The Company has 2 material finance leases with 25-year renewal options, with rent payments on renewal based on upward changes in inflation rates. As of April 4, 2021, the Company recognized right-of-use assets and lease liabilities for 82 operating leases and 2 finance leases. As of January 3, 2021, the Company recognized right-of-use assets and lease liabilities for 83 operating leases and 2 finance leases. When recognizing right-of-use assets and lease liabilities, the Company includes certain renewal options where the Company is reasonably assured to exercise the renewal option.

As part of our overall plan to improve liquidity during the COVID-19 pandemic, the Company negotiated with certain lessors to defer or waive certain rent payments on leased buildings. Cash payment deferrals and waivers have been separately recorded in the period arrangements occurred, and therefore, there have been no remeasurements to the lease liabilities and right-of-use assets associated with the sites that received concessions. The Company accounted for the deferrals of lease payments as if there are no changes in the lease contract. Deferred amounts have been recognized in accounts payable and subsequent reversals will occur once the payments are made. As of April 4, 2021 and January 3, 2021, \$33 million and \$20 million, respectively, was recorded in accounts payable in the condensed consolidated balance sheets related to deferred lease payments.

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The maturity of the Company's operating and finance lease liabilities as of April 4, 2021 is as follows:

<i>(in thousands)</i> Fiscal Year Ending	Operating Leases	Finance Leases
Undiscounted lease payments		
Remainder of 2021	\$ 67,177	\$ 4,015
2022	112,627	5,342
2023	111,527	5,344
2024	109,519	5,346
2025	111,346	5,392
Thereafter	1,594,874	216,500
Total undiscounted lease payments	2,107,070	241,939
Present value adjustment	1,018,234	167,589
Total net lease liabilities	\$1,088,836	\$ 74,350

As of April 4, 2021, and January 3, 2021, the long-term liabilities for finance leases were \$74 million and \$74 million, respectively, and are recorded as finance lease liabilities on the condensed consolidated balance sheets. As of April 4, 2021 and January 3, 2021, finance lease assets, net of accumulated depreciation, were \$153 million and \$153 million, respectively, and are recorded within property and equipment, net on the condensed consolidated balance sheets.

Certain lease agreements include variable lease payments that, in the future, will vary based on changes in the local inflation rates, market rate rents, or business revenues of the leased premises. Leases that contain market rate rents generally reset every five years.

Straight-line rent expense recognized as part of in-House operating expenses for operating leases was \$30 million, and \$26 million for the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. Variable lease payments recognized as part of in-House operating expenses for operating leases were less than \$1 million and \$1 million for the 13 weeks ended April 4, 2021 and March 29, 2020, respectively, including non-lease components such as common area maintenance fees.

For the 13 weeks ended April 4, 2021 and March 29, 2020, the Company recognized amortization expense related to the right-of-use asset for finance leases of less than \$1 million and less than \$1 million, respectively, and interest expense related to finance leases of \$1 million and \$1 million, respectively. There were no material variable lease payments for finance leases for the 13 weeks ended April 4, 2021 and March 29, 2020.

The total operating lease liabilities can be analyzed as follows:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Current portion of operating lease liabilities:		
- for sites trading less than one year	\$ 1,983	\$ 605
- for sites trading more than one year	27,472	26,036
Total current portion	29,455	26,641
Operating lease liabilities, net of current portion:		
- for sites trading less than one year	56,469	68,708
- for sites trading more than one year	1,002,912	994,849
Total non-current portion	1,059,381	1,063,557
Total operating lease liabilities	\$ 1,088,836	\$ 1,090,198

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New Houses typically have a maturation profile that commences sometime after the lease commencement date used in the determination of the lease accounting in accordance with Topic 842. The table above sets out the operating lease liabilities split between sites trading less than one year and sites trading more than one year. “Sites trading less than one year” and “sites trading more than one year” reference sites that have been open (as measured from the date the site first accepted a paying guest) for a period less than one year from the balance sheet date and those that have been open for a period longer than one year from the balance sheet date.

The following information represents supplemental disclosure for the statement of cash flows related to operating and finance leases:

<i>(in thousands)</i>	13 Weeks Ended	
	April 4, 2021	March 29, 2020
Cash flows from operating activities		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (19,278)	\$ (15,315)
Interest payments for finance leases	(1,265)	(1,175)
Cash flows from financing activities related to leases		
Principal payments for finance leases	\$ (45)	\$ (31)
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	\$ —	\$ 11,977

The following summarizes additional information related to operating and finance leases:

	13 Weeks Ended	
	April 4, 2021	March 29, 2020
Weighted-average remaining lease term		
Finance leases	44 years	45 years
Operating leases	18 years	18 years
Weighted-average discount rate		
Finance leases	6.99%	6.99%
Operating leases	7.87%	7.53%

As of April 4, 2021, the Company has entered into 10 operating lease agreements for Houses, hotels, restaurants, and other properties that are in various stages of construction by the landlord. The Company will determine the classification as of the lease commencement date, but currently expects these under construction leases to be operating leases. Soho House Design is involved to varying degrees in the design of these leased properties under construction. For certain of these leases, the Soho House Design team is acting as the construction manager on behalf of the landlord. Pending significant completion of all landlord improvements and final execution of the related lease, the Company expects these leases to commence in fiscal years ending 2021, 2022, 2023 and 2026. The Company estimates the total undiscounted lease payments for the leases commencing in fiscal years 2021, 2022, 2023 and 2026 will be \$439 million, \$308 million, \$193 million, and \$145 million, respectively, with weighted-average expected lease terms of 20 years, 23 years, 19 years, and 25 years for 2021, 2022, 2023 and 2026, respectively.

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The following summarizes the Company's estimated future undiscounted lease payments for current leases under construction, including properties where the Soho House Design team is acting as the construction manager:

<i>(in thousands)</i> Fiscal Year Ending	Operating Leases Under Construction
Estimated total undiscounted lease payments	
Remainder of 2021	\$ 1,799
2022	14,152
2023	27,308
2024	35,647
2025	40,160
Thereafter	965,868
Total undiscounted lease payments expected to be capitalized	\$ 1,084,934

7. Revenue Recognition

The Company's revenues consist primarily of annual membership fees and initial registration fees; food and beverage, accommodation and spa revenues generated in the Company's Houses; and revenues that are not generated within the Houses, such as revenues from the stand-alone restaurants, as well as design fees from Soho House Design ("SHD"), Soho Home, retail Cowshed products and development fees from The Ned. Disaggregated revenue disclosures for the 13 weeks ended April 4, 2021 and March 29, 2020 are included in Note 20, Segments.

The Company's performance obligations are satisfied over time as the Company performs under contract. Revenue from membership fees, one-time registration fees and build-out contracts are the only arrangements for which revenue is recognized over time. Revenue from these sources combined accounted for 62% and 37% of the Company's revenue for the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

The following table includes estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period ending April 4, 2021. The Company applies the practical expedient and does not disclose information about remaining performance obligations for contracts that have original expected durations of one year or less.

<i>(in thousands)</i>	Next twelve months from April 4, 2021	Future periods
Membership and registration fees	\$ 60,815	\$ 23,485
Total future revenues	\$ 60,815	\$ 23,485

All consideration from contracts with customers is included in the amounts presented above.

The following table provides information about contract receivables, contract assets and contract liabilities from contracts with customers:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Contract receivables	\$ 9,563	\$ 8,367
Contract assets	6,475	8,099
Contract liabilities	107,305	97,497

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Contract assets consist of accrued unbilled income related to build-out contracts and are recognized in prepaid expenses and other assets on the condensed consolidated balance sheets.

Contract liabilities include deferred membership revenue, hotel deposits (which are presented in accrued liabilities on the condensed consolidated balance sheets), and gift vouchers. Revenue recognized that was included in the contract liability balance as of the beginning of the period was \$18 million and \$18 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

8. Inventories, Prepaid Expenses and Other Current Assets

Inventories consist of raw materials, service stock and supplies (primarily food and beverage) and finished goods which are externally sourced. Raw materials and service stock and supplies totaled \$8 million and \$8 million as of April 4, 2021 and January 3, 2021, respectively. Finished goods totaled \$16 million and \$15 million as of April 4, 2021 and January 3, 2021, respectively.

The table below presents the components of prepaid expenses and other current assets.

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Amounts owed by equity method investees	\$ 3,289	\$ 2,350
Prepayments and accrued income	11,645	13,789
Contract assets	6,475	8,099
Other receivables	26,905	19,325
Total prepaid expenses and other current assets	\$48,314	\$ 43,563

9. Property and Equipment, Net

Additions totaled \$15 million and \$26 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively, and were primarily related to leasehold improvements and fixtures and fittings for Houses under development in Austin and Paris, France, which the Company expects to open later in 2021.

Accumulated depreciation totaled \$269 million and \$252 million as of April 4, 2021 and January 3, 2021, respectively. The Company recorded depreciation expense of \$15 million and \$12 million for the 13 weeks ended April 4, 2021, and March 29, 2020, respectively, which was included in depreciation and amortization in the accompanying condensed consolidated statements of operations.

The Company reviews long-lived assets for impairment when changes in circumstances indicate that the asset's carrying value may not be recoverable. As a result of the COVID-19 pandemic and the related temporary House closures, the Company reviewed its long-lived assets for impairment and determined there are no recoverability concerns, except for Little House Mayfair Apartments, the carrying value of which was determined to not be recoverable. As a result, the Company calculated the fair value of Little House Mayfair Apartments and recognized an impairment loss of less than \$1 million during the 13 weeks ended March 29, 2020. There were no long-lived asset impairments recognized during the 13 weeks ended April 4, 2021.

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10. Goodwill and Intangible Assets

A summary of goodwill for each of the Company's applicable reportable segments from January 3, 2021 to April 4, 2021 is as follows:

<i>(in thousands)</i>	UK	US	Europe and RoW	Total
January 3, 2021	\$101,602	\$28,780	\$ 71,100	\$201,482
Foreign currency translation adjustment	1,204	—	(2,661)	(1,457)
April 4, 2021	\$102,806	\$28,780	\$ 68,439	\$200,025

During the 13 weeks ended April 4, 2021, the Company concluded that there were no triggering events or other circumstances that would indicate that the Company may not be able to recover the carrying amount of the net assets of each of its reporting units. As a result, no further impairment assessment was necessary. The Company performed a quantitative assessment as of the 13 weeks ended March 29, 2020 and determined that no goodwill impairment existed.

A summary of finite-lived intangible assets as of April 4, 2021 and January 3, 2021 is as follows:

<i>(in thousands)</i>	Average Amortization Period (in years)	April 4, 2021			January 3, 2021		
		Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Brand	24	\$105,122	\$ 41,288	\$ 63,834	\$104,520	\$ 40,194	\$ 64,326
Membership list	20	16,232	7,534	8,698	16,182	7,332	8,850
Website, internal-use software development costs, and other	5	55,043	20,081	34,962	52,431	17,763	34,668
		\$176,397	\$ 68,903	\$ 107,494	\$173,133	\$ 65,289	\$107,844

Amortization expense related to the intangible assets totaled \$3 million and \$2 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

11. Accrued Liabilities and Other Current Liabilities

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Accrued interest	\$ 2,189	\$ 23,110
Hotel deposits	12,113	7,008
Trade, capital and other accruals	28,534	30,999
	\$42,836	\$ 61,117

Included in trade, capital and other accruals is less than \$1 million and \$2 million as of April 4, 2021 and January 3, 2021, respectively, related to social security taxes that were deferred as a result of government relief afforded by the COVID-19 pandemic which have not yet been paid.

The balance of other current liabilities on the condensed consolidated balance sheets includes a contingent liability of \$15 million and \$12 million as of April 4, 2021 and January 3, 2021, respectively, associated with membership credits issued in March 2020 (refer to Note 18, Commitments and Contingencies, for more information).

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12. Debt

Debt balances, net of debt issuance costs, are as follows:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Revolving credit facilities, interest at 3.75% plus LIBOR	\$ 95,897	\$ 81,615
Permira Senior Facility, interest at 7% plus LIBOR, maturing April 2023	—	542,638
Greek Street loan, interest at 7.5%, maturing January 2028	5,099	5,189
Soho House Hong Kong loan, interest at 7% plus LIBOR, maturing January 2023	6,500	6,500
US government-backed bank loan, interest at 1%, maturing April 2023	—	21,481
Senior Secured Notes, interest at 8.1764%, maturing March 2027	429,466	—
Other loans (see additional description below)	7,148	5,959
	544,110	663,382
Less: Current portion of long-term debt	(103,039)	(88,802)
Total long-term debt, net of current portion	\$ 441,071	\$ 574,580

Property mortgage loans, net of debt issuance costs, are as follows:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Term loan, interest at 5.34%, maturing February 6, 2024	\$ 54,047	\$ 53,965
Mezzanine loan, interest at 7.25%, maturing February 6, 2024	60,926	60,833
Total property mortgage loans	\$ 114,973	\$ 114,798

Related party loans, net of current portion and imputed interest, are as follows:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Related party loans, unsecured, 7% interest bearing, maturing September 2022	\$17,463	\$ 17,595
Related party loans, unsecured, 4% interest bearing, maturing December 2021	589	611
	18,052	18,206
Less: Current portion of related party loans	(589)	(611)
Total related party loans, net of current portion	\$17,463	\$ 17,595

The weighted-average interest rate on fixed rate borrowings was 8% as of April 4, 2021 and 7% as of March 29, 2020. The weighted-average interest rate on floating rate borrowings was 4% as of April 4, 2021 and 7% as of March 29, 2020.

Debt

The description below shows the financial instrument amounts in the currency of denomination with USD equivalent in brackets, where applicable, translated using the exchange rates in effect at the time of the respective transaction.

On December 5, 2019, the Company entered into a £55 million (\$72 million) floating rate revolving credit facility with a maturity date of January 25, 2022. In April 2020, the Company secured an additional

Soho House Holdings Limited**Notes to Condensed Consolidated Financial Statements (Unaudited)**

£20 million (\$25 million) of liquidity under this facility and extended the maturity until January 2023. As of April 4, 2021 and January 3, 2021, the Company had £4 million (\$6 million) and £14 million (\$19 million) remaining to draw against this facility, respectively. The facility is secured on a fixed and floating charge basis over certain assets of the Company. The Company incurred interest expense of \$1 million and \$1 million on this facility during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

In April 2017, the Company entered into the Permira Senior Facility, which consisted of a £275 million (\$345 million) senior secured loan with an interest rate of LIBOR (subject to a floor of 1%) + 7%. A portion of the interest was in the form of payment in kind, with the accrued interest being converted to capital outstanding on the loan at each interest payment date. The Permira Senior Facility was secured on a fixed and floating charge basis over the assets of the Company. As of January 3, 2021, the Company had £397 million (\$542 million) due under the Permira Senior Facility, which was initially scheduled to mature in April 2022, however the maturity date was subsequently extended until April 2023. The Company incurred interest expense of \$13 million and \$11 million on the Permira Senior Facility during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. In March 2021, the Company repaid in full the balance outstanding under the Permira Senior Facility, consisting of a GBP tranche with an outstanding principal balance, including accrued payment-in-kind interest, of £368 million (\$505 million); a USD tranche with an outstanding principal balance, including accrued payment-in-kind interest, of \$8 million; and an EUR tranche with an outstanding principal balance, including accrued payment-in-kind interest, of €45 million (\$53 million). As a result of the repayment, the Company recognized a loss on extinguishment of debt of \$9 million, consisting of prepayment penalties of \$4 million and write-offs of unamortized debt issuance costs of \$5 million. Upon repayment of the facility, the Company also settled accrued payment in kind interest totaling \$79 million. The loss on extinguishment of debt is reflected in interest expense, net on the condensed consolidated statements of operations.

In January 2018, the Company entered into leases in connection with its Greek Street properties. As part of these leases, the landlord has funded a principal amount of £5 million (\$7 million), which represents costs paid directly by the landlord which will be repaid by the Company. Amounts funded by the landlord prior to the lease inception date were initially reflected as accrued liabilities and subsequently converted into long-term debt upon execution of the respective agreements. The Greek Street loans carry interest of 7.5%, are due for repayment in January 2028 and are unsecured. The Company incurred interest expense of less than \$1 million and less than \$1 during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

In June 2018, the Company received proceeds of \$6.5 million from the landlord of the Soho House Hong Kong property under a loan agreement. The loan has a 5-year term, with an interest rate of LIBOR + 7% payable annually. Principal is due on expiration of the loan. The Company incurred interest expense of less than \$1 million and less than \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. The Company must comply with certain financial covenants, including the requirement that the Company maintain certain minimum EBITDA levels, calculated pursuant to the loan agreement; the minimum EBITDA requirement was not met as of January 3, 2021. Accordingly, the Company is conducting ongoing discussions with the landlord and a grace period has been established. The loan has been presented as a current liability until the discussions are resolved.

On April 24, 2020, the Company entered into an unsecured promissory note under the Paycheck Protection Program (the “PPP”), with a principal amount of \$22 million. The loan had a January 2023 maturity date and was subject to a 1% interest rate. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the US Small Business Administration (the “SBA”). The Company was permitted to prepay or partially prepay this US government-backed bank loan at any time with no prepayment penalties. Under the terms of the CARES Act, PPP loan recipients can apply for, and, if successful, be granted forgiveness for all or a portion of loans granted under the PPP. However, the Company repaid all amounts outstanding under the US government-backed bank loan in March 2021. The Company

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incurred interest expense of less than \$1 million during the 13 weeks ended April 4, 2021.

On March 31, 2021, Soho House Bond Limited, a wholly-owned subsidiary of the Company, issued pursuant to a Notes Purchase Agreement senior secured notes, which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates, in aggregate amounts equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) (the “Initial Notes”). The Notes Purchase Agreement includes an option to issue, and a commitment on the part of the purchasers to subscribe for, further notes in one or several issuances on or prior to March 31, 2022 in an aggregate amount of up to \$100 million (the “Additional Notes” and, together with the Initial Notes, the “Senior Secured Notes”). The Senior Secured Notes mature on March 31, 2027 and bear interest at a fixed rate equal to a cash margin of 2.0192% per annum for the Initial Notes or 2.125% per annum for any Additional Notes, plus a payment-in-kind (capitalized) margin of 6.1572% per annum for the Initial Notes or 6.375% per annum for any Additional Notes. The Senior Secured Notes issued pursuant to the Notes Purchase Agreement may be redeemed and prepaid for cash, in whole or in part, at any time in accordance with the terms thereof, subject to payment of redemption fees. The Senior Secured Notes are guaranteed and secured on substantially the same basis as the Company’s existing revolving credit facility. The Company incurred transaction costs of \$12 million related to the Senior Secured Notes. The Company incurred interest expense of \$1 million during the 13 weeks ended April 4, 2021.

In December 2019, the Company entered into a credit facility with Compagnie de Phalsbourg LLC. As of April 4, 2021 and January 3, 2021, the Company had drawn a total of €3 million (\$3 million) and €1 million (\$1 million), respectively, under this facility. The facility matures in January 2025 and carries an interest rate of 7%. The Company incurred interest expense of less than \$1 million during each of the 13 weeks ended April 4, 2021 and March 29, 2020.

In August 2020, the Company entered into a loan agreement with Optima Bank to borrow €2 million (\$2 million). The loan matures in September 2023 and carries an interest rate of 4.1%. The Company incurred interest expense of less than \$1 million during each of the 13 weeks ended April 4, 2021 and March 29, 2020.

In August 2020, the Company entered into a loan with the government of Greece for a principal amount of €2 million (\$2 million). The loan matures in July 2025 and carries an interest rate of 3.1%. The Company incurred interest expense of less than \$1 million during each of the 13 weeks ended April 4, 2021 and March 29, 2020.

Property Mortgage Loans

In February 2019, the Company refinanced an existing term loan and mezzanine loan associated with a March 2014 corporate acquisition of Soho Beach House Miami with a new term loan and mezzanine loan. The new term loan of \$55 million and mezzanine loan of \$62 million are secured on the underlying property and operations of Soho Beach House Miami and are due in February 2024. The loans bear interest at 5.34% and 7.25%, respectively. The Company incurred interest expense of \$2 million and \$2 million on these facilities during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

Related Party Loans

In 2017, Soho Works Limited entered into a term loan facility agreement with two individuals who are the holders of the Company’s redeemable preferred shares related to a £40 million term loan facility. The SWL loan bears interest at 7% and matures at the earliest of: (a) September 29, 2022; (b) the date of disposal of the whole or substantial part of the Soho Works Limited; (c) the date of sale by the shareholders of the

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entire issued share capital of Soho Works Limited to a third party; (d) the date of the admission of Soho Works Limited to any recognized investment exchange or multi-lateral trading facility; and (e) any later date that the two individuals may determine in their sole discretion. In December 2019, Soho Works Limited drew £11 million (\$14 million) under the facility. The carrying amount of the term loan was £13 million (\$17 million) and £13 million (\$18 million) as of April 4, 2021 and January 3, 2021, respectively. The Company incurred interest expense of less than \$1 million and \$1 million on this facility during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

In August 2020, the Company entered into a non-interest bearing loan agreement with a noncontrolling interest shareholder of certain of its subsidiaries in Greece for a principal amount of less than €1 million (\$1 million). The shareholder loan is presented within current portion of related party loans on the condensed consolidated balance sheets and matures in December 2021. The shareholder loan has an effective interest rate of 4%.

Shareholders of the Company provided £19 million unsecured, non-interest bearing loan notes. The loan notes constituted unsecured obligations, and the rights of the noteholders under such loan notes were contractually subordinated to any secured senior indebtedness of the Company. In May 2020, the Company issued 2,176,424 A ordinary shares to settle the loan notes. Prior to settlement, the loan notes had an effective interest rate of 10%. The Company recognized effective interest expense of less than \$1 million on these loan notes during the 13 weeks ended March 29, 2020.

Debt Issuance Costs

The revolving credit facility is net of unamortized debt issuance costs of \$2 million and \$2 million as of April 4, 2021 and January 3, 2021, respectively. The Permira Senior Facility is net of unamortized debt issuance costs of \$5 million as of January 3, 2021, which were written off during the 13 weeks ended April 4, 2021 upon early repayment of the Permira Senior Facility and recognized as a component of loss on extinguishment of debt. Property mortgage loans are net of unamortized debt issuance costs of \$2 million and \$2 million as of April 4, 2021 and January 3, 2021, respectively. The Senior Secured Notes are net of unamortized debt issuance costs of \$12 million as of April 4, 2021. Other loans are net of unamortized debt issuance costs of less than \$1 million and less than \$1 million as of April 4, 2021 and January 3, 2021, respectively.

The following table presents future principal payments for the Company's debt, property mortgage loans, and related party loans as of April 4, 2021:

<i>(in thousands)</i>	
Remainder of 2021	\$ 105,604
2022	18,151
2023	2,503
2024	117,799
2025	6,226
Thereafter	442,663
	<u>\$ 692,946</u>

Financial Covenants

Some of the Company's debt instruments contain a number of covenants that restrict the Company's ability to incur debt in excess of calculated amounts, ability to make distributions under certain circumstances and generally require the Company to maintain certain financial metrics, such as leverage and minimum

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working capital levels. Failure for the Company to comply with the financial covenants contained in the debt instruments could result from, among other things, changes in its statement of operations, the incurrence of additional debt or changes in general economic conditions.

If the Company violates the financial covenants contained in the debt instruments, the Company may attempt to negotiate waivers of the violations or amend the terms of the applicable instruments, however, the Company can make no assurance that it would be successful in any such negotiations or that, if successful in obtaining waivers or amendments, such amendments or waivers would be on terms attractive to the Company.

As of April 4, 2021 and January 3, 2021, the Company is in compliance with all debt covenants (with the exception of the loan for Soho House Hong Kong, as discussed above), current on all payments and not otherwise in default under any of the Company's debt instruments.

13. Fair Value Measurements

Recurring and Non-recurring Fair Value Measurements

There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of April 4, 2021. There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of January 3, 2021 with the exception of Little House Mayfair Apartments as discussed in Note 9, Property and Equipment, Net.

Fair Value of Financial Instruments

The Company believes the carrying values of its financial instruments related to current assets and liabilities approximate fair value due to short-term maturities.

The Company believes that the carrying value of the Senior Secured Notes (excluding debt issuance costs of \$12 million as of April 4, 2021) closely approximates the fair value of such notes, given the proximity of the initial issuance of the Senior Secured Notes to the period-end date.

With respect to the fair value of the Permira Senior Facility as of January 3, 2021, the Company does not believe that its financial performance or creditworthiness changed significantly since the inception of the facility, which was issued at par with a floating interest rate of LIBOR (subject to a floor of 1%) + 7%. Given the nature of this floating rate obligation and the stability of the Company's creditworthiness, the carrying value (excluding debt issuance costs of \$5 million as of January 3, 2021) closely approximated the Permira obligation's fair value prior to the repayment of the Permira Senior Facility in March 2021.

The fair value of the remaining debt is estimated to be equal to the current carrying value of each instrument based on a comparison of each instrument's contractual terms to current market terms. The Company does not believe that the use of different market inputs would have resulted in a materially different fair value of debt as of April 4, 2021 and January 3, 2021.

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The following table presents the estimated fair values (all of which are Level 2 fair value measurements) of the Company's debt instruments with maturity dates in 2022 and thereafter:

<i>(in thousands)</i>	<u>Carrying Value</u>	<u>Fair Value</u>
April 4, 2021		
Related party loans	\$ 17,463	\$ 17,463
Senior Secured Notes	429,466	441,262
Property mortgage loans	114,973	114,973
Other non-current debt	18,747	18,747
	<u>\$ 580,649</u>	<u>\$ 592,445</u>
 <i>(in thousands)</i>		
January 3, 2021		
Related party loans	\$ 17,595	\$ 17,595
Permira Senior Facility	542,638	547,739
US government-backed bank loan	21,481	21,481
Property mortgage loans	114,798	114,798
Other non-current debt	17,648	17,648
	<u>\$ 714,160</u>	<u>\$ 719,261</u>

The carrying values of the Company's other non-current liabilities and non-current assets approximate their fair values.

14. Share-Based Compensation

In August 2020, the Company established the 2020 Equity and Incentive Plan (the "Plan") under which Share Appreciation Rights ("SARs") and Growth Shares were issued to certain of its employees. The awards are settled in ordinary D shares and the Company can grant up to 9,978,143 ordinary D shares under the Plan. As of April 4, 2021, there were 7,178,223 SARs and 2,850,897 Growth Shares outstanding under the 2020 Equity and Incentive Plan. As of January 3, 2021, there were 5,536,998 SARs and 2,850,897 Growth Shares outstanding under the plan. During the 13 weeks ended April 4, 2021, there were an additional 1,641,225 SARs granted, with grant dates taking place throughout the fiscal quarter. The base price of all SARs as of each respective grant date was equal to the deemed fair value of the underlying ordinary shares on such date, as determined by the Company with the assistance of periodic valuations from a third-party valuation firm.

Share-based compensation during the 13 weeks ended April 4, 2021 was recorded in the condensed consolidated statements of operations within general and administrative expense as shown in the following table:

<i>(in thousands)</i>	<u>13 Weeks Ended April 4, 2021</u>
SARs	\$ 1,481
Growth Shares	648
Total share-based compensation expense	<u>2,129</u>
Tax benefit for share-based compensation expense	—
Share-based compensation expense, net of tax	<u>\$ 2,129</u>

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There was no share-based compensation expense recognized during the 13 weeks ended March 29, 2020.

As of April 4, 2021, total compensation expense not yet recognized related to unvested SARs is approximately \$24 million, which is expected to be recognized over a weighted average period of 3.50 years. As of April 4, 2021, total compensation expense not yet recognized related to unvested Growth Shares is approximately \$9 million, which is expected to be recognized over a weighted average period of 3.39 years.

15. Redeemable Preferred Shares

In May 2016, the Company issued 10,000,000, 7% redeemable preferred shares totaling £10 million (\$15 million) to unrelated parties. These shares are redeemable by the holders upon an exit, such as an IPO, or sale of the Company and the cumulative dividends are only paid on redemption. As of April 4, 2021 and January 3, 2021, redemption of the preferred shares was not probable.

On March 31, 2021, the Company issued 12,970,766 senior convertible preference shares (the “Senior Preference Shares”) in an aggregate liquidation preference of \$175 million, or approximately \$13.49 per Senior Preference Share (the “Issuance Price”), to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates (the “Preference Share Investors”). The Company received net proceeds of \$162 million. In addition, the Preference Share Investors granted the Company the right to purchase, at the discretion of the Company at any time up to six months effective from March 31, 2021, 5,558,900 Senior Preference Shares in an aggregate liquidation preference of \$75 million. The Senior Preference Shares rank senior in right of payment and priority to all other classes of shares of the Company and junior in right of payment to all classes of indebtedness of the Company. The Senior Preference Shares accrue a non-cash dividend of 8% per annum on the investment amount of the Senior Preference Shares plus all previously compounded non-cash dividends.

The Senior Preference Shares do not have a stated maturity date but are redeemable for cash at the option of the holder on or after March 31, 2026, provided that the Company has not undergone a qualifying public listing prior to that date. The shares may also be redeemed for cash at any time prior to March 31, 2022 at the option of the Company. The Senior Preference Shares (including accrued dividends) are convertible into C ordinary shares at the option of the holders at any time, at a conversion price of \$13.49 per share. Upon a public listing of the Company’s shares, the Senior Preference Shares (including accrued dividends) will convert into the publicly listed securities based on the lesser of (i) \$13.49 per share, and (ii) the public share offering price multiplied by an agreed upon discount factor. The holders of the Senior Preference Shares are entitled to appoint one non-executive director and one non-voting observer director to the Company’s board and have certain veto rights with respect to shareholder reserved matters. Holders of the Senior Preference Shares are also entitled to vote at general meetings of the Company. The Company received net proceeds of \$162 million and incurred transaction costs of \$13 million related to the Senior Preference Shares. As of April 4, 2021, redemption of the Senior Preference Shares was not probable and, therefore, the Company recorded the shares at their original issuance price and has not accreted the shares to their redemption value.

16. C Ordinary Shares

On August 23, 2019, the Company issued 4,276,347 redeemable C ordinary shares to an unrelated third party for a total subscription price of \$45 million. On the same date, the new investor purchased 475,150 A ordinary shares directly from Mr. Nick Jones for \$5 million; these shares were immediately converted into an equal number of redeemable C ordinary shares. On November 4, 2019, the Company issued an additional 2,181,507 shares to the same investor for \$20 million, resulting in a total of 6,933,004 redeemable C ordinary shares issued and outstanding as of December 29, 2019. The Company received net proceeds of \$63 million and incurred \$5 million of share issuance costs in connection with these transactions.

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On May 19, 2020, the Company issued an additional 9,502,993 redeemable C ordinary shares to a different unrelated third party for a total subscription price of \$100 million, net of discount of \$6 million. The Company received net proceeds of \$94 million and incurred \$1 million of share issuance costs in connection with this issuance. The Company recorded the redeemable C ordinary shares as mezzanine equity as a result of the redemption provision described below.

An investor option was provided in conjunction with the redeemable C ordinary shares issued on May 19, 2020. From May 19, 2020 until March 19, 2021, the unrelated investor was given the right to purchase additional shares of up to \$50 million at a price of \$10.523 per share. In March 2021, the investor option was exercised for the full \$50 million, net of a discount of \$3 million, and the Company issued an additional 4,751,497 redeemable C ordinary shares. The Company received net proceeds of \$47 million and did not incur material share issuance costs in the connection with this issuance. As a result, the Company had 21,187,494 redeemable C ordinary shares issued and outstanding as of April 4, 2021.

Upon meeting certain conditions, the holders of the redeemable C ordinary shares described above have the option to redeem all of the shares between October 1, 2023 and March 31, 2024 with respect to the shares issued in August 2019 or between August 23, 2023 and February 23, 2024 with respect to the shares issued in May 2020 and March 2021, provided that the Company has not completed a public listing of its shares prior to the beginning of the respective redemption period. The redemption amount is determined using a 5% stated rate of return on the holders' aggregate subscription price, calculated for the period between August 23, 2019 (or May 19, 2020 for the subsequent issuance) and the redemption date. As of April 4, 2021, redemption of the redeemable C ordinary shares was not probable and, therefore, the Company recorded the shares at their original issuance price and has not accreted the shares to their redemption value.

On December 8, 2020, Mr. Nick Jones sold certain of his A ordinary shares to an unrelated third party and as a condition of the transaction, the A ordinary shares were converted into 1,710,546 C ordinary shares. Unlike the previously issued redeemable C ordinary shares described above, the investor does not have the right to redeem these converted C ordinary shares. Therefore, 1,710,546 of the total C ordinary shares outstanding as of April 4, 2021 and January 3, 2021 are classified as permanent equity instead of mezzanine equity.

17. Loss Per Share and Shareholders' Deficit

The Company has issued four classes of shares. Holders of A ordinary shares (par value of £1) are entitled to one vote for each A ordinary share held. Each A ordinary shareholder is entitled *pari passu* to dividend payments or any other distributions.

B ordinary shareholders are entitled to income rights in proportion to the A ordinary shareholders based on the number of shares held only after £167 million (\$230 million, translated using the exchange rate on April 4, 2021) has been returned in aggregate to the holders of A ordinary shares, the C ordinary shares and the C2 ordinary shares.

As described in Note 16, C Ordinary Shares, in August and November 2019, the Company issued 6,933,004 redeemable C ordinary shares (par value of £1) to the same unrelated third party in two separate transactions. The Company issued an additional 9,502,993 and 4,751,497 redeemable C ordinary shares (par value of £1) to a separate unrelated third party in May 2020 and March 2021, respectively. The holders of redeemable C ordinary shares are entitled to one vote for each share held. In addition, so long as certain conditions are met, each of the investors will be entitled to appoint one non-executive director and one non-voting observer director to the Company's board and will also have certain veto rights with respect to a sale of the Company prior to August 23, 2024. All redeemable C ordinary shares are entitled to dividend payments or any other distributions on a *pari passu* basis with other classes of ordinary shares. Upon a

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public listing of the Company's shares, the redeemable C ordinary shares will convert into the same class of shares as the A ordinary shares on a 1:1 basis, subject to certain anti-dilution protection, whereby the holders of the redeemable C ordinary shares will receive additional shares if the value of the as-converted redeemable C ordinary shares is less than the investors' initial subscription price.

Separate from the redeemable C ordinary shares discussed above, in December 2020, the Company converted 1,710,546 A ordinary shares into 1,710,546 C ordinary shares which are not redeemable by the Company. These C ordinary shares do not have any voting or veto rights. The shares are entitled to dividend payments or any other distributions on a pari passu basis with other classes of ordinary shares. Upon a public listing of the Company's shares, the C ordinary shares will convert into the same class of shares as the A ordinary shares on a 1:1 basis, subject to certain anti-dilution protection, whereby the holders of the C ordinary shares will receive additional shares if the value of the as-converted C ordinary shares is less than the investors' initial purchase price.

In December 2019, the Company issued 3,326,048 of non-voting C2 ordinary shares with par value of £1 to an unrelated third party. The Company received \$15 million from the third-party investor during the fiscal year ended December 30, 2018, prior to the legal issuance of C2 ordinary shares. The Company incurred \$1 million of share issuance costs in connection with this transaction. The C2 ordinary shares are entitled to dividend payments or any other distributions on a pari passu basis with other classes of ordinary shares.

In August 2020, the Company established its 2020 Equity and Incentive Plan, under which employees received SARs and Growth Shares which will be settled in D ordinary shares (par value of £0.0001). As of April 4, 2021, there are 2,850,897 D ordinary shares issued and outstanding. Any additional D ordinary shares may be issued only pursuant to the Plan or any other approved incentive plans of the Company. The D ordinary shares do not have any voting rights. D ordinary shareholders are entitled to income and distribution rights in proportion to the A ordinary, B ordinary, C ordinary and C2 ordinary shareholders based on the number of shares held only after \$1,800 million has been returned to the holders of all other classes of ordinary shares.

The Company computes loss per share of A ordinary shares, B ordinary shares, C ordinary shares, and C2 ordinary shares using the two-class method.

The table below illustrates the reconciliation of the loss and the number of shares used in the calculations of basic and diluted loss per share:

	13 Weeks Ended April 4, 2021			
	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares
<i>(in thousands except share and per share amounts)</i>				
Computation of basic and diluted loss per share				
Net loss attributable to Soho House Holdings Limited	\$ (77,280)	\$ (2,074)	\$ (9,582)	\$ (1,543)
Less: Cumulative preferred shares undeclared dividends	(3,837)	(103)	(476)	(77)
Net loss adjusted for preferred shares dividends	\$ (81,117)	\$ (2,177)	\$ (10,058)	\$ (1,620)
Weighted average shares outstanding for basic and diluted earnings per share	166,575,991	4,469,417	20,652,827	3,326,048
Basic and diluted loss per share	\$ (0.49)	\$ (0.49)	\$ (0.49)	\$ (0.49)

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	13 Weeks Ended March 29, 2020			
	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares
<i>(in thousands except share and per share amounts)</i>				
Computation of basic and diluted loss per share				
Net loss attributable to Soho House Holdings Limited	\$ (40,078)	\$ (1,078)	\$ (1,673)	\$ (802)
Less: Cumulative preferred shares undeclared dividends	(3,286)	(88)	(137)	(66)
Net loss adjusted for preferred shares dividends	\$ (43,364)	\$ (1,166)	\$ (1,810)	\$ (868)
Weighted average shares outstanding for basic and diluted earnings per share	166,110,113	4,469,417	6,933,004	3,326,048
Basic and diluted loss per share	\$ (0.26)	\$ (0.26)	\$ (0.26)	\$ (0.26)

The net loss attributable to the Company in calculating basic and diluted EPS is adjusted for cumulative undeclared dividends on the May 2016 preferred shares. The redemption of these cumulative preferred shares was not probable as of the balance sheet date, as there was no expected change of control of the Company.

The loss per share calculations for the 13 weeks ended April 4, 2021 and March 29, 2020 exclude additional shares that would be issuable to the holders of redeemable C ordinary shares in the event of a public listing that resulted in the value of the redeemable C ordinary shares being less than the investor's initial subscription price, because the impact of including such additional shares would be anti-dilutive. In addition, the loss per share calculation for the 13 weeks ended April 4, 2021 excludes: (i) D ordinary shares, as the related Growth Shares have not yet vested and the inclusion of D ordinary shares in diluted loss per share would be anti-dilutive; and (ii) additional shares that would be issuable to the holder of the Senior Preference Shares if such shares were converted into C ordinary shares at the option of the holder, because the impact of including such additional shares would be anti-dilutive.

18. Commitments and Contingencies

Litigation Matters

The Company is not a party to any litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's condensed consolidated financial statements.

Commitments and Contingencies

In connection with the closure of Houses across the world beginning on March 14, 2020, the Company in its discretion issued membership credits to members to be redeemed for certain Soho House products and services. Membership credits were issued as a one-time goodwill gesture deemed to be a marketing offer to members, and were initially set to expire on December 31, 2020. The liability associated with the membership credits is derecognized based on the usage of credits and the cost of the inventory or services to fulfill the Company's obligation to its members; this liability is classified within other current liabilities on the Company's condensed consolidated balance sheet. In December 2020, the Company made the decision

Soho House Holdings Limited

Notes to Condensed Consolidated Financial Statements (Unaudited)

in its discretion to extend the expiration date to June 30, 2021 as a result of the continuing impact of the COVID-19 pandemic, resulting in a significant number of the Houses remaining closed or operating at a reduced capacity for longer periods than the Company originally expected. In March 2021, the Company decided in its discretion to further extend the expiration date to September 30, 2021. The Company simultaneously adjusted its obligation based on its best estimate of the cost to be incurred. The maximum cost the Company could incur is approximately \$26 million, however this is highly unlikely and the liability recorded reflects management's best estimate of the redemption rate applied to the membership credits issued. The redemption rate is based on the Company's cumulative experience to-date. Accordingly, an estimated liability of \$15 million and \$12 million was accrued as of April 4, 2021 and January 3, 2021, respectively. There are associated marketing expenses of \$3 million and zero that were incurred during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively, which are included within other expense in the condensed consolidated statements of operations.

On December 7, 2017, 139 Ludlow Acquisition LLC entered into a loan agreement with Natixis Real Estate Capital LLC. The borrower is a joint venture owned in equal thirds by Soho 139 Holdco, LLC (an entity controlled by the Company) and its two partners. Pursuant to the loan agreement, the lender advanced \$33.5 million, the bulk of which proceeds were used to extinguish and refinance the borrower's previous mortgage loan with Centennial Bank. The loan is secured with a first priority mortgage and security interest on the real property known as 139 Ludlow Street, New York (including an assignment of leases and rents and other customary mortgage documents).

The loan is generally "non-recourse", but subject to standard "carve-outs" for which US AcquireCo, Inc. (a wholly-owned subsidiary of the Company) and its joint venture partners (the "Guarantors") provided a guarantee of recourse obligations, pursuant to which such Guarantors are jointly and severally obligated to pay (without any cap or limit) the amounts of any actual loss, damage, cost, expense, liability, claim or other obligation incurred by the lender.

In August 2014, the Company entered into a security arrangement with regards to Raycliff Red LLP's (a VIE's) £4 million (\$7 million) bank loan to redevelop a property into an overflow location for Shoreditch House hotel rooms in the United Kingdom. In May 2016, the VIE extended the existing loan to £10 million (\$15 million) to, inter alia, purchase an adjoining property that was redeveloped as an overflow location for Shoreditch House hotel rooms. In May 2017, the VIE extended the existing loan to £20 million (\$26 million). In July 2018, the facility was extended by a further £0.4 million (\$0.5 million). The Company has provided security in respect of the loan by granting the lender a charge over its membership interest in the VIE. The security will remain in effect until the VIE's bank loan is repaid in full to the lender. In October 2019, the VIE entered into a term loan facility agreement with a new lender, the proceeds of which were used to repay the previous bank loan. The outstanding balance of the VIE's term loan was £21 million (\$30 million) and £21 million (\$29 million) as of April 4, 2021 and January 3, 2021, respectively. The Company has provided security in respect of the term loan by granting the lender a charge over its membership interest in the VIE. The security will remain in effect until the VIE's term loan is repaid in full to the lender.

In January 2014, the Company committed to invest €10 million (\$14 million) in Soho House Barcelona, for the entity to redevelop a property into Soho House Barcelona in Spain. As of January 1, 2017, the Company had advanced €10 million (\$10 million) of its commitment, of which €5 million (\$5 million) was in cash and €5 million (\$5 million) was in the form of a convertible loan (which converted to shares on November 30, 2016). The cash loan matured on September 30, 2019 and was converted into shares in December 2019. Following its redevelopment, the Company began operating the property in October 2016 and has agreed to meet certain performance targets in the first five years of operations. If unmet, the Company must cure any performance shortfall for a maximum exposure of €4.4 million (\$5 million) in 2019 and adjusted for inflation every year thereafter.

Soho House Holdings Limited

Notes to Condensed Consolidated Financial Statements (Unaudited)

On November 18, 2016, an existing mortgage loan over the property was novated by the VIE to Banca March, and extended to a total commitment of €18 million (\$19 million). This loan was further extended to a total commitment of €39.5 million (\$45 million) on March 21, 2019, and a portion of the proceeds was used to redeem an existing €18 million (\$20 million) mezzanine facility from Orca Finance and Invest Ltd to Mirador Barcel S.L. The Banca March loan is secured by way of mortgage over the Soho House Barcelona.

On June 19, 2013, the Company entered into an operating agreement with an unrelated third party to operate a property in Istanbul as Soho House Istanbul. Under the operating agreement, the Company has agreed to meet certain performance targets from the second operating year, which commenced in March 2015. The performance targets are subject to annual index increases of 2.5%. If the performance targets are not met, the Company must cure any performance shortfall up to a maximum exposure of €3 million (\$4 million) in any given year. To date, the Company considers that the performance targets have not been applicable on the basis that a force majeure event has occurred and been ongoing pursuant to the terms and conditions of the operating agreement.

In June 2018, the Company issued a Letter of Guarantee, secured by The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, in place of a cash deposit totaling HKD 40.6 million (\$5 million) to the landlord of Soho House Hong Kong in connection with the lease of the property. Subject to certain criteria, the bank guarantee reduces annually to HKD 32.4 million (\$4 million) on the first anniversary of the Letter of Guarantee and HKD 24.3 million (\$3 million) on the second anniversary. In addition, in June 2018, Soho House (Hong Kong) Limited drew down \$6.5 million pursuant to a loan agreement with Bright Success Investment Limited dated July 12, 2017 (as amended June 1, 2018 and March 7, 2019).

Certain subsidiaries of the Company guarantee the obligations of Soho Restaurants Limited (and its subsidiaries) under eight property leases (the “Soho Restaurants Guarantees”) with respect to any required rental or other payments under these guaranteed leases. The Soho Restaurants Guarantees are historical lease guarantees that have remained in place following the spin out of Soho Restaurants Limited from the Company in December 2017. The lease guarantees are all full lease term guarantees. The maximum exposure under these guarantees is \$1 million in any given year. While the Company incurred operational expenses supporting Soho Restaurants Limited, prior to its consolidation of this entity, the Company has not made any guarantee payments nor has it become obligated to make any payments pursuant to any Soho Restaurants Guarantees.

The Company believes the likelihood of having to perform under the aforementioned operations performance and lease guarantees was remote as of April 4, 2021 and January 3, 2021.

Capital Commitments

As of April 4, 2021, capital expenditure commitments contracted for but not yet incurred total \$9 million and are related primarily to construction and site improvement costs for Soho House Austin. As of January 3, 2021, capital expenditure commitments contracted for but not yet incurred total \$1 million and are related primarily to Soho House Hong Kong.

19. Income Taxes

For the 13 weeks ended April 4, 2021, there have been no material changes in the Company’s estimates or provisions for income taxes; unrecognized tax benefits (including amounts that, if realized, would affect the estimated annual effective tax rate); positions for which it is reasonably possible that the total amount of uncertain tax benefits will significantly increase or decrease within the next 12 months; or tax years that remain subject to examination by the tax authorities.

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

For the 13 weeks ended April 4, 2021, there have been no material changes in the Company's estimates or provisions for income taxes recorded in the balance sheet. The Company has generated incremental deferred tax assets relating to tax losses and excess interest based on the results for the 13 weeks ended April 4, 2021. Full valuation allowances have been recorded against the incremental deferred tax assets recognized. The level of unrecognized tax benefits has increased by \$1 million in the 13 weeks ended April 4, 2021. There is no impact on the Company's effective tax rate for the 13 weeks ended April 4, 2021 as there is a corresponding reduction in the valuation allowance applied for the period.

The effective tax rate for the 13 weeks ended April 4, 2021 was 0.88%, compared to 0.23% for the 13 weeks ended March 29, 2020. The effective income tax rate for the 13 weeks ended April 4, 2021 differs from the UK statutory rate of 19% primarily due to a full valuation allowance being recorded against the tax losses and other deferred tax assets generated in the periods ended April 4, 2021 and March 29, 2020.

20. Segments

The Company's core operations comprise of Houses and restaurants across a number of territories, which are managed on a geographical basis. There is a segment managing director for each of the UK, North America, and Europe and Rest of the World ("RoW") who is responsible for Houses, hotels and restaurants in that region. Each operating segment manager reports directly to the Company's Chief Operating Decision Maker ("CODM"), the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and President combined. In addition to Houses and restaurants, the Company offers other products and services, such as retail, home & beauty products and services, which comprise its Retail, Home & Beauty operating segment. The Company also provides build-out and design services, which comprise its Soho House Design operating segment. The Retail, Home & Beauty and Soho House Design operating segments also have segment managers which report directly to the CODM and are managed separately from the Houses and hotels in each region.

The Company has identified the following four reportable segments:

- UK,
- North America,
- Europe and RoW,
- Soho House Design ("SHD").

The Company analyzed the results of the Retail, Home & Beauty and Soho Works operating segments and concluded that they did not warrant separate presentation as reportable segments as they do not provide additional useful information to the readers of the financial statements. Therefore, these segments are included as part of an "All Other" category.

Intercompany revenue and costs among the reportable segments are not material and accounted for as if the sales were to third parties because these items are based on negotiated fees between the segments involved. All intercompany transactions and balances are eliminated in consolidation. Intercompany revenue and costs between entities within a reportable segment are eliminated to arrive at segment totals. Segment revenue includes revenue of certain equity method investments, which are considered standalone operating segments, which are therefore not included in revenue as part of these condensed consolidated financial statements. Eliminations between segments are separately presented. Corporate results include amounts related to Corporate functions such as administrative costs and professional fees. Income tax expense is managed by Corporate on a consolidated basis and is not allocated to the reportable segments.

The Company manages and assesses the performance of the reportable segments by adjusted EBITDA, which is defined as net income (loss) before depreciation and amortization, interest expense, net, provision

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

(benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that the Company does not consider in its evaluation of ongoing operating performance. These other items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, pre-opening expenses, non-cash rent, deferred registration fees, net, share of equity method investments adjusted EBITDA, and share-based compensation expense.

The following tables present disaggregated revenue for the 13 weeks ended April 4, 2021 and March 29, 2020 and the key financial metrics reviewed by the CODM for the Company's reportable segments:

<i>(in thousands)</i>	13 Weeks Ended April 4, 2021						
	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Membership revenues	\$21,258	\$13,618	\$ 5,085	\$ —	\$ 39,961	\$ 2,501	\$ 42,462
In-House revenues	14,256	60	2,425	—	16,741	—	16,741
Other revenues	7,987	771	24	4,353	13,135	6,707	19,842
Total segment revenue	43,501	14,449	7,534	4,353	69,837	9,208	79,045
Elimination of equity accounted revenue	(5,069)	(37)	(1,538)	—	(6,644)	—	(6,644)
Consolidated revenue	\$38,432	\$14,412	\$ 5,996	\$4,353	\$ 63,193	\$ 9,208	\$ 72,401

<i>(in thousands)</i>	13 Weeks Ended March 29, 2020						
	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Membership revenues	\$27,428	\$14,465	\$ 5,695	\$ —	\$ 47,588	\$3,009	\$ 50,597
In-House revenues	32,590	26,022	13,073	—	71,685	—	71,685
Other revenues	9,432	9,422	78	5,044	23,976	6,800	30,776
Total segment revenue	69,450	49,909	18,846	5,044	143,249	9,809	153,058
Elimination of equity accounted revenue	(5,651)	(1,280)	(4,575)	—	(11,506)	—	(11,506)
Consolidated revenue	\$63,799	\$48,629	\$ 14,271	\$5,044	\$ 131,743	\$9,809	\$ 141,552

Revenue recognized from Soho House Design totaled \$4 million and \$5 million for the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. During the fiscal year ended December 29, 2019, Soho House Design ceased providing build-out services as a result of the Company's decision to shift strategic focus to the higher-margin design services. Some of SHD's build-out services are provided as part of the Company's in-house development activities (including to certain related parties as described in Note 21, Related Parties), which do not generate revenues from third parties.

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following tables present the reconciliation of reportable segment adjusted EBITDA to total consolidated segment revenue and the reconciliation of net loss to adjusted EBITDA:

	13 Weeks Ended April 4, 2021						
(In thousands)	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 38,432	\$ 14,412	\$ 5,996	\$ 4,353	\$ 63,193	\$ 9,208	\$ 72,401
Total segment operating expenses	(33,023)	(14,472)	(7,600)	(6,951)	(62,046)	(11,120)	(73,166)
Share of equity method investments adjusted EBITDA	906	(114)	79	—	871	—	871
Reportable segments adjusted EBITDA	6,315	(174)	(1,525)	(2,598)	2,018	(1,912)	106
Unallocated corporate overhead							(7,420)
Consolidated adjusted EBITDA							(7,314)
Depreciation and amortization							(17,845)
Interest expense, net							(29,604)
Income tax benefit							823
Share of loss of equity method investments							(696)
Foreign exchange ⁽¹⁾							(14,867)
Pre-opening expenses ⁽²⁾							(4,825)
Non-cash rent							(10,423)
Deferred registration fees, net							399
Share of equity method investments adjusted EBITDA							(871)
Share-based compensation expense							(2,129)
Other expenses, net ⁽³⁾							(5,685)
Net loss							<u><u>\$ (93,037)</u></u>

(1) Includes the effect of a prior-period error correction, as discussed in Note 2, Summary of Significant Accounting Policies—Basis of Presentation.

(2) The entire balance of these costs is related to pre-opening activities for our Houses.

Soho House Holdings Limited
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- (3) Represents other items included in operating expenses, which are outside the normal scope of the Company's ordinary activities or non-cash, including expenses incurred in respect of membership credits of \$3 million.

	13 Weeks Ended March 29, 2020						
<i>(In thousands)</i>	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 63,799	\$ 48,629	\$ 14,271	\$ 5,044	\$ 131,743	\$ 9,809	\$ 141,552
Total segment operating expenses	(51,613)	(43,961)	(17,215)	(4,606)	(117,395)	(9,773)	(127,168)
Share of equity method investments adjusted EBITDA	815	(22)	417	—	1,210	—	1,210
Reportable segments adjusted EBITDA	13,001	4,646	(2,527)	438	15,558	36	15,594
Unallocated corporate overhead							(8,858)
Consolidated adjusted EBITDA							6,736
Depreciation and amortization							(14,949)
Interest expense, net							(17,756)
Income tax benefit							103
Gain on sale of property and other, net							1
Share of loss of equity method investments							(176)
Foreign exchange							(391)
Pre-opening expenses ⁽¹⁾							(5,687)
Non-cash rent							(7,896)
Deferred registration fees, net							(1,685)
Share of equity method investments adjusted EBITDA							(1,210)
Other expenses, net							(2,070)
Net loss							\$ (44,980)

- (1) The entire balance of these costs is related to pre-opening activities for our Houses.

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

<i>(in thousands)</i>	13 Weeks Ended	
	April 4, 2021	March 29, 2020
Net loss	\$ (93,037)	\$ (44,980)
Depreciation and amortization	17,845	14,949
Interest expense, net	29,604	17,756
Income tax benefit	(823)	(103)
EBITDA	(46,411)	(12,378)
Gain on sale of property and other, net	—	(1)
Share of loss from equity method investments	696	176
Foreign exchange	14,867	391
Pre-opening expenses	4,825	5,687
Non-cash rent	10,423	7,896
Deferred registration fees, net	(399)	1,685
Share of equity method investments adjusted EBITDA	871	1,210
Share-based compensation expense, net of tax	2,129	—
Other expenses, net	5,685	2,070
Adjusted EBITDA	\$ (7,314)	\$ 6,736

The following table presents long-lived asset information (which includes property and equipment, net, operating lease right-of-use assets and equity method investments) by geographic area as of April 4, 2021 and January 3, 2021. Asset information by segment is not reported internally or otherwise regularly reviewed by the CODM.

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Long-lived assets by geography		
United Kingdom	\$ 566,935	\$ 567,093
North America	760,164	760,864
All other foreign countries	320,157	327,582
Total long-lived assets	\$ 1,647,256	\$ 1,655,539

21. Related Party Transactions

In 2017, Soho Works Limited entered into a term loan facility agreement with two individuals who are the holders of the Company's redeemable preferred shares. In December 2019, Soho Works Limited drew £11 million (\$14 million) under this facility. For additional information, refer to Note 12, Debt—Related Party Loans.

In 2013, 2016, 2018, and 2019, the Company entered into certain loans with its existing shareholders, affiliates of The Yucaipa Companies, LLC, Richard Caring and Nick Jones. These loans have been repaid or converted into ordinary shares of the Company as of January 3, 2021. For additional information, refer to Note 12, Debt—Related Party Loans.

In June 2019, Soho House Limited made an interest free loan of less than \$1 million to Nick Jones. The loan is due on demand and was outstanding as of April 4, 2021. The loan was repaid on April 15, 2021, as described in Note 22—Subsequent Events.

In 2016, Soho Works Limited, a consolidated VIE, entered into an agreement to lease a property under construction by the landlord with Store Holding Group Ltd, a wholly-owned subsidiary of the

Soho House Holdings Limited
Notes to Condensed Consolidated Financial Statements (Unaudited)

noncontrolling interest holders of SWL. The handover of six floors of the leased property occurred on a floor-by-floor basis upon substantial completion of landlord improvements, resulting in multiple lease commencement dates in 2019. Lease commencement for the remaining four floors commenced during 2020 upon substantial completion of landlord improvements. The operating lease asset and liability associated with this lease are \$101 million and \$124 million as of April 4, 2021, respectively, and \$100 million and \$120 million as of January 3, 2021, respectively. Rent expense associated with this lease totaled \$1 million and \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

The amounts owed by (to) equity method investees due within one year are as follows:

<i>(in thousands)</i>	April 4, 2021	January 3, 2021
Soho House Toronto Partnership	\$ (1,763)	\$ (1,787)
Soho House—Cipura (Miami), LLC	2,325	1,427
Raycliff Red LLP	(2,114)	(684)
Mirador Barcel S.L.	702	773
Little Beach House Barcelona S.L.	60	1
Mimea XXI S.L.	202	149
	<u>\$ (588)</u>	<u>\$ (121)</u>

Amounts owed by equity method investees due within one year are included in prepaid expenses and other current assets on the condensed consolidated balance sheets. Amounts owed to equity method investees due within one year are included in other current liabilities on the condensed consolidated balance sheets.

The Company is party to a property lease arrangement with The Yucaipa Companies LLC. The operating lease asset and liability associated with this lease are \$12 million and \$17 million as of April 4, 2021, respectively, and \$12 million and \$17 million as of January 3, 2021, respectively. Rent expense associated with this lease totaled \$1 million and \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

Through Soho-Ludlow Tenant LLC, the Company is a party to a property lease agreement dated May 3, 2019 for 137 Ludlow Street, New York with Ludlow 137 Holdings LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 22 years until April 20, 2041, with options to extend for three additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were \$9 million, \$15 million, respectively, as of April 4, 2021 and \$9 million and \$15 million, respectively, as of January 3, 2021. The rent expense associated with this lease was less than \$1 million and less than \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

The Company leases the Ludlow property from 139 Ludlow Acquisition LLC, an equity method investee. This is a 25-year lease that commenced May 1, 2016. The operating lease right-of-use asset and liability associated with this lease were \$30 million and \$34 million, respectively, as of April 4, 2021 and \$31 million and \$34 million, respectively, as of January 3, 2021. The rent expense associated with this lease was \$1 million and \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

Soho House-Sydell, LLP received management fees, development fees and cost reimbursements from The Ned totaling less than \$1 million and \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

The Company recognized income from the sale of products and Soho House Design services to The Ned of less than \$1 million and less than \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. As of April 4, 2021 and January 3, 2021, an amount of \$1 million and \$1 million, respectively, was due from The Ned to the Company related to these products and services.

Soho House Holdings Limited

Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company recognized reimbursement of costs in respect of services provided to a related party totaling less than \$1 million and less than \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively.

Revenues from Soho House Design services to various joint ventures totaled \$1 million and \$3 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. In addition, revenue from Soho House Design services to owners of the Company totaled less than \$1 million and less than \$1 million during the 13 weeks ended April 4, 2021 and March 29, 2020, respectively. As of April 4, 2021 and January 3, 2021, an amount of \$2 million and \$2 million, respectively, was due from owners of the Company.

In return for arranging, and providing financial and transaction advisory services in connection with, the issuance of the Senior Secured Notes and the Senior Preference Shares as described in Note 12, Debt, and Note 15, Redeemable Preferred Shares, respectively, an affiliate of Yucaipa Companies LLC received a fee in an aggregate amount of \$10 million pursuant to a fee letter arrangement with the Company dated March 23, 2021.

22. Subsequent Events

C2 Ordinary Shares

The Company issued an additional 5,294,770 C2 ordinary shares in exchange for acquiring shareholdings of certain joint ventures and non-controlling interests not held by the Company.

Repayment of Director Loans

In April 2021, all director loans that were outstanding were repaid to the Company following the period end.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Soho House Holdings Limited
Jersey, Channel Islands

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Soho House Holdings Limited (the “Company”) as of January 3, 2021, December 29, 2019, and December 30, 2018, the related consolidated statements of operations, comprehensive (loss) income, changes in redeemable shares and shareholders’ (deficit) equity, and cash flows for the 53-week period ended January 3, 2021 and each of the 52-week periods ended December 29, 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 3, 2021, December 29, 2019 and December 30, 2018, and the results of its operations and its cash flows for the 53-week period ended January 3, 2021 and each of the 52 week periods ended December 29, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO LLP

BDO LLP

We have served as the Company’s auditor since 2008.

London, United Kingdom

April 7, 2021

Soho House Holdings Limited
Consolidated Balance Sheets
As of January 3, 2021, December 29, 2019 and December 30, 2018

<i>(in thousands, except for par value and share data)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Assets			
Current assets			
Cash and cash equivalents	\$ 52,887	\$ 44,050	\$ 47,748
Restricted cash	7,083	12,265	23,709
Accounts receivable, net	9,659	21,837	22,420
Inventories	22,551	28,472	18,779
Prepaid expenses and other current assets	43,563	40,948	50,058
Total current assets	135,743	147,572	162,714
Property and equipment, net	669,650	589,723	470,690
Operating lease assets	961,787	901,772	567,511
Goodwill	201,482	191,177	123,208
Other intangible assets, net	107,844	106,711	92,200
Equity method investments, net	24,102	24,850	15,789
Deferred tax assets	377	127	466
Other non-current assets	3,460	3,045	2,529
Total non-current assets	1,968,702	1,817,405	1,272,393
Total assets	<u>\$ 2,104,445</u>	<u>\$ 1,964,977</u>	<u>\$ 1,435,107</u>
Liabilities, Redeemable Shares and Shareholders' Deficit			
Current liabilities			
Accounts payable	\$ 61,540	\$ 45,387	\$ 43,386
Accrued liabilities	61,117	62,355	61,459
Current portion of deferred revenue	66,420	63,021	52,737
Indirect and employee taxes payable	15,743	16,664	14,569
Current portion of debt, net of debt issuance costs	82,302	50,224	43,603
Current portion of property mortgage loans	—	—	65,310
Current portion of related party loans	611	22,579	12,697
Current portion of operating lease liabilities—sites trading less than one year	605	4,080	2,006
Current portion of operating lease liabilities—sites trading more than one year	26,036	15,371	10,452
Current portion of financing obligation	—	889	—
Other current liabilities	38,584	22,069	30,692
Total current liabilities	352,958	302,639	336,911
Debt, net of current portion and debt issuance costs	581,080	498,489	424,028
Property mortgage loans, net of current portion and debt issuance costs	114,798	114,100	—
Related party loans, net of current portion and imputed interest	17,595	14,264	19,905
Operating lease liabilities, net of current portion—sites trading less than one year	68,708	395,029	257,720
Operating lease liabilities, net of current portion—sites trading more than one year	994,849	566,598	342,000
Finance lease liabilities	73,558	70,345	67,883

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Balance Sheets
As of January 3, 2021, December 29, 2019 and December 30, 2018

<i>(in thousands, except for par value and share data)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Financing obligation, net of current portion	74,161	69,208	48,287
Deferred revenue, net of current portion	23,959	22,306	16,187
Deferred tax liabilities	1,299	2,277	—
Other non-current liabilities	368	9,575	—
Total non-current liabilities	<u>1,950,375</u>	<u>1,762,191</u>	<u>1,176,010</u>
Total liabilities	<u>2,303,333</u>	<u>2,064,830</u>	<u>1,512,921</u>
Commitments and contingencies (Note 18)			
Redeemable preferred shares	14,700	14,700	29,700
Redeemable C ordinary shares, £1 par value, 25,000,000 shares authorized, 16,435,997 shares issued and outstanding as of January 3, 2021, and 15,000,000 shares authorized, 6,933,004 shares issued and outstanding as of December 29, 2019 (Note 16)	160,405	67,416	—
Shareholders' deficit			
A ordinary shares, £1 par value, 168,286,537 A shares authorized, 166,575,991 issued and outstanding as of January 3, 2021, 166,585,263 A shares authorized, 166,110,113 issued and outstanding as of December 29, 2019 and 166,585,263 A shares authorized, issued and outstanding at December 30, 2018; B ordinary shares, £0.0001 par value, 4,469,417 B shares authorized, issued, and outstanding as of January 3, 2021, December 29, 2019 and December 30, 2018; C ordinary shares, £1 par value, 1,710,546 C ordinary shares authorized, issued and outstanding as of January 3, 2021; C2 ordinary shares, £1 par value, 3,326,048 C2 shares authorized, issued and outstanding as of January 3, 2021 and December 29, 2019; D ordinary shares, £0.0001 par value, 3,991,256 D shares authorized, 2,850,897 D shares issued and outstanding as of January 3, 2021 (Note 14, Note 16 and Note 17)	265,181	262,532	258,804
Additional paid-in capital	72,755	48,461	22,930
Accumulated deficit	(757,103)	(528,642)	(400,536)
Accumulated other comprehensive (loss) income	(13,257)	26	9,231
Total shareholders' deficit attributable to Soho House Holdings Limited	<u>(432,424)</u>	<u>(217,623)</u>	<u>(109,571)</u>
Noncontrolling interest	58,431	35,654	2,057
Total shareholders' deficit	<u>(373,993)</u>	<u>(181,969)</u>	<u>(107,514)</u>
Total liabilities, redeemable preferred and ordinary shares, and shareholders' deficit	<u>\$2,104,445</u>	<u>\$ 1,964,977</u>	<u>\$ 1,435,107</u>

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Operations
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

<i>(in thousands except for per share data)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Revenues			
Membership revenues	\$ 176,910	\$ 167,582	\$ 134,060
In-House revenues	126,774	312,330	271,392
Other revenues	80,692	162,123	169,853
Total revenues	<u>384,376</u>	<u>642,035</u>	<u>575,305</u>
Operating expenses			
In-House operating expenses (exclusive of depreciation and amortization)	(220,036)	(379,985)	(310,923)
Other operating expenses (exclusive of depreciation and amortization)	(109,251)	(144,455)	(147,776)
General and administrative expenses	(74,954)	(75,506)	(62,443)
Pre-opening expenses	(21,058)	(23,437)	(20,323)
Depreciation and amortization	(69,802)	(57,139)	(48,387)
Other	(44,005)	(20,371)	(17,838)
Total operating expenses	<u>(539,106)</u>	<u>(700,893)</u>	<u>(607,690)</u>
Operating loss	<u>(154,730)</u>	<u>(58,858)</u>	<u>(32,385)</u>
Other (expense) income			
Business interruption income	—	—	650
Interest expense, net	(77,792)	(64,108)	(57,700)
Gain (loss) on sale of property and other, net	98	(1,340)	(639)
Share of (loss) profit of equity method investments	(3,627)	774	270
Total other expense, net	<u>(81,321)</u>	<u>(64,674)</u>	<u>(57,419)</u>
Loss before income taxes	<u>(236,051)</u>	<u>(123,532)</u>	<u>(89,804)</u>
Income tax benefit (expense)	776	(4,468)	(43)
Net loss	<u>(235,275)</u>	<u>(128,000)</u>	<u>(89,847)</u>
Net loss (income) attributable to noncontrolling interest	6,814	258	(1,509)
Net loss attributable to Soho House Holdings Limited	<u>\$(228,461)</u>	<u>\$ (127,742)</u>	<u>\$ (91,356)</u>
Net loss per share attributable to A ordinary, B ordinary, C ordinary, and C2 ordinary shareholders—			
Basic and diluted	\$ (1.24)	\$ (0.76)	\$ (0.56)

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Comprehensive Loss
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Net loss	<u>\$ (235,275)</u>	<u>\$ (128,000)</u>	<u>\$ (89,847)</u>
Other comprehensive (loss) income			
Foreign currency translation adjustment	<u>(13,283)</u>	<u>(9,205)</u>	<u>9,408</u>
Comprehensive loss	<u>(248,558)</u>	<u>(137,205)</u>	<u>(80,439)</u>
Loss (income) attributable to noncontrolling interest	<u>6,814</u>	<u>258</u>	<u>(1,509)</u>
Foreign currency translation adjustment attributable to noncontrolling interest	<u>(122)</u>	<u>(47)</u>	<u>(3)</u>
Total comprehensive loss attributable to Soho House Holdings Limited	<u>\$ (241,866)</u>	<u>\$ (136,994)</u>	<u>\$ (81,951)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Changes in Redeemable Shares and Shareholders' Deficit
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

(in thousands except for share data)	Redeemable Preferred Shares		Redeemable C Ordinary Shares		Ordinary Shares										Total Shareholders' Deficit Attributable to Soho House Holdings Limited	Noncontrolling Interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares	D Ordinary Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income				
As of January 1, 2018	10,000,100	\$ 29,700	—	\$ —	166,585,263	4,469,417	—	—	—	\$ 258,804	\$ 22,930	\$ (307,905)	\$ (174)	\$ (26,345)	\$ (215)	\$ (2)	
Net (loss) income	—	—	—	—	—	—	—	—	—	—	—	(91,356)	—	(91,356)	1,509	(8)	
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,478)	(1)	
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,238	(1)	
Dividends paid on redeemable preferred shares	—	—	—	—	—	—	—	—	—	—	—	(1,275)	—	(1,275)	—	(1)	
Net change in cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	9,405	9,405	3	(1)	
As of December 30, 2018	10,000,100	\$ 29,700	—	\$ —	166,585,263	4,469,417	—	—	—	\$ 258,804	\$ 22,930	\$ (400,536)	\$ 9,231	\$ (109,571)	\$ 2,057	\$ (10)	
Net loss	—	—	—	—	—	—	—	—	—	—	—	(127,742)	—	(127,742)	(258)	(12)	
Noncontrolling interest related to the Scorpios Acquisition (Note 3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24,081	2	
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,484)	(1)	
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	11,211	1	
Dividends paid on redeemable preferred shares	—	—	—	—	—	—	—	—	—	—	—	(364)	—	(364)	—	(1)	
Redemption of redeemable preferred shares	(100)	(15,000)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Issuance of redeemable C ordinary shares	—	—	6,191,200	65,150	—	—	—	—	—	—	—	—	—	—	—	—	
Conversion of A ordinary shares into redeemable C ordinary shares	—	—	475,150	5,000	(475,150)	—	—	—	—	(582)	(4,418)	—	—	(5,000)	—	(1)	

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Changes in Redeemable Shares and Shareholders' Deficit
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

	Redeemable Preferred Shares		Redeemable C Ordinary Shares		Ordinary Shares										Total Shareholders' Deficit Attributable to Soho House Holdings Limited		Noncontrolling Interest	To Shareholders
(in thousands except for share data)	Shares	Amount	Shares	Amount	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares	D Ordinary Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income					
Redeemable C ordinary shares issuance costs	—	—	266,654	(2,734)	—	—	—	—	—	—	—	—	—	—	—	—		
Issuance of C2 ordinary shares	—	—	—	—	—	—	—	3,326,048	—	4,310	30,690	—	—	35,000	—	—		
C2 ordinary shares issuance costs	—	—	—	—	—	—	—	—	—	—	(741)	—	—	(741)	—	—		
Net change in cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	(9,205)	(9,205)	47	—		
As of December 29, 2019	10,000,000	\$ 14,700	6,933,004	\$ 67,416	166,110,113	4,469,417	—	3,326,048	—	\$ 262,532	\$ 48,461	\$ (528,642)	\$ 26	\$ (217,623)	\$ 35,654	\$ (6,814)		
Net loss	—	—	—	—	—	—	—	—	—	—	—	(228,461)	—	(228,461)	(6,814)	(6,814)		
Noncontrolling interest related to the Soho Restaurants Limited reorganization (Note 3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,095	—		
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(465)	—		
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	27,839	—		
Payment received for vested B ordinary shares	—	—	—	—	—	—	—	—	—	—	1,913	—	—	1,913	—	—		
Conversion of related party loan to A ordinary shares	—	—	—	—	2,176,424	—	—	—	—	2,649	19,763	—	—	22,412	—	—		
Issuance of redeemable C ordinary shares	—	—	9,502,993	94,000	—	—	—	—	—	—	—	—	—	—	—	—		
Conversion of A ordinary shares into C ordinary shares	—	—	—	—	(1,710,546)	—	1,710,546	—	—	—	—	—	—	—	—	—		
Redeemable C ordinary shares issuance costs	—	—	—	(1,011)	—	—	—	—	—	—	—	—	—	—	—	—		
Share-based compensation, net of tax	—	—	—	—	—	—	—	—	2,850,897	—	2,618	—	—	2,618	—	—		
Net change in cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	(13,283)	(13,283)	122	—		
As of January 3, 2021	10,000,000	\$ 14,700	16,435,997	\$ 160,405	166,575,991	4,469,417	1,710,546	3,326,048	2,850,897	\$ 265,181	\$ 72,755	\$ (757,103)	\$ (13,257)	\$ (432,424)	\$ 58,431	\$ (6,814)		

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Cash Flows
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Cash flows from operating activities			
Net loss	\$(235,275)	\$ (128,000)	\$ (89,847)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities			
Depreciation and amortization	69,802	57,139	48,387
Share-based compensation, net of tax	2,618	—	—
Income tax (benefit) expense	(776)	4,468	43
Loss on disposal of property and equipment and write-off of project costs	2,264	1,947	639
Increase in provision on Soho Restaurants Limited loan and receivables	—	10,210	—
Share of loss (profit) of equity method investments	3,627	(774)	(270)
Amortization of debt issuance costs	5,779	5,788	7,450
Loss on debt extinguishment	—	412	—
Imputed interest on interest free related party loans	1,608	2,002	1,904
Non-cash interest	25,717	13,717	11,884
Distributions from equity method investees	846	1,530	2,867
Guarantee provision	5,011	—	—
Changes in assets and liabilities:			
Accounts receivable	10,582	(18,531)	9,469
Inventories	6,966	(8,750)	(5,150)
Operating leases, net	42,702	33,916	20,944
Other operating assets	(1,804)	11,576	(21,184)
Deferred revenue	3,297	13,904	22,497
Accounts payable and accrued and other liabilities	18,807	(2,833)	34,745
Net cash (used in) provided by operating activities	<u>(38,229)</u>	<u>(2,279)</u>	<u>44,378</u>
Cash flows from investing activities			
Purchase of property and equipment	(128,939)	(147,955)	(129,399)
Proceeds from sale of property and equipment	—	47	910
Purchase of intangible assets	(10,501)	(13,746)	(7,610)
Acquisition of subsidiaries, net of cash acquired (Note 3)	1,138	(49,138)	—
Repayment from equity method investees	—	—	695
Investments in equity method investees	(1,568)	(201)	(319)
Property and casualty insurance proceeds received	—	216	406
Net cash used in investing activities	<u>(139,870)</u>	<u>(210,777)</u>	<u>(135,317)</u>
Cash flows from financing activities			
Repayment of borrowings	(819)	(119,560)	(21,326)
Issuance of related party loans	513	18,598	12,930
Repayment of related party loans	—	(16,614)	—
Proceeds from borrowings	55,112	223,625	87,980
Payments for debt issuance costs	(904)	(7,664)	(1,621)
Proceeds from finance leases	104	226	—
Principal payments on finance leases	(230)	(282)	(1,823)
Proceeds from financing obligation	3,652	23,798	20,883
Principal payments on financing obligation	—	(1,709)	—
Distributions to noncontrolling interest	(465)	(1,484)	(1,478)
Contributions from noncontrolling interest	27,839	11,211	2,238
Dividends paid on redeemable preferred shares	—	(364)	(1,275)
Redeemable preferred shares redeemed	—	(15,000)	—
Payment received for vested B ordinary shares	1,913	—	—
Proceeds from issuance of shares, net of issuance costs (Notes 15 and 16)	92,989	82,177	15,000
Net cash provided by financing activities	<u>179,704</u>	<u>196,958</u>	<u>111,508</u>

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Consolidated Statements of Cash Flows
For the Fiscal Years Ended January 3, 2021, December 29, 2019, and December 30, 2018

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Effect of exchange rates on cash, cash equivalents, and restricted cash	2,050	956	(2,278)
Net increase (decrease) in cash, cash equivalents, and restricted cash	3,655	(15,142)	18,291
Cash, cash equivalents and restricted cash			
Beginning of year	56,315	71,457	53,166
End of year	<u>\$ 59,970</u>	<u>\$ 56,315</u>	<u>\$ 71,457</u>
Supplemental disclosures:			
Cash paid for interest, net of interest capitalized	\$ 28,543	\$ 42,740	\$ 37,174
Cash paid for income taxes	1,697	5,810	317
Supplemental disclosures of non-cash investing and financing activities:			
Operating lease assets obtained in exchange for new operating lease liabilities	\$ 67,235	\$ 343,558	\$ 178,430
Non-cash capitalized interest under financing obligation	—	—	1,876
Conversion of related party loan to A ordinary shares (Note 12)	22,412	—	—
Contingent consideration for Scorpions Acquisition (Note 3)	—	1,231	—
Non-cash additions to equity-method investments (Note 5)	—	8,732	—
Accrued liability converted into long-term debt (Greek Street properties)	—	—	6,575
Accrued capital expenditures	11,723	18,738	6,143

The accompanying notes are an integral part of these consolidated financial statements.

Soho House Holdings Limited
Notes to Consolidated Financial Statements
January 3, 2021, December 29, 2019, and December 30, 2018

1. Nature of the Business

Soho House Holdings Limited is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the platform to both work and socialize, to connect, create, have fun and drive a positive change. Our members engage with us through our global portfolio of 27 Soho Houses, nine Soho Works, The Ned in London, Scorpions Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels. Since the opening of our House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we are a community of more than 113,500 creative and loyal individuals, each of whom pays an annual membership fee for access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including our app (the 'SH.APP') and our website. Annually, we host thousands of physical and digital member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music – and help our members forge connections to bring them closer together.

In January 2012, affiliates of the Yucaipa Companies, LLC acquired 58.9% of the outstanding equity interests of what is now Soho House Holdings Limited (the "Acquisition") through a series of transactions. The Acquisition was accounted for using the acquisition method of accounting which resulted in a new basis for the assets acquired and liabilities assumed.

Soho House Holdings Limited was formed on December 15, 2017 with one share issued to Yucaipa American Alliance Fund II. Soho House Holdings Limited is a Jersey limited company that is tax domiciled in the United Kingdom ("UK"). On December 28, 2017, Soho House Holdings Limited undertook a series of reorganization transactions among entities under common control ("Reorganization Transactions"), whereby affiliates of the Yucaipa Companies, LLC, Mr. Richard Caring, and Mr. Nick Jones contributed their shares in Soho House & Co Limited to Soho House Holdings Limited and, in return, received Class A Ordinary Shares, Class B Ordinary Shares, Class C Ordinary Shares and Class D Ordinary Shares in proportion to their previous ownership of the Class A Ordinary Shares and Class B Ordinary Shares in Soho House & Co Limited. The Class C Ordinary Shares and Class D Ordinary Shares were cancelled on December 28, 2017, as part of the Soho Restaurants Limited disposal. Soho House Holdings Limited did not have any operations prior to the completion of the Reorganization Transactions.

The consolidated entity presented is referred to herein as "Soho House", "we", "us", "our", or the "Company", as the context requires and unless otherwise noted.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. The Company's significant estimates relate to the valuation of financial instruments, equity method investments, the measurement of goodwill and intangible assets, contingent liabilities, income taxes, leases, long-lived assets and the period over which revenue from one-time member registration fees is recognized. Although the estimates have been prepared using management's best judgment and management believes that the estimates used are reasonable, actual

Soho House Holdings Limited
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results could differ from those estimates and such differences could be material. For example, the impact of the coronavirus (“COVID-19”) pandemic has had, and could continue to have, a significant impact on our results of operations. The extent to which the COVID-19 pandemic impacts our business, financial condition, results of operations, cash flows and liquidity may differ from management’s current estimates due to inherent uncertainties regarding the duration and further spread of the pandemic, actions taken to contain the virus, as well as, how quickly and to what extent normal economic and operating conditions resume.

We operate on a fiscal year calendar consisting of a 52 or 53-week period ending on the last Sunday in December or the first Sunday in January of the next calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations; in a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations.

Our 2018 fiscal year ended on December 30, 2018 (“Fiscal 2018”), our 2019 fiscal year ended on December 29, 2019 (“Fiscal 2019”), and our 2020 fiscal year ended on January 3, 2021 (“Fiscal 2020”). Fiscal 2018 and Fiscal 2019 were 52-week years, and Fiscal 2020 was a 53-week year.

Going Concern

The accompanying consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have experienced net losses and significant cash outflows from cash used in operating activities over the past years as we develop our Houses. During the fiscal year ended January 3, 2021, the Company incurred a consolidated net loss of \$235 million and negative cash flows from operations of \$38 million. As of January 3, 2021, the Company had an accumulated deficit of \$757 million. As of January 3, 2021, we had cash and cash equivalents of \$53 million, and restricted cash of \$7 million.

In addition, since March 2020, the COVID-19 pandemic has significantly impacted our business and we have had to temporarily close some or all of our Houses, hotels and public restaurants, at different times due to the ongoing effects of the pandemic, which has and will continue to have an impact on our revenues. At the date of issuance of these financial statements, our UK Houses remain closed due to continued lockdowns but where possible our Houses are open, but with restrictions on operating capacity, in most of our other geographies.

In assessing the going concern basis of preparation of the consolidated financial statements for the fiscal year ended January 3, 2021, we have taken into consideration detailed cash flow forecasts for the Company, the Company’s forecast compliance with bank covenants, and the continued availability of funding to the Company from banks and shareholders.

We have considered the impact of the COVID-19 pandemic on the Company and the resultant global economic uncertainties and have undertaken a re-assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Cash flow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, the timing of a full re-opening of our Houses staggered and/or deferred to the end of the calendar year, cost reductions, both limited and extensive, and a combination of these different scenarios. We have assessed the sensitivity analysis on cash flows, and in order to finance these cash flow forecasts, we have completed a series of positive financing events since the year end, including issuance of new senior secured notes in an aggregate amount equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) and

Soho House Holdings Limited
Notes to Consolidated Financial Statements
January 3, 2021, December 29, 2019, and December 30, 2018

\$175 million of senior preferred shares. The senior secured notes include an option for the Company to issue additional notes in an aggregate amount of up to \$100 million on or prior to March 31, 2022, while the senior preference shares include an option for the Company to issue additional shares totaling \$75 million at any time up to six months from March 31, 2021. The proceeds from the senior secured notes and senior preference shares have been used to repay all amounts outstanding under the Permira Senior Facility and the US government-backed bank loan. See Note 23, Subsequent Events, for additional information.

We believe that the completed working capital events, our projected cash flows and the actions available to management to further control expenditure, as necessary, provide the Company with sufficient working capital (including cash and cash equivalents) to achieve its plans to recover from the impact of the pandemic, subject to the following key factors:

- the timing of re-opening of Houses in a manner that is compliant with local laws and regulations, as well as anticipated demand;
- the level of in-House sales activity (primarily sales of food and beverage) that, even after opening, may be subject to reduced capacity as a result of on-going restrictions;
- the continued high level of membership retention and renewals (which has been evidenced throughout the pandemic); and
- the implementation of extensive cost reduction measures that continue to support the timing of House re-openings and anticipated levels of capacity.

While the impact of lockdowns and other restrictions may continue beyond current expectations and impact the Company's ability to open Houses and return to a level of operation consistent with pre COVID-19 within the timeframes assumed in management's detailed cash flow forecasts, we believe that the Company has sufficient financial resources together with an established and cash generative business model, and access to capital.

Based on the available cash as a result of completed financing events discussed above, and the measures that have been put in place to control costs, we believe that the Company is able to continue in operational existence, meet its liabilities as they fall due, operate within its existing facilities, and meet all of its covenant requirements for a period of at least twelve months from the date these financial statements are issued.

Based on the above, the consolidated financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, we continue to adopt the going concern basis in preparing the consolidated financial statements for the fiscal year ended January 3, 2021.

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Soho House Holdings Limited and its subsidiaries, as well as certain consolidated variable interest entities ("VIEs") for which the Company is considered the primary beneficiary (see Note 4, Consolidated Variable Interest Entities). Other parties' interests in entities that the Company consolidates are reported as noncontrolling interests within shareholders' deficit. Net loss and each component of other comprehensive (loss) income are attributed to the owners of the Company and to any noncontrolling interests. All intra-company assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

Soho House Holdings Limited
Notes to Consolidated Financial Statements
January 3, 2021, December 29, 2019, and December 30, 2018

Equity Method Investments

The Company's equity method investments consist of investments in which the Company does not control the investee but can exert significant influence over the financial and operating policies, as well as joint ventures where there is joint control (and in both cases if the investee is a VIE, where the Company is not the primary beneficiary of the VIE). The ability to exert significant influence is generally considered to exist when the Company owns between 20% and 50% of voting equity securities of the investee, in the case of corporate entities.

When the Company sells an interest in a subsidiary which then becomes an equity method investment, the retained interest is remeasured at fair value.

Investments are initially recognized at cost when purchased for cash, or at the fair value of shares received when acquired. The investments are subsequently carried at cost adjusted for the Company's share of net income or loss and other changes in comprehensive income (loss) of the joint venture, less any dividends or distributions received by the Company. The investments are presented as equity method investments in the consolidated balance sheets. Income or loss from these investments is recorded as a separate line item in the consolidated statements of operations. Intercompany profits or losses associated with the Company's equity method investments are eliminated until realized by the investee in transactions with third parties. Where distributions from equity-method investees and the Company's share of investee losses are in excess of the carrying amount of the investment (including, where applicable, advances made by the Company to the investee), after the Company's equity-method investment balance is reduced to zero, additional losses are recognized to the extent that the Company has guaranteed the investee's obligations or has otherwise incurred legal or constructive obligations or has made payments on behalf of the investee.

The Company considers whether its equity method investments are impaired when events or circumstances suggest that the carrying amount may not be recoverable. An impairment charge is recognized in the consolidated statements of operations for a decline in value that is determined to be other-than-temporary. Once a determination is made that an other-than-temporary impairment exists, the investment is written down to its fair value. There were no other-than-temporary impairments recorded during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018.

Variable Interest Entities

The Company analyzes its variable interests, including loans, guarantees, and equity investments, to determine if the entity in which the Company has a variable interest is a VIE. For those entities determined to be VIEs a quantitative and qualitative analysis is performed to determine if the Company will be deemed the primary beneficiary. The primary beneficiary of a VIE is defined as the variable interest holder that has a controlling financial interest in the VIE. A controlling financial interest is defined as one that has i) the power to direct the activities of the VIE that most significantly impact its economic performance and ii) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE.

In evaluating whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company bases its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and the relevant development, ownership interest, operating, management and financial agreements. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affect the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

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The Company consolidates those entities in which it is determined to be the primary beneficiary. If the Company is not determined to be the primary beneficiary but can exercise significant influence over these entities, these investments are accounted for under the equity method of accounting.

Concentration of Credit Risk

Credit risk is the risk of loss from amounts owed by customers and financial counterparties. Credit risk can occur at multiple levels; as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Financial instruments that potentially subject the Company to credit risk consist of cash, cash equivalents, restricted cash, accounts receivable, and other receivables.

The Company maintains cash, cash equivalents, and restricted cash with major financial institutions. The Company's cash, cash equivalents, and restricted cash consist of bank deposits held with banks that, at times, exceed federally insured limits. The Company limits its credit risk by dealing with counterparties that are considered to be of high credit quality.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and all highly liquid investments with original maturities, when purchased, of three months or less.

Restricted Cash

Restricted cash represents cash that is not available to the Company due to restrictions related to its use. As of January 3, 2021, December 29, 2019, and December 30, 2018, restricted cash related primarily to balances with the Company's payments service provider, financing arrangements for the Soho Beach House in Miami, and security deposits. Restricted cash as of December 30, 2018 also included balances related to the Soho Works financing arrangements.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown on the consolidated statements of cash flows (in thousands).

	January 3, 2021	December 29, 2019	December 30, 2018
Cash and cash equivalents	\$ 52,887	\$ 44,050	\$ 47,748
Restricted cash in current assets	7,083	12,265	23,709
Total cash, cash equivalents, and restricted cash shown on the consolidated statement of cash flows	\$ 59,970	\$ 56,315	\$ 71,457

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable include amounts due from customers in connection with the Company's in-house building service whereby the Company extends credit, generally without requiring collateral, based on its evaluation of the customer's financial condition. Accounts receivable also include amounts due from customers, guests and members relating to services rendered. Any allowance for doubtful accounts includes management's estimate of the amounts expected to be uncollectible on specific accounts receivable, taking into account the creditworthiness of the counterparty, the aging of the outstanding balance, and historical recoverability patterns. Allowance for doubtful accounts was \$3 million as of January 3, 2021, and \$4 million as of December 29, 2019. Allowance for doubtful accounts was immaterial as of December 30, 2018.

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While the Company has a concentration of credit risk in relation to certain customers, this risk is mitigated by payments on account and credit checks on customers. Typically, accounts receivable have terms ranging from 0-60 days and do not bear interest. As of January 3, 2021, there was one customer which individually accounted for more than 10% of trade receivables (13%); there were no customers which individually accounted for more than 10% of revenue during the fiscal year then ended. As of December 29, 2019, there was one customer which individually accounted for more than 10% of trade receivables (18%); there were no customers which individually accounted for more than 10% of revenue during the fiscal year then ended. As of December 30, 2018, there were two customers which individually accounted for more than 10% of trade receivables (13% and 19%); there were no customers which individually accounted for more than 10% of revenue during the fiscal year then ended.

Inventories

Inventories are valued at the lower of cost or net realizable value and cost is determined using a weighted-average cost method. Inventories consist of raw materials, service stock and supplies (primarily food and beverage), and finished goods which are externally sourced. Raw materials and service stock and supplies totaled \$8 million, \$10 million, and \$9 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively. Finished goods totaled \$15 million, \$19 million, and \$10 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively. The Company records a reserve for obsolete or unusable inventory, where applicable. The reserve was less than \$1 million and \$1 million as of January 3, 2021 and December 29, 2019, respectively. There was no reserve recorded as of December 30, 2018.

Property and Equipment

Property and equipment relate to buildings for owned Houses, leasehold improvements for leased Houses, fixtures and fittings and other office equipment. Property and equipment are recorded at cost, or if acquired in a business combination, at fair value as of the acquisition date, less accumulated depreciation. Costs of improvements that extend the economic life or improve service potential are capitalized. Capitalized costs are depreciated over the assets' estimated useful lives. Costs for normal repairs and maintenance are expensed as incurred. The carrying amounts of assets sold or retired and the related accumulated depreciation are eliminated in the year of disposal, with resulting gains or losses included in (gain) loss on sale of property and other, net.

Depreciation is recorded using the straight-line method over the assets' estimated useful lives, which are generally as follows:

Buildings	50-100 years
Leasehold improvements	Lesser of useful life or remaining lease term
Fixtures and fittings	2-5 years
Office equipment and other	2-4 years
Finance lease property	Over reasonably assured lease term

Depreciation expense is included in depreciation and amortization in the accompanying consolidated statements of operations.

Assets under construction relate mainly to the build out of future Houses, are stated at cost and depreciation begins when the asset is placed in service. For property under construction, the Company capitalizes all specifically identifiable costs related to development activities, as well as interest costs incurred while activities necessary to get the property ready for its intended use are in progress. During the fiscal year ended January 3, 2021, the capitalized interest was immaterial. During the fiscal years ended December 29, 2019 and December 30, 2018, the Company capitalized interest totaling \$4 million and \$3 million, respectively.

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Impairment of Property and Equipment

The Company reviews its property and equipment for impairment indicators at each reporting date. Impairment losses are required to be recorded for long-lived assets to be held and used by the Company when indicators of impairment are present and the carrying value of the assets exceeds the future undiscounted cash flows estimated to be generated by those assets. When an asset group to be held and used by the Company is determined to be impaired, the related carrying amount of the asset is adjusted to its estimated fair value. Recoverability of long-lived assets is measured by comparison of (i) the carrying amount of assets to (ii) the future undiscounted cash flows that the assets are expected to generate over their remaining lives. If the carrying amount of the assets is not recoverable, the amount of impairment, if any, is measured as the difference between the carrying value and the fair value of the impaired assets. If the Company determines that the remaining useful life is shorter than originally estimated, it amortizes the remaining carrying value over the new shorter useful life. Impairment losses were less than \$1 million during each of the fiscal years ended January 3, 2021 and December 29, 2019. No impairment losses were recorded during the fiscal year ended December 30, 2018.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting. The consideration transferred in a business combination is measured as the aggregate of the acquisition date fair values of the assets transferred by the Company to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable tangible and intangible assets acquired and liabilities assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total consideration transferred, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the acquiree, the difference is recognized directly in the consolidated statements of operations as a gain. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed. See Note 3, Acquisitions, for additional information.

Intangible Assets with Finite Useful Lives

The Company has certain finite lived intangible assets that were initially recorded at their fair values at the time of the Acquisition. These intangible assets consist primarily of brand names, membership lists, internally developed software and trademarks. Intangible assets with finite useful lives, which have a weighted-average life of 19 years, are amortized using the straight-line method over their estimated useful lives.

All finite lived intangible assets are reviewed for impairment when circumstances indicate that their carrying amounts may not be recoverable; for example, when there are material adverse changes in projected revenues or expenses, significant underperformance relative to historical or projected operating results, or significant negative industry or economic trends. The Company evaluates recoverability of a finite lived intangible asset by comparing its carrying value to its estimated fair value, which is determined through the income approach, the market approach or another appropriate method based on the circumstances. If a finite lived intangible asset's estimated current fair value is less than its respective carrying value, the excess of the carrying value over the estimated fair value is recognized as an impairment loss in the consolidated statements of operations.

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House closures and uncertainties surrounding re-opening procedures associated with the COVID-19 pandemic constituted a triggering event for testing whether intangible assets were impaired. The Company performed a quantitative assessment as of the first quarter of Fiscal 2020. No impairment losses were recorded during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018.

Costs incurred during the application development stage for internal-use software are capitalized. Capitalized website development costs and internal-use software costs are amortized using the straight-line amortization method over the estimated useful life of the applicable software.

Goodwill

The Company has recorded goodwill in connection with the Acquisition. In addition, the Company recognized goodwill as a result of the acquisition of a business in Mykonos, Greece during the fiscal year ended December 29, 2019, as described further in Note 3, Acquisition.

Goodwill is not amortized, but instead is tested for impairment annually. The Company assesses goodwill for potential impairment on the first day of the fourth fiscal quarter, or during the year if an event or other circumstances indicate that the Company may not be able to recover the carrying amount of the net assets of the reporting unit. A reporting unit is an operating segment or one level below the operating segment level, which is referred to as a component. The Company identifies its reporting units by assessing whether components (i) have discrete financial information available; (ii) engage in business activities; and (iii) have a segment manager who regularly reviews the component's operating results. Net assets and goodwill of acquired businesses are allocated to the reporting unit(s) associated with the acquired business based on the anticipated organizational structure of the combined entities. If two or more components are deemed economically similar, those components are aggregated into one reporting unit when performing the annual goodwill impairment review. As of January 3, 2021, December 29, 2019, and December 30, 2018, the Company had five, four, and three reporting units with a goodwill balance, respectively.

In evaluating goodwill for impairment, the Company may first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount. Qualitative factors that the Company considers include, for example, macroeconomic and industry conditions, overall financial performance, and other relevant entity-specific events. If the Company bypasses the qualitative assessment or concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then a quantitative goodwill impairment test is performed to identify potential goodwill impairment and measure the amount of goodwill impairment that will be recognized, if any.

Subsequent to the adoption of ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, on January 1, 2018 (as further described below), when performing the quantitative goodwill impairment test the Company compares the estimated fair value of each of its reporting units with their respective carrying values. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill is not considered impaired. If, however, the estimated fair value of a reporting unit is less than its carrying amount, the excess of the carrying value of the reporting unit over its fair value is recognized as a goodwill impairment.

While the Company tests its goodwill for impairment at least annually, it will test its goodwill for impairment if an event occurs or circumstances change which are considered to be a triggering event that would more likely than not reduce a reporting unit's fair value below its carrying amount. House closures and uncertainties surrounding re-opening procedures associated with the COVID-19 pandemic constituted a triggering event for testing whether goodwill was impaired. The Company performed a quantitative assessment as of the first quarter of Fiscal 2020 and determined that no goodwill impairment existed. As of

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the first day of the fourth quarter of Fiscal 2020, the Company performed a qualitative goodwill assessment and concluded it was more likely than not that the fair value of the Company's reporting units which carry goodwill exceeds their respective carrying amounts. As a result of the year-end assessment, the Company determined that no indicators of goodwill impairment exist and no further impairment assessment was necessary. Prior to Fiscal 2020, the Company performed a qualitative assessment for impairment on each reporting unit's goodwill and determined that no goodwill impairment existed.

When performing a quantitative goodwill impairment assessment, the estimated fair value of a reporting unit is calculated using the income approach. For the income approach, the Company uses internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues, expenses, and related cash flows based on assumed long-term growth rates and demand trends; expected net working capital and capital expenditure requirements; and estimated discount rates.

Leases

The Company has entered into lease agreements for its Houses, hotels, restaurants, spas and other properties. The Company accounts for its leases under ASU 2016-02, *Leases* (Topic 842).

The Company determines the initial classification and measurement of its right-of-use assets and lease liabilities at the lease commencement date and thereafter, if the leases are modified. The lease term includes any renewal options and termination options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its incremental borrowing rate. The incremental borrowing rate is determined by using a portfolio approach based on the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment.

Rent expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in other in-house operating expenses and other operating expenses in the consolidated statements of operations.

The Company recognizes the amortization of the right-of-use asset for its finance leases on a straight-line basis over the reasonably assured lease term in depreciation and amortization in the consolidated statements of operations. The interest expense related to finance leases is recognized using the effective interest method and is included within interest expense, net.

For all leases, rent payments that are based on a fixed index or rate at the lease commencement date are included in the measurement of right-of-use assets and lease liabilities at the lease commencement date. Rent payments that vary based on the outcome of future indices, rates, or the Company's revenues are expensed in the period incurred.

The Company has previously elected the practical expedient to not separate lease and non-lease components. The Company's non-lease components are primarily related to property maintenance, which varies based on future outcomes, and thus is recognized in rent expense when incurred. In addition, the Company elected to exclude short-term leases, or leases with a term of twelve months or less that do not contain a purchase option that the Company is reasonably certain to exercise, from the right-of-use asset and lease liability balances.

During Fiscal 2020 and as part of our overall plan to improve liquidity during the COVID-19 pandemic, the Company negotiated with certain lessors to defer or waive certain rent payments on leased buildings. Cash payment deferrals and waivers have been separately recorded in the period arrangements occurred, and

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therefore, there have been no remeasurements to the lease liabilities and right-of-use assets associated with the sites that received concessions. The Company accounted for the deferrals of lease payments as if there are no changes in the lease contract. Deferred amounts have been recognized in accounts payable and subsequent reversals will occur once the payments are made. As of January 3, 2021, \$20 million was recorded in accounts payable on our consolidated balance sheets related to deferred lease payments.

Sale Leaseback Transactions

The Company accounts for a transaction as a sale of an asset and a leaseback of that asset only if the buyer-lessor obtains control of the asset in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* (Topic 606). In these circumstances, the Company (as the seller-lessee) derecognizes the carrying amount of the asset, recognizes the transaction price for the sale, and accounts for the lease in accordance with Topic 842. When a sale and leaseback transaction does not qualify for sale accounting, the Company does not derecognize the underlying asset and accounts for the transaction as a financing obligation.

Debt Issuance Costs

Debt issuance costs relate to the Company's debt instruments. These costs are reflected as a deduction from the carrying amount of the related debt instrument, including the Company's revolving credit facility. Debt issuance costs are deferred and amortized over the term of the related debt instrument using the effective interest method. As of January 3, 2021, December 29, 2019, and December 30, 2018, these costs totaled \$9 million, \$14 million, and \$11 million, respectively. Amortization expense associated with debt issuance costs (excluding write-offs recognized upon extinguishment of debt), which is included within interest expense, net, totaled \$6 million, \$6 million, and \$7 million for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively.

Fair Value Measurements

The Company has various financial instruments measured at fair value on a periodic basis for disclosure purposes. See Note 13, Fair Value Measurements, for further information. The Company also applies the fair value measurement framework to various nonrecurring measurements for its financial and nonfinancial assets and liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (an exit price). The Company uses the three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability and may be considered observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below.

Level 1 Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

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Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3 Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety. Proper classification of fair value measurements within the valuation hierarchy is considered each reporting period. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts.

Revenue Recognition

The Company recognizes revenue in accordance with Topic 606. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Topic 606. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. There is no variable consideration or obligations for returns or refunds, and no other related obligations in the Company's contracts.

Payment terms and conditions vary by contract type and may include a requirement of payment up to 45 days (as described further below). In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined its contracts do not include a significant financing component.

The Company's revenues are primarily derived from the following sources and are recognized when or as the Company satisfies a performance obligation by transferring a good or service to a customer.

Membership Revenues

Membership revenues are comprised of annual membership fees and one-time initial registration fees.

Memberships are offered on an annual basis for access to Houses. Annual membership fees are paid annually, quarterly or monthly and are deferred and recognized over the term to which the payment relates. Revenue is measured based on the amount invoiced for the member's annual membership fee. The current portion of deferred revenue relates primarily to annual membership fees. There is no non-current deferred revenue relating to annual membership fees.

One-time registration fees are non-refundable and are invoiced to the member on their acceptance of membership. Such registration fees are recognized as non-current deferred revenue upon payment, and are recognized as revenue over the estimated average membership life of 20 years. Registration fees of \$1 million and \$1 million were recognized as revenue in the fiscal years ended January 3, 2021 and December 29, 2019, respectively. Registration fees of less than \$1 million were recognized as revenue in the fiscal year ended December 30, 2018. As of January 3, 2021, December 29, 2019, and December 30, 2018, current deferred revenue related to one-time registration fees totaled \$1 million, \$1 million, and \$1 million, respectively, and non-current deferred revenue related to such fees totaled \$24 million, \$22 million, and \$16 million, respectively.

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In-House Revenues

In-House revenues represent all revenues generated within our Houses and primarily include revenues from food and beverage, accommodation, and spa products and treatments.

Revenue from food and beverage sales in the Company's Houses is measured based on the amount invoiced for food and beverage purchased by the customer. Revenues are recognized when the goods are consumed. Payment is collected from the customer at the same time as the performance obligation is satisfied and, therefore, there are no material receivables, contract assets or contract liabilities related to food and beverage sales.

Hotel accommodation revenue is recognized when the rooms are occupied. Revenue is measured based on the amount invoiced for the room as specified in the contract when the room booking is made. Deposits received in advance of the hotel accommodation are deferred as contract liabilities and recognized as revenue when the customer occupies the room. As of January 3, 2021, December 29, 2019, and December 30, 2018, advance deposits of \$7 million, \$9 million, and \$8 million, respectively, were recorded as other current liabilities on the consolidated balance sheets.

Retail sales represent sales of goods and services, including from spas and cinema properties. Revenue from these transactions is recognized at the point in time when the goods and services have been delivered or rendered. Sales made online include shipping revenue and are recognized on dispatch to the customer. Payment terms with respect to retail sales and wholesale sales range from immediate payment at point of sale up to approximately 45 days. Amounts invoiced to customers for completed sales are recorded within accounts receivable on the consolidated balance sheets.

Other Revenues

Other revenues include all revenues that are not generated within our Houses. This includes revenues from our stand-alone restaurants, such as Cecconi's in West Hollywood, as well as design fees from Soho House Design ("SHD"), Soho Home, retail Cowshed products and development fees from The Ned. For further information regarding the Company's relationship with The Ned, refer to Note 4, Consolidated Variable Interest Entities.

Revenue recognized from Soho House Design totaled \$14 million, \$23 million, and \$54 million for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. During the fiscal year ended December 29, 2019, Soho House Design ceased providing build-out services as a result of the Company's decision to shift strategic focus to the higher-margin design services. Some of SHD's build-out services are provided as part of the Company's in-house development activities (including to certain related parties as described in Note 22, Related Parties), which do not generate revenues from third parties. Soho House Design's revenues relating to build-out contracts from unaffiliated third parties were immaterial during the fiscal year ended January 3, 2021. The percentage of Soho House Design revenues relating to build-out contracts from unaffiliated third parties was 11%, and 4% during the fiscal years ended December 29, 2019 and December 30, 2018, respectively.

Build-out and design contracts consist of a single performance obligation which is satisfied over time as the design and build work is completed and verified by third party contractors against specified contract milestones (output method of progress). The Company invoices for the work completed in accordance with the payment terms of the customer's contract.

Sponsorship income is recognized upon the successful completion of the related event. Food and beverage sales from restaurants not located in one of the Company's Houses or hotels are recognized in a manner similar to In-House food and beverage sales, as previously described.

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Practical Expedients

The Company applies the practical expedient not to disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Company expects to recognize that amount as revenue. In addition, the Company applies the practical expedient and does not disclose information about remaining performance obligations for contracts that have original expected durations of one year or less.

In-House Operating Expenses and Other Operating Expenses

In-House operating expenses represent the cost of sales of our In-House revenues and consist primarily of the cost of food and beverage products, employee-related costs for In-House staff members, rent expense, and utility costs. Other operating expenses represent the cost of sales of our Other revenues and consist primarily of the cost of retail products, food and beverage product costs associated with non-House restaurant operations, and employee-related costs for non-House staff members.

Government Grants

Throughout Fiscal 2020, as a result of impacts from the COVID-19 pandemic, governmental agencies in the United Kingdom and other European countries provided the Company grants primarily to support payroll needs. These government grants are exclusive of funds received under the Paycheck Protection Program enacted by the U.S. Coronavirus Aid, Relief, and Economic Security Act, which are accounted for as a borrowing (refer to Note 12, Debt, for more information). Government grants are recognized when there is reasonable assurance that cash will be received and that conditions attached to the grant have been met. Such government grants totaled \$26 million during the fiscal year ended January 3, 2021 and are presented as a reduction of payroll expenses within in-House operating expenses (\$19 million), Other Operating Expenses (\$4 million) and general and administrative expenses (\$3 million) on the consolidated statements of operations.

Interest Expense

Interest expense is charged to the consolidated statements of operations over the term of the debt such that the amount charged is at a constant rate on the carrying amount (i.e. using the effective interest method). Interest expense includes the amortization of debt issuance costs, which are initially recognized as a reduction in the proceeds of the associated debt instrument, and interest expense on finance leases.

Business Interruption and Other Insurance Claims

The Company maintains insurance policies to cover business interruption and property damage with terms that it believes to be adequate and appropriate. When the Company receives proceeds from the insurance claim in connection with property damage, which reimburses the replacement cost for repair or replacement of damaged assets, the proceeds are recognized as a reduction against the value of the assets written off. Business interruption proceeds which reimburse the time-element of actual costs and lost profits following damage to property are recognized as non-operating income. Business interruption proceeds related to the cost to expedite repairs, retention pay to workers temporarily displaced, and additional expenses to stay in business following damage to property are recognized as a reduction of the related expense line item. If there are any outstanding receivables in respect of insurance recoveries, they are recognized only when the Company deems collection to be virtually certain.

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Income Taxes

Significant judgment is involved in determining the provision for income taxes. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business. The Company recognizes tax liabilities based on its assessment of whether its tax positions are more likely than not to be sustained, based on the technical merits and considerations of the relevant taxing authorities' widely understood administrative practices and precedence. The Company recognizes accrued interest and penalties for any unrecognized tax benefits as a component of income tax (benefit) expense.

Income tax (benefit) expense consists of taxes currently payable and changes in deferred tax assets and liabilities calculated according to local tax rules. Deferred tax assets and liabilities are based on temporary differences that arise between carrying values of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes and the future tax benefits of tax loss carry forwards. A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, management considers all available evidence for each jurisdiction, including past operating results, estimates of future taxable income and the feasibility of ongoing tax planning strategies. In the event that the Company changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to income tax (benefit) expense in the period in which such determination is made.

The amount of deferred tax recognized in any period is based on tax rates enacted as of the balance sheet date. The impact of tax law changes is recognized in periods when the change is enacted. The Company classifies all deferred tax assets and liabilities, including any related valuation allowance, as non-current on the consolidated balance sheets.

Indirect Taxes

The Company remits sales, value added and other indirect taxes to various taxing jurisdictions as a result of revenue earned from the sale of products and services to customers. Specific sales tax rates applicable to the Company's products and services vary by taxing jurisdiction. The Company records sales, value added and other indirect taxes as liabilities when incurred. Revenue is recognized net of sales, value added and other indirect taxes.

Foreign Currency and Operations

The functional currency of Soho House Holdings Limited is the British pound sterling ("GBP") and the consolidated financial statements are presented in United States dollars ("USD").

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The functional currency is the currency of the primary economic environment in which an entity's operations are conducted. The functional currency of the Company's subsidiaries is generally the same as their local currency. The Company translates the financial statements of its subsidiaries into the presentation currency using exchange rates in effect on the balance sheet date for assets and liabilities and average exchange rates for the period for statement of operations accounts, with the difference recognized in accumulated other comprehensive (loss) income. The following exchange rates were used to translate the financial statements of the Company and its foreign subsidiaries into USD:

	January 3, 2021	December 29, 2019	December 30, 2018
Great Britain pound sterling	\$ 1.37	\$ 1.31	\$ 1.27
Canadian dollar	0.78	0.77	0.73
Euro	1.22	1.12	1.14
Hong Kong dollar	0.13	0.13	0.13
Israeli new shekel	0.31	0.29	—

	For the fiscal year ended January 3, 2021	For the fiscal year ended December 29, 2019	For the fiscal year ended December 30, 2018
Great Britain pound sterling	\$ 1.28	\$ 1.28	\$ 1.34
Canadian dollar	0.74	0.75	0.77
Euro	1.14	1.12	1.18
Hong Kong dollar	0.13	0.13	0.13
Israeli new shekel	0.29	0.28	—

Foreign currency transaction gains and losses are included in other in the consolidated statements of operations. The Company recorded foreign currency transaction net gains of \$3 million, net gains of \$3 million, and net losses of \$1 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

Pre-Opening Expenses

Pre-opening expenses include costs associated with the acquisition, opening, conversion and initial setup of new and converted sites, including rent, overhead expenses, pre-opening marketing and incremental wages to support the "ramp up" period of time to support the site in the initial period following opening. These costs are expensed as incurred and are included in pre-opening expenses in the consolidated statements of operations. The entire balance of these costs is related to pre-opening activities for our Houses in each of the periods presented.

Advertising Costs

The cost of advertising and media is expensed as incurred. For the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, advertising costs totaled \$4 million, \$6 million, and \$3 million, respectively. Advertising costs are included in general and administrative expense in the consolidated statements of operations.

Share-Based Compensation

In January 2012, in conjunction with the Acquisition, Soho House & Co Limited issued 4,469,417 B ordinary shares to its founder and CEO, with a weighted-average grant date fair value of \$0.33 (£0.21) per

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share. These shares were restricted upon issuance and were scheduled to vest annually in equal installments over a five-year service period, or cliff-vest at the time of a change of control transaction, if earlier. This issuance of shares was accounted for similar to a stock option due to the consideration associated with the shares being due at the time of such shares being transferred or sold or, if earlier, December 31, 2020. All B ordinary shares became fully vested on January 12, 2017 and the Company received payment in full for the stock issuance. No share-based compensation expense has been recognized with respect to the B ordinary shares in any of the periods presented.

In August 2020, the Company established the 2020 Equity and Incentive Plan (the “Plan”) under which Share Appreciation Rights (“SARs”) and Growth Shares were issued to certain of its employees. The awards are settled in ordinary D shares and the Company can grant up to 9,978,143 ordinary D shares under the Plan. As of January 3, 2021, 1,590,249 were available for future awards. See Note 14, Share-Based Compensation, for additional information.

Share-based compensation is measured at the estimated fair value of the award on the grant date by applying the Black-Scholes option-pricing valuation model and recognized as an expense on a straight-line basis over the vesting period of the award. The Company does not reduce share-based compensation for an estimate of forfeitures, which are inconsequential in light of historical experience. The determination of fair value of these awards is subjective and involves estimates and assumptions including expected term of the awards, volatility of the Company’s shares, expected dividend yield, and the risk-free rate.

Share-based compensation expense is recorded within general and administrative expense in the consolidated statements of operations.

Comprehensive (Loss) Income

The entire balance of accumulated other comprehensive (loss) income, net of income taxes, is related to the cumulative translation adjustment in each of the periods presented. The changes in the balance of accumulated other comprehensive (loss) income, net of income tax, are attributable to the net change in the cumulative translation adjustment in each of the periods presented.

Net Loss per Share

The Company computes earnings per share (“EPS”) of A ordinary shares, B ordinary shares, C ordinary shares, and C2 ordinary shares using the two-class method required for participating securities. The two-class computation method reflects the amount of allocated undistributed net loss per share computed using the participation percentage which reflects the minimum dividend rights of each class of share. For all periods presented, all share classes have the same dividend rights. Basic loss per share is computed by dividing loss available to ordinary shareholders by the weighted-average number of A ordinary shares, B ordinary shares, C ordinary shares, and C2 ordinary shares outstanding for the period. Diluted loss per share is based on the weighted-average number of A ordinary shares, B ordinary shares, C ordinary shares, C2 ordinary shares, and D ordinary shares (resulting from certain SARs and Growth Shares which are discussed in Note 14, Share-Based Compensation) outstanding for the period and respective share equivalents outstanding at the end of the period, unless the effect is anti-dilutive.

Redeemable Preferred Shares and Redeemable C Ordinary Shares

As of January 3, 2021, December 29, 2019, and December 30, 2018, the Company has redeemable preferred shares and as of January 3, 2021 and December 29, 2019 redeemable C ordinary shares outstanding, which are collectively referred to as “redeemable shares.” See Note 15, Redeemable Preferred Shares and Note 16, C Ordinary Shares, for additional information.

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Preferred shares subject to mandatory redemption as of a specified date are classified as debt and are initially measured at fair value. Contingently redeemable shares (including shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity and initially measured at fair value.

When redemption is deemed to be probable, if the carrying amount of the redeemable shares is less than the redemption value, the carrying value of the shares is increased by periodic accretions so that the carrying value is equal to the redemption amount at the earliest redemption date. Such accretion is recorded as a dividend in the consolidated statements of changes in shareholders' deficit.

Prior to February 2019, the Company had certain preferred shares that were redeemable after five years and were considered probable of becoming redeemable in the future. For those shares, the redemption price was fixed, such that no adjustment or accretion was required to the carrying value. Certain other redeemable shares are neither initially redeemable nor are they considered to be probable to be redeemable and, therefore, an adjustment of the initial carrying amount is not made until it is probable that the shares will become redeemable.

Commitments and Contingencies

The Company is subject to loss contingencies that arise out of operations in the normal course of business. Periodically, the Company reviews the status of each significant matter and assesses the potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be reliably estimated, such amount is recognized in other liabilities on the consolidated balance sheets.

Contingent liabilities are measured at the Company's best estimate of the expenditure required to settle the obligation as of the end of the reporting period. If there is no best estimate, an amount is recorded for the lowest amount of the range of potential outcomes in accordance with ASC 450, *Contingencies*. Refer to Note 18, Commitments and Contingencies, for more information.

Future Accounting Standards

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The ASU adds to US GAAP an impairment model (known as the current expected credit loss, or "CECL," model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in the more timely recognition of losses. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of the financial instrument. The update is effective for the Company for fiscal years beginning after December 15, 2022 or the interim period in which the Company loses emerging growth company status, and should be adopted using a modified retrospective approach, which applies a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective.

In November 2018 and April 2019, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* and ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*, respectively. These amendments add clarity to certain areas within ASU 2016-13. In May 2019, the FASB issued ASU 2019-05, *Financial Instruments—Credit Losses (Topic 326), Target Transition Relief*, which provided transition relief for entities adopting ASU 2016-13 by allowing the election of the fair value option on certain financial instruments. The effective date and the transition methodology for the amendments in these updates are the same as in ASU 2016-13.

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ASU 2016-13 and related updates apply to how the Company evaluates impairments of its trade receivables and notes receivable. The Company does not expect these ASUs to have a material impact on its consolidated financial statements and related disclosures.

3. Acquisitions

Scorpios Acquisition

On April 9, 2019, Sunshine AcquireCo Limited, a wholly-owned subsidiary of the Company, acquired a controlling interest in certain businesses in Greece (“Scorpios Acquisition”), as part of the Company’s overall growth strategy, for total consideration of approximately \$52 million, including cash consideration of \$51 million and contingent consideration of \$1 million. The acquisition was funded by a combination of the Company’s own cash and funding from the Permira Senior Facility of \$46 million. The acquired businesses (collectively referred to as the “Scorpios businesses”) comprise a beach club (in which the Company acquired a 67% ownership interest), a hotel (in which the Company acquired a 75% ownership interest), and a restaurant that was under construction as of the acquisition date (in which the Company acquired a 71% ownership interest). The transaction also includes all future projects to be rolled out with certain selling shareholders, in which the Company will hold a 75% ownership interest.

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The Scorpios Acquisition was accounted for as a business combination under ASC 805, *Business Combinations* (“ASC 805”). The following table summarizes the fair values of assets acquired and liabilities assumed as of the acquisition date (in thousands):

Current assets	
Cash and cash equivalents	\$ 1,825
Accounts receivable	349
Inventories	105
Prepaid expenses and other current assets	644
Non-current assets	
Property and equipment, net	6,358
Intangible assets, net (excluding goodwill)	7,954
Operating lease right-of-use assets	10,343
Other long-term assets	320
Total identifiable assets acquired	\$27,898
Current liabilities	
Accounts payable	\$ 1,325
Accrued liabilities	290
Current portion of deferred revenue	298
Indirect and employee taxes payable ⁽¹⁾	3,720
Current portion of operating lease liabilities—sites trading less than one year	813
Other current liabilities	92
Non-current liabilities	
Operating lease liabilities, net of current portion—sites trading less than one year	7,809
Deferred tax liabilities	2,769
Total liabilities assumed	\$17,116
Fair value of net assets acquired	\$10,782
Noncontrolling interest	\$24,081
Goodwill	\$65,489
Consideration transferred	\$52,190

- (1) As part of the Scorpios Acquisition, the Company recognized contingent liabilities of the acquired business related to certain withholding tax obligations. As of January 3, 2021, the Company has not settled these obligations with the relevant taxing authorities.

Goodwill represents intellectual capital and expected synergies, and other intangible assets and economic benefits that the Company expects to derive that do not qualify for recognition as separate intangible assets. The entire value of goodwill has been allocated to the Scorpios reporting unit. The recognized goodwill is not deductible for tax purposes.

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The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the acquisition date (in thousands):

	Fair Value	Estimated Useful Life (in Years)
Trade name	\$ 7,434	20
Non-compete agreement	451	3
Other	69	5
Total	\$ 7,954	

The fair value of acquired intangible assets and leasehold interests (included in operating lease right-of-use assets) is based on a valuation prepared by the Company with assistance of a third-party valuation specialist. The fair value of the trade name was determined using the relief-from-royalty method of the income approach, with key inputs consisting of the market royalty rate and discount rate applied to the estimated royalty savings. The fair value of the non-compete agreement was determined using the avoided loss of income method of the income approach, which is based on the estimated damage to the business enterprise value assuming the non-compete agreement is not in place. The fair value of the leasehold interests was derived from a market value of the associated property (determined via the sales comparison approach), which was then converted to a market rental payment via a capitalization rate and compared to contractual rents over the lease term. The fair value measurements were primarily based on significant inputs that are not observable in the market and represent a Level 3 measurement.

The fair value of the noncontrolling interest was estimated using the income approach applied to the projected cash flows of the Scorpions businesses. As Scorpions businesses are private companies, the fair value measurement was based on significant inputs that are not observable in the market and thus, represent a Level 3 measurement.

The consolidated results of operations of the Scorpions businesses are included in the Company's consolidated statements of operations from April 9, 2019 through December 29, 2019 and resulted in an increase in total revenues of \$30 million and a decrease in net loss attributable to Soho House Holdings Limited of \$8 million. For the fiscal year ended December 29, 2019, the Company recorded \$1 million in acquisition related costs. Such costs were expensed as incurred and are included in general and administrative expense.

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Pro Forma Financial Information (Unaudited)—Scorpios Acquisition

The following unaudited supplemental pro forma financial information presents consolidated results of operations as if the Scorpios Acquisition had occurred on January 1, 2018. The pro forma financial information was prepared based on historical financial information and has been adjusted to give effect to the events that are directly attributable to the Scorpios Acquisition and factually supportable. The pro forma results below do not reflect future events that have occurred or may occur after the acquisition, including anticipated synergies or other expected benefits that may be realized from the acquisition. The pro forma financial information is not intended to reflect the actual results of operations that would have occurred if the Scorpios Acquisition had been completed on January 1, 2018, nor is it intended to be an indication of future operating results.

<i>(in thousands, except per share amounts)</i>	December 29, 2019	December 30, 2018
Revenues	\$ 642,218	\$ 603,227
Net loss attributable to Soho House Holdings Limited	(128,521)	(92,509)
Loss per share—basic and diluted	\$ (0.76)	\$ (0.56)

Material, nonrecurring pro forma financial adjustments included in the unaudited supplemental pro forma financial information consist of \$1 million of transaction costs directly attributable to the Scorpios Acquisition.

Quentin Limited (Soho Restaurants Limited) Reorganization

In August 2020, the Company became the primary beneficiary of Quentin Limited (now known as Soho Restaurants Limited) after a related party became the sole equity owner of Soho Restaurants Limited following a reorganization of the entity. As a result, the Company began consolidating Soho Restaurants Limited and applied the acquisition method of accounting at the date that it became the primary beneficiary as a result of this transaction. No consideration was paid by the Company in this transaction. Upon initial consolidation, the Company recognized \$1 million of cash and cash equivalents, \$5 million of net working capital liabilities, and \$11 million of right-of-use assets and related lease liabilities. In addition, the Company recognized noncontrolling interest of \$2 million. There were no material property, plant and equipment and no intangible assets recognized by the Company as a result of consolidating Soho Restaurants Limited. The consolidated financial statements include the results of Soho Restaurants Limited from the date of initial consolidation through January 3, 2021, however such results are considered immaterial to the overall operations of the Company. See Note 4, Consolidated Variable Interest Entities, for further discussion.

Prior to the reorganization, the Company guaranteed the obligations of Soho Restaurants Limited under certain property leases with respect to any required rental and other payments. Prior to Fiscal 2020, the Company did not have to make any payments under these rental guarantees and determined that the likelihood of the Company having to perform under the guarantees was remote. As a result of the impact of the COVID-19 pandemic on Soho Restaurants Limited's operations, the Company reassessed the likelihood of performance under the guarantees and recognized a charge of \$5 million prior to the Soho Restaurants Limited reorganization; this guarantee provision is included in general and administrative expense in the consolidated statement of operations for the fiscal year ended January 3, 2021. Upon consolidating Soho Restaurants Limited in August 2020, the Company's guarantee obligation pertaining to leases retained by Soho Restaurants Limited after the reorganization was effectively settled as a pre-existing relationship.

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4. Consolidated Variable Interest Entities

The Company determined that it is the primary beneficiary of the following material variable interest entities: Soho Restaurants Limited (beginning in August 2020); Beach House JV, LLC (periods prior to February 2019 only); Soho House-Sydell, LLP (all periods presented); Soho Works Limited (all periods presented); and Soho Works North America, LLC (all periods presented).

Soho Restaurants Limited

Prior to December 2017, the Company held a 50% interest in Soho Restaurants Limited, a joint venture between the Company and Lansdowne Development Limited (“Lansdowne”). The Company accounted for its investment in Soho Restaurants Limited using the equity method of accounting, as Lansdowne had the power to participate in making decisions related to all of the entity’s significant activities. In December 2017, the Company transferred its entire interest in Soho Restaurants Limited and subsidiaries for an immaterial amount to Quentin Partners Limited (“Quentin Partners”), an affiliate of the Company. As a result of the sale, the Company derecognized its equity-method investment in Soho Restaurants Limited. Following the sale, the Company entered into a Management Service Agreement (the “Quentin Partners MSA”) to provide certain administrative and operating support to Quentin Partners. The Company receives costs reimbursements from Quentin Partners in relation to providing these services, which are netted against operating expenses recognized in the consolidated statements of operations and are immaterial.

In addition, prior to December 2017, the Company and Lansdowne each agreed to provide unsecured non-interest-bearing loan notes (“Soho Restaurants Loan Notes”) to Soho Restaurants Limited from time to time. The Soho Restaurants Loan Notes do not have a stated maturity date; however, the notes become due and payable, in part or in whole, at any time at the option of the holder or Soho Restaurants Limited. The Company retained the Soho Restaurants Loan Notes after the sale of its equity interest in Soho Restaurants Limited. As of December 30, 2018, the outstanding balance of the Soho Restaurants Limited Loan Notes was \$10 million and the carrying value was \$5 million. As of December 29, 2019, the outstanding principal balance of the loan notes was \$12 million. During the year, following a review of the recoverability of the balances due from Soho Restaurants Limited, the carrying value was reduced to zero.

As of December 29, 2019 and December 30, 2018, the Company concluded that the Soho Restaurants Loan Notes, lease guarantees and Quentin Partners MSA did not provide it with the power to direct Soho Restaurant Limited’s most significant activities and, therefore, the Company was not the primary beneficiary of Soho Restaurant Limited.

On August 18, 2020, Soho Restaurants Limited underwent a series of reorganization steps, through which Lansdowne sold its 50% equity interest in Soho Restaurants Limited to Quentin Partners and concurrently acquired 100% of Soho Restaurants Limited’s equity interest in Mollie’s Motels Holdings Limited. Following the reorganization, Quentin Partners became the sole equity holder of Soho Restaurants Limited. Additionally, as part of these reorganization steps, various notes payable and receivable held by Soho Restaurants Limited were acquired, settled, or, in some cases, forgiven. Specifically, Quentin Partners acquired for nominal consideration (and forgave) all outstanding Soho Restaurants Loan Notes with the exception of a £1 million (\$1 million) Loan Note, which remains outstanding after the reorganization was completed. As a result of the reorganization and the Company’s variable interest in Soho Restaurants Limited (consisting primarily of a Loan Note and certain lease guarantees, as described in Note 18, Commitments and Contingencies), the Company determined that it is the primary beneficiary of Soho Restaurants Limited due to its related party affiliation with Quentin Partners and its funding of the majority of Soho Restaurants Limited operations. As such, the Company began consolidating Soho Restaurants Limited on August 18, 2020. The Soho Restaurants Limited reorganization transaction was

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accounted for using the acquisition method of accounting.

Beach House JV, LLC

The Company has a 100% economic interest in Beach House JV, LLC (“Soho Beach House Miami”). Prior to February 2019, the property mortgage loans associated with Soho Beach House Miami provided the lenders with certain decision-making rights and, as a result, the Company concluded that the entity was a VIE, and the Company was its primary beneficiary. In February 2019, the Company refinanced the property mortgage loans associated with Beach House JV, LLC, as further described in Note 12, Debt. As a result of the refinancing and the associated changes in decision-making rights of the holders of equity at risk, Beach House JV, LLC ceased to be a VIE in the first quarter of Fiscal 2019. The Company continues to consolidate this entity based on its 100% interest.

Soho House-Sydell, LLP

The Soho House-Sydell, LLP joint venture maintains an agreement to operate The Ned, owned by unconsolidated related parties to the Company. Management fees are recognized in other revenues in the consolidated statements of operations. The Company has a higher economic interest in Soho House-Sydell, LLP as compared to its related party venture partner and therefore the Company is determined to be the primary beneficiary.

Soho Works Limited and Soho Works North America, LLC

The Soho Works Limited (“SWL”) joint venture develops and operates Soho-branded, membership-based co-working spaces, with two sites currently in operation in the UK. The joint venture agreement relates to the UK only. The joint venture was formed on September 29, 2017 when the Company granted to two unrelated individuals an option to subscribe for 30% of the issued shares of SWL. The option has not yet been exercised and, consequently, the Company has 100% economic interest in SWL. Upon exercise of the option, the Company would have 70% economic interest in SWL. The options carry voting rights such that the Company and other joint venture partners each hold 50% of the voting rights in respect of shareholder resolutions and certain reserved matters as defined in the joint venture agreement. The Company is determined to be the primary beneficiary because it has the power to direct all significant activities of the joint venture.

The Soho Works North America, LLC and its wholly owned subsidiaries (“SWNA”) joint venture plans to develop and operate Soho-branded, membership-based co-working spaces in North America. The joint venture agreement relates to North America only. The joint venture was formed on December 26, 2018 when the Company granted to related and unrelated individuals a subscription for 30% of the issued shares of SWNA. Consequently, the Company has 70% economic interest in SWNA. The shares carry voting rights such that the Company and other joint venture partners each hold 50% of the voting rights in respect of shareholder resolutions and certain reserved matters as defined in the joint venture agreement. The Company is determined to be the primary beneficiary because the Company, together with its related party joint venture partners, has the power to direct the most significant activities that affect the economic performance of SWNA, and the parties have the obligations/rights to those economic losses or benefits that could be significant to SWNA.

The following table summarizes the carrying amounts and classification of the consolidated VIEs’ assets and liabilities included in the consolidated balance sheets. The obligations of the consolidated VIEs other

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than Soho Restaurants Limited are non-recourse to the Company, and the assets of the VIEs can be used only to settle those obligations.

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Cash and cash equivalents	\$ 5,572	\$ 12,647	\$ —
Restricted cash	172	165	15,403
Accounts receivable	1,449	838	686
Inventories	68	—	—
Prepaid expenses and other current assets	1,370	2,093	1,729
Total current assets	8,631	15,743	17,818
Property and equipment, net	84,483	39,906	110,581
Operating lease assets	248,975	190,958	48,853
Other intangible assets, net	49	29	33
Other non-current assets	207	1	—
Total assets	\$ 342,345	\$ 246,637	\$ 177,285
Accounts payable	8,379	4,960	416
Accrued liabilities	7,676	1,673	402
Indirect and employee taxes payable	54	—	80,310
Current portion of operating lease liabilities—sites trading less than one year	767	2,070	—
Current portion of operating lease liabilities—sites trading more than one year	9,395	1,989	1,702
Other current liabilities	47	678	844
Total current liabilities	26,318	11,370	83,674
Debt, net of current portion	17,585	—	—
Operating lease liabilities, net of current portion—sites trading less than one year	68,869	149,437	30,730
Operating lease liabilities, net of current portion—sites trading more than one year	220,529	50,992	17,048
Other non-current liabilities	368	9,575	—
Total liabilities	\$ 333,669	\$ 221,374	\$ 131,452
Net assets	\$ 8,676	\$ 25,263	\$ 45,883

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5. Equity Method Investments

The Company maintains a portfolio of equity method investments owned through noncontrolling interests in investments with one or more partners. Equity method investment ownership interests in each of the periods presented in these consolidated financial statements are as follows:

Equity Method Investment	Ownership Interest (Percentage)		
	January 3, 2021	December 29, 2019	December 30, 2018
Soho House Toronto (House)*			
Soho House Toronto Partnership	50	50	50
Soho House—Cipura (Miami) (Restaurant)			
Soho House—Cipura (Miami), LLC	50	50	50
139 Ludlow Street New York (Property)			
139 Ludlow Acquisition, LLC	33.3	33.3	33.3
56-60 Redchurch Street, London (Property and Hotel)*			
Raycliff Red LLP	50	50	50
Raycliff Shoreditch Holdings LLP	50	50	50
Redchurch Partner Limited	50	50	50
Soho House Barcelona (Property, House, and Club)			
Mimea XXI S.L.	50	50	50
Mirador Barcel S.L.	50	50	50
Little Beach House Barcelona	50	—	—

* *Variable interest entity*

Under applicable guidance for VIEs, the Company determined that its investment in Soho House Toronto and 56-60 Redchurch Street, London are VIEs. Soho House Toronto owns and operates a House located in Toronto, while 56-60 Redchurch Street, London provides additional members' accommodation capacity for Shoreditch House in London. Prior to Fiscal 2020, the Company's investment in the entities comprising Soho House Barcelona were also considered to be VIEs, as described further below.

Toronto Joint Venture

On March 28, 2012, the Company and two unrelated investors ("Toronto Partners") formed Soho House Toronto Partnership ("Soho House Toronto") to establish and operate a house in Toronto, Canada. The Company is responsible for managing the development and operations of the property with key operating decisions requiring joint approval with the Toronto Partners. The Company owns a 50% interest and each of the Toronto Partners owns a 25% interest in Soho House Toronto. Each investor is entitled to a share of the profits or losses of Soho House Toronto in proportion to their respective ownership percentage. As part of the original agreement, the Toronto Partners received a put option to sell their interest in Soho House Toronto to the Company at fair value and the Company received a call option to purchase the Toronto Partners' interests at fair value. As of 2015, certain restrictions expired and the put and call options are exercisable. As of January 3, 2021, no options have been exercised.

Soho House Toronto entered into a 10-year lease agreement with a landlord to lease the property. A subsidiary of the Company provided a guarantee to the landlord for Soho House Toronto's rental liabilities.

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Barcelona Joint Venture

On January 28, 2014, the Company and an unrelated development partner (“Barcelona Partner”) formed Mimea XXI, S.L.U. (“Mimea”) to establish and operate Soho House Barcelona in Barcelona, Spain. Soho House Barcelona is owned by Mirador Barcel S.L., a subsidiary of Mimea. Each partner has a 50% interest in Soho House Barcelona through the indirect ownership of ordinary shares. Internal allocation of profits in relation to running Soho House Barcelona, calculated as defined in the contract, is shared between the Company and Barcelona Partner based on their respective ownership percentage. All remaining profits or losses of Soho House Barcelona are attributed solely to the Company in return for managing the operations. In addition, the Barcelona Partner received certain development-related fees for the development of the property. Following its redevelopment and opening of the Soho House Barcelona, the Company agreed to meet certain performance targets (see Note 18, Commitments and Contingencies). On June 4, 2020, the Company entered into an amended shareholders agreement as a result of a newly formed joint venture to operate Little Beach House Barcelona, a private members club and hotel developed at the existing Barcelona property. Little Beach House Barcelona is a newly formed subsidiary under Mimea. As a result of the reorganization and amendments to the shareholders agreement, the Company determined that the entities comprising the Barcelona joint venture are not VIEs, and the investment is accounted for under the equity-method. During the fiscal year ended January 3, 2021, the Company advanced an additional \$2 million to the Soho House Barcelona joint venture.

56-60 Redchurch Street, London Joint Venture

On July 6, 2015, the Company and an unrelated investor (“Raycliff Partner”) formed Raycliff Red LLP (“Club Row Rooms”) to develop and operate a hotel at 58-60 Redchurch Street intended to provide additional members’ accommodation to the nearby Shoreditch House in London. This was later extended to include 56 Redchurch Street under the same terms. The Company is responsible for managing the operations of the property and the Raycliff Partner is responsible for managing the building. Each partner has a 50% interest in Club Row Rooms through equal ownership of B units. The Raycliff Partner owns all A units. All profits and losses from operations are shared between parties based on their respective ownership of B units. Distributions from cash flows not generated from operations are first allocated to holders of A units (for an amount of up to £500,000), with the remainder distributed to holders of B units in proportion to their holdings. Under a hotel management agreement and restaurant management agreement between the Company and Club Row Rooms, the Company also receives a 2.5% management fee in return for managing the hotel operations and a 3.5% management fee in return for managing the restaurant operations of the property. The amounts received to date under this agreement are immaterial. Club Row Rooms, which owns the rights to the property, financed the development of the property through third-party debt. The Company has entered into a security arrangement with the bank in relation to this debt (see Note 18, Commitments and Contingencies).

The Raycliff Partner holds a put option which requires the Company to purchase all the Raycliff Partner’s interest at fair value in the event the Company ceases to own a controlling interest in the nearby Shoreditch House. As of January 3, 2021, December 29, 2019, and December 30, 2018, the put option has not been triggered.

The Company concluded that it is not the primary beneficiary of the Soho House Toronto or 56-60 Redchurch Street, London VIEs in any of the periods presented, as its joint venture partners have the power to participate in making decisions related to the majority of significant activities of each investee. Accordingly, the Company concluded that application of the equity method of accounting is appropriate for these investees. Barcelona was previously determined to be a VIE; however, the execution of amended governing documents in June 2020 constitutes a reconsideration event and Barcelona no longer meets the VIE criteria.

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Summarized Financial Information

The following tables present summarized financial information for all unconsolidated equity method investees. The Company's maximum exposure to losses related to its equity method investments is limited to its ownership interests as well as certain guarantees as described in Note 18, Commitments and Contingencies.

(in thousands)	For the Fiscal Year Ended		
	January 3, 2021	December 29, 2019	December 30, 2018
Revenues	\$ 30,547	\$ 55,568	\$ 49,233
Operating (loss) income	(3,923)	14,204	5,980
Net (loss) income*	(6,737)	(546)	487

* The net (loss) income shown above relates entirely to continuing operations.

(in thousands)	As of		
	January 3, 2021	December 29, 2019	December 30, 2018
Current assets	\$ 25,075	\$ 12,582	\$ 9,527
Non-current assets	155,836	132,736	108,648
Total assets	\$ 180,911	\$ 145,318	\$ 118,175
Current liabilities	5,392	3,096	15,636
Non-current liabilities	124,725	121,451	105,328
Total liabilities	\$ 130,117	\$ 124,547	\$ 120,964

The Company's equity method investees have not yet adopted Topic 842; therefore, the balance sheets of equity method investees do not include operating or finance lease right-of-use assets and liabilities.

6. Leases

The Company has entered into various lease agreements for its Houses, hotels, restaurants, spas and other properties across North America, Europe, and Asia. The Company's material leases have reasonably assured lease terms ranging from three years to 30 years for operating leases and 50 years for finance leases. Certain operating leases provide the Company with up to multiple renewal options that generally range from five years to 10 years, with rent payments on renewal based on a predetermined annual increase or market rates at the time of exercise of the renewal. The Company has 2 material finance leases with 25-year renewal options, with rent payments on renewal based on upward changes in inflation rates. As of January 3, 2021, the Company recognized right-of-use assets and lease liabilities for 83 operating leases and 2 finance leases. During the fiscal year ended January 3, 2021, there were 15 new operating leases, 3 cancelled operating leases, and 5 modifications of existing operating leases. When recognizing right-of-use assets and lease liabilities, the Company includes certain renewal options where the Company is reasonably assured to exercise the renewal option.

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The maturity of the Company's operating and finance lease liabilities as of January 3, 2021 is as follows:

<i>(in thousands)</i> Fiscal Year Ending	Operating Leases	Finance Leases
Undiscounted lease payments		
2021	\$ 83,150	\$ 5,277
2022	109,270	5,278
2023	108,228	5,280
2024	106,387	5,282
2025	108,249	5,326
Thereafter	1,554,037	213,963
Total undiscounted lease payments	2,069,321	240,406
Present value adjustment	979,123	166,848
Total net lease liabilities	\$1,090,198	\$ 73,558

As of January 3, 2021, December 29, 2019, and December 30, 2018, the long-term liabilities for finance leases were \$74 million, \$70 million, and \$68 million, respectively, and are recorded as finance lease liabilities on the consolidated balance sheets.

Certain lease agreements include variable lease payments that, in the future, will vary based on changes in the local inflation rates, market rate rents, or business revenues of the leased premises. Leases that contain market rate rents generally reset every five years.

Straight-line rent expense recognized as part of in-House operating expenses for operating leases was \$110 million, \$89 million, and \$61 million for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. Variable lease payments recognized as part of in-House operating expenses for operating leases were \$3 million, \$15 million, and \$9 million for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively, including non-lease components such as common area maintenance fees.

For the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, the Company recognized amortization expense related to the right-of-use asset for finance leases of \$2 million, \$1 million, and \$4 million, respectively, and interest expense related to finance leases of \$5 million, \$5 million, and \$5 million, respectively. There were no material variable lease payments for finance leases for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018.

The total operating lease liabilities can be analyzed as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Current portion of operating lease liabilities:			
- for sites trading less than one year	\$ 605	\$ 4,080	\$ 2,006
- for sites trading more than one year	26,036	15,371	10,452
Total current portion	26,641	19,451	12,458
Operating lease liabilities, net of current portion:			
- for sites trading less than one year	68,708	395,029	257,720
- for sites trading more than one year	994,849	566,598	342,000
Total non-current portion	1,063,557	961,627	599,720
Total operating lease liabilities	\$1,090,198	\$ 981,078	\$ 612,178

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New Houses typically have a maturation profile that commences sometime after the lease commencement date used in the determination of the lease accounting in accordance with Topic 842. The table above sets out the operating lease liabilities split between sites trading less than one year and sites trading more than one year. “Sites trading less than one year” and “sites trading more than one year” reference sites that have been open (as measured from the date the site first accepted a paying guest) for a period less than one year from the balance sheet date and those that have been open for a period longer than one year from the balance sheet date.

The following information represents supplemental disclosure for the statement of cash flows related to operating and finance leases:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Cash flows from operating activities			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ (67,412)	\$ (45,318)	\$ (47,618)
Interest payments for finance leases	(5,112)	(4,700)	(5,088)
Cash flows from financing activities related to leases			
Principal payments for finance leases	\$ (230)	\$ (282)	\$ (1,823)
Supplemental disclosures of non-cash investing and financing activities:			
Operating lease assets obtained in exchange for new operating lease liabilities	\$ 67,235	\$ 343,558	\$ 178,430
Non-cash capitalized interest under financing obligation	—	—	1,876

The following summarizes additional information related to operating and finance leases:

	January 3, 2021	December 29, 2019	December 30, 2018
Weighted-average remaining lease term			
Finance leases	45 years	46 years	47 years
Operating leases	18 years	19 years	19 years
Weighted-average discount rate			
Finance leases	6.99%	6.99%	7.00%
Operating leases	7.87%	7.63%	8.14%

As of January 3, 2021, the Company has entered into 8 operating lease agreements for Houses, hotels, restaurants, and other properties that are in various stages of construction by the landlord. The Company will determine the classification as of the lease commencement date, but currently expects these under construction leases to be operating leases. Soho House Design is involved to varying degrees in the design of these leased properties under construction. For certain of these leases, the Soho House Design team is acting as the construction manager on behalf of the landlord. Pending significant completion of all landlord improvements and final execution of the related lease, the Company expects these leases to commence in fiscal years ending 2021, 2022, 2023 and 2026. The Company estimates the total undiscounted lease payments for the leases commencing in fiscal years 2021, 2022, 2023 and 2026 will be \$198 million, \$366 million, \$176 million, and \$152 million, respectively, with weighted-average expected lease terms of 19, 23, 18, and 25 for 2021, 2022, 2023 and 2026, respectively.

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The following summarizes the Company's estimated future undiscounted lease payments for current leases under construction, including properties where the Soho House Design team is acting as the construction manager:

<i>(in thousands)</i>	Operating Leases Under Construction
Fiscal Year Ending	
Estimated total undiscounted lease payments 2021	\$ 5,100
2022	16,476
2023	24,070
2024	28,578
2025	30,453
Thereafter	786,787
Total undiscounted lease payments expected to be capitalized	\$ 891,464

Financing Obligation

In April 2017, the Company entered into an agreement to sell a property in downtown Los Angeles ("DTLA property") for \$30 million with \$9 million contingently held back by the buyer. The Company simultaneously entered into an agreement to lease the land and building back from the buyer. As an incentive to enter the lease, the buyer has committed to provide an additional \$59 million of funding towards the development of the property, which includes the contingent proceeds held back upon the sale. This lease agreement has an original lease term of 20 years, with two 10-year renewal options. The lease payments for the original lease term and both renewal options, if exercised, are \$6.4 million per year, adjusted upward for local inflation rates that will not be less than 2% increase per year.

The Company determined that under Topic 606 and Topic 842, the buyer/lessor did not obtain control of the property after the sale and will not obtain control throughout the construction period and subsequent leaseback period. Therefore the transaction is accounted for as a financing, and the Company will continue to recognize the building on its consolidated balance sheets. The Company also recognized a financing obligation for any funding received from the buyer/lessor along with accrued interest over the construction period. As of January 3, 2021, December 29, 2019, and December 30, 2018, the current portion of the financing obligation was zero, \$1 million, and zero, respectively; and the non-current portion was \$74 million, \$69 million, and \$48 million, respectively. The current portion of the financing obligation is presented under current liabilities while the non-current portion is presented as financing obligation, net of current portion on the consolidated balance sheets.

Costs incurred related to the development of the property were capitalized as incurred. As of January 3, 2021, December 29, 2019, and December 30, 2018, the Company has capitalized \$90 million, \$94 million, and \$72 million, respectively, of construction in progress related to the project, including zero, \$7 million, and \$3 million, respectively, of capitalized interest. During the construction period, interest is capitalized at the 9% interest rate implicit in the lease. At the end of September 2019, the construction was complete and the property opened for business. Upon completion of construction, the balance of construction in progress was reclassified to depreciable asset classes within property and equipment, net. After the completion of construction, the Company expenses interest using the effective interest method in the period incurred.

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The following information represents supplemental disclosure for the statement of cash flows related to the financing obligation for the DTLA property:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Cash flows from operating activities			
Interest payments for financing obligation	\$ (6,626)	\$ (1,379)	\$ —
Cash flows from investing activities			
Capitalized interest	\$ —	\$ (3,409)	\$ (823)
Purchase of property and equipment	—	(23,798)	(20,883)
Cash flows from financing activities			
Principal payments on financing obligation	\$ —	\$ (1,709)	\$ —
Proceeds from financing obligation	3,652	23,798	20,883
Supplemental disclosures of non-cash investing and financing activities:			
Non-cash capitalized interest under financing obligation	\$ —	\$ —	\$ 1,876

The following summarizes the Company's estimated future undiscounted lease payments for the DTLA property:

<i>(in thousands)</i>	Financing Obligation
Fiscal Year Ending	
Undiscounted lease payments	
2021	\$ 6,758
2022	6,894
2023	7,031
2024	7,172
2025	7,316
Thereafter	93,086
Total undiscounted lease payments	128,257
Present value adjustment	54,096
Total net financing obligation	\$ 74,161

7. Revenue Recognition

Disaggregated revenue disclosures for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018 are included in Note 21, Segments.

The Company's performance obligations are satisfied over time as the Company performs under contract. Revenue from membership fees, one-time registration fees and build-out contracts are the only arrangements for which revenue is recognized over time. Revenue from these sources combined accounted for 50%, 26%, and 33% of the Company's revenue for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

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The following table includes estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period ending January 3, 2021.

<i>(in thousands)</i>	January 2, 2022	Future periods
Membership and registration fees	\$ 57,903	\$23,959
Total future revenues	\$ 57,903	\$23,959

All consideration from contracts with customers is included in the amounts presented above.

The following table provides information about contract receivables, contract assets and contract liabilities from contracts with customers:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Contract receivables	\$ 8,367	\$ 20,998	\$ 21,734
Contract assets	8,099	11,437	15,249
Contract liabilities	97,497	93,731	76,751

Contract assets consist of accrued unbilled income related to build-out contracts and are recognized in prepaid expenses and other current assets on the consolidated balance sheets. Refer to Note 8, Prepaid Expenses and Other Current Assets and Other Non-current Assets. All contract assets recognized as of December 31, 2017 of \$13 million were billed to customers and transferred to receivables as of December 30, 2018. All contract assets recognized as of December 30, 2018 of \$15 million were billed to customers and transferred to receivables as of December 29, 2019. All contract assets recognized as of December 29, 2019 of \$11 million were billed to customers and transferred to receivables as of January 3, 2021.

Contract liabilities include deferred membership revenue, hotel deposits (which are presented in accrued liabilities on the consolidated balance sheets), and gift vouchers. Significant changes in contract liabilities balances during the period are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Opening balance	\$ 93,731	\$ 76,751	\$ 54,695
Revenue recognized that was included in the contract liability balance as of the beginning of the period	(71,425)	(60,564)	(44,552)
Increases due to cash received during the period	74,654	77,391	66,794
Foreign currency translation	537	153	(186)
Closing balance	\$ 97,497	\$ 93,731	\$ 76,751

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8. Prepaid Expenses and Other Current Assets

The tables below present the components of prepaid expenses and other current assets.

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Amounts owed by equity method investees	\$ 2,350	\$ 2,910	\$ 9,441
Amounts due from related parties	—	—	6,368
Prepayments and accrued income	13,789	12,175	12,968
Contract assets	8,099	11,437	15,249
Other receivables	19,325	14,426	6,032
Total prepaid expenses and other current assets	\$ 43,563	\$ 40,948	\$ 50,058

9. Property and Equipment, Net

Property and equipment is comprised of the following:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Buildings	\$ 137,556	\$ 136,512	\$ 135,786
Leasehold improvements	281,836	226,538	148,502
Fixtures and fittings	233,427	178,853	128,656
Office equipment and other	34,735	26,961	19,467
Construction in progress	66,491	45,538	110,473
Finance property lease	167,823	164,707	71,166
	921,868	779,109	614,050
Less: Accumulated depreciation	(252,218)	(189,386)	(143,360)
	\$ 669,650	\$ 589,723	\$ 470,690

The Company recorded depreciation expense of \$56 million, \$47 million, and \$40 million in the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively, which was included in depreciation and amortization in the accompanying consolidated statements of operations.

The Company received zero and less than \$1 million of proceeds from the sale of property and equipment and recognized losses on disposal of less than \$1 million and \$2 million for the fiscal years ended January 3, 2021 and December 29, 2019, respectively. There were no material sales of property and equipment and no material gains or losses on disposal during the fiscal year ended December 30, 2018.

The Company also sold its interest in the restaurant under construction acquired as part of the Scorpions Acquisition discussed in Note 3, Acquisitions, in the first quarter of Fiscal 2020 to a related party for nominal consideration.

The Company reviews long-lived assets for impairment when changes in circumstances indicate that the asset's carrying value may not be recoverable. As a result of the COVID-19 pandemic and the related temporary House closures, the Company reviewed its long-lived assets for impairment and determined there are no recoverability concerns, except for Little House Mayfair Apartments, the carrying value of which was determined to not be recoverable. As a result, the Company calculated the fair value of Little House Mayfair Apartments and recognized an impairment loss of less than \$1 million.

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10. Goodwill and Intangible Assets

A summary of goodwill for each of the Company's applicable reportable segments from January 1, 2018 to January 3, 2021 is as follows:

<i>(in thousands)</i>	UK	US	Europe and RoW	Total
January 1, 2018	\$ 98,910	\$28,780	\$ —	\$127,690
Foreign currency translation adjustment	(4,482)	—	—	(4,482)
December 30, 2018	94,428	28,780	—	123,208
Scorpions Acquisition (Note 3)	—	—	65,489	65,489
Foreign currency translation adjustment	2,944	—	(464)	2,480
December 29, 2019	97,372	28,780	65,025	191,177
Foreign currency translation adjustment	4,230	—	6,075	10,305
January 3, 2021	\$101,602	\$28,780	\$ 71,100	\$201,482

The opening goodwill balance originates from the acquisition of Soho House Holdings Limited by affiliates of the Yucaipa Companies, LLC, as described in Note 1, Nature of the Business. There were no goodwill impairment charges during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018.

A summary of finite-lived intangible assets as of January 3, 2021, December 29, 2019, and December 30, 2018 is as follows:

<i>(in thousands)</i>	Average Amortization Period (in years)	January 3, 2021			December 29, 2019			December 30, 2018		
		Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Brand	24	\$104,520	\$ 40,194	\$ 64,326	\$102,259	\$ 35,859	\$ 66,400	\$100,584	\$ 31,669	\$ 68,915
Membership list	20	16,182	7,332	8,850	15,994	6,530	9,464	15,853	5,744	10,109
Website, internal-use software development costs, and other	5	52,431	17,763	34,668	40,471	9,624	30,847	17,711	4,535	13,176
		\$173,133	\$ 65,289	\$ 107,844	\$158,724	\$ 52,013	\$106,711	\$134,148	\$ 41,948	\$ 92,200

Accumulated amortization as of January 3, 2021 totaled \$40 million for Brand, \$7 million for Membership list and \$18 million for Website, internal-use software development costs, and other, respectively. Accumulated amortization as of December 29, 2019 totaled \$36 million for Brand, \$7 million for Membership list and \$10 million for Website, internal-use software development costs, and other, respectively. Accumulated amortization as of December 30, 2018 totaled \$32 million for Brand, \$6 million for Membership list and \$5 million for website, internal-use software development costs, and other, respectively.

Included within website, internal-use software development costs, and other are capitalized website development costs and internal-use software, net of accumulated amortization, which totaled \$24 million, \$20 million, and \$11 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

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Amortization expense related to the intangible assets totaled \$14 million, \$10 million, and \$8 million in the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. The following table represents estimated aggregate amortization expense for each of the next five fiscal years:

<i>(in thousands)</i>	
2021	\$ 13,160
2022	12,557
2023	10,554
2024	7,679
2025	5,371

11. Accrued Liabilities and Other Current Liabilities

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Accrued interest	\$ 23,110	\$ 11,417	\$ 10,703
Hotel deposits	7,008	8,702	7,827
Trade, capital and other accruals	30,999	42,236	42,929
	\$ 61,117	\$ 62,355	\$ 61,459

Included in trade, capital and other accruals is \$2 million related to social security taxes that were deferred as a result of government relief afforded by the COVID-19 pandemic which have not yet been paid as of January 3, 2021.

The balance of other current liabilities includes a contingent liability of \$12 million associated with membership credits issued on March 14, 2020 (refer to Note 18, Commitments and Contingencies, for more information).

12. Debt

Debt balances, net of debt issuance costs, are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Revolving credit facilities, interest at 3.75% plus LIBOR	\$ 81,615	\$ 49,678	\$ 39,499
Permira Senior Facility, interest at 7% plus LIBOR due 2023	542,638	486,983	412,176
Greek Street loan, interest at 7.5%, maturing January 2028	5,189	5,519	5,836
Soho House Hong Kong loan, interest at 7% plus LIBOR, maturing January 2023	6,500	6,533	6,500
US government-backed bank loan, interest at 1%, maturing April 2023	21,481	—	—
Other loans (see additional description below)	5,959	—	3,620
	663,382	548,713	467,631
Less: Current portion of long-term debt	(82,302)	(50,224)	(43,603)
Total long-term debt, net of current portion	\$ 581,080	\$ 498,489	\$ 424,028

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Property mortgage loans, net of debt issuance costs, are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Term loan, interest at 6.067%, maturing April 6, 2019	\$ —	\$ —	\$ 53,607
Mezzanine loan, interest at 13%, maturing April 6, 2019	—	—	11,703
Term loan, interest at 5.34%, maturing February 6, 2024	53,965	53,637	—
Mezzanine loan, interest at 7.25%, maturing February 6, 2024	60,833	60,463	—
	114,798	114,100	65,310
Less: Current portion of property mortgage loans	—	—	(65,310)
Total property mortgage loans, net of current portion	\$ 114,798	\$ 114,100	\$ —

Related party loans, net of current portion and imputed interest, are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Related party loans, unsecured, 7% interest bearing, maturing September 2022	\$ 17,595	\$ 14,264	\$ —
Related party loans, unsecured, 4% interest bearing, maturing December 2021	611	—	—
Related party loans, unsecured, noninterest bearing, maturing September 2020	—	22,579	19,905
Related party loans, unsecured, 8% interest bearing, maturing June 2019	—	—	12,697
	18,206	36,843	32,602
Less: Current portion of related party loans	(611)	(22,579)	(12,697)
Total related party loans, net of current portion	\$ 17,595	\$ 14,264	\$ 19,905

The weighted-average interest rate on fixed rate borrowings was 7% as of January 3, 2021, 7% as of December 29, 2019, and 7% as of December 30, 2018. The weighted-average interest rate on floating rate borrowings was 7% as of January 3, 2021, 8% as of December 29, 2019, and 8% as of December 30, 2018.

Debt

The description below shows the financial instrument amounts in the currency of denomination with USD equivalent in brackets, where applicable, translated using the exchange rates in effect at the time of the respective transaction.

On September 27, 2013, the Company entered into a £25 million (\$31 million) floating rate revolving credit facility which originally matured in March 2018, of which £18 million (\$28 million) related to SHG Acquisition (UK) Limited and subsidiaries and \$10 million related to the US subsidiaries. In February 2016, the Company modified the revolving credit facility to increase the capacity to £30 million (\$38 million). In April 2017, the Company renewed the revolving credit facility for a period of four and a half years and

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increased the total availability under the facility to £35 million (\$46 million). As of December 30, 2018, the Company had \$4 million remaining to draw against this facility. The Company incurred interest expense of \$3 million and \$3 million on this facility during the fiscal years ended December 29, 2019 and December 30, 2018, respectively. The facility was terminated on December 9, 2019 and replaced with a new facility described below. As a result of the termination, the Company wrote off unamortized debt issuance costs of less than \$1 million; this write-off is included in interest expense, net in the consolidated statements of operations.

On December 5, 2019, the Company entered into a £55 million (\$72 million) floating rate revolving credit facility with a maturity date of January 25, 2022. In April 2020, the Company secured an additional £20 million (\$25 million) of liquidity under this facility and extended the maturity until January 2023. As of January 3, 2021 and December 29, 2019, the Company had £14 million (\$19 million) and £15 million (\$20 million) remaining to draw against this facility, respectively. The facility is secured on a fixed and floating charge basis over certain assets of the Company. The Company incurred interest expense of \$4 million and less than \$1 million on this facility during the fiscal years ended January 3, 2021 and December 29, 2019, respectively.

In April 2017, the Company signed an agreement to refinance the majority of its existing debt to support future growth. This refinancing (referred to as the “Permira Senior Facility”) consisted of a £275 million (\$345 million) senior secured loan with a five-year term and interest rate of LIBOR (subject to a floor of 1%) + 7%. A portion of the interest is in the form of payment in kind, with the accrued interest being converted to capital outstanding on the loan at each interest payment date. In April 2017, the Company drew £250 million (\$313 million) of this loan; the remaining £25 million (\$33 million) was drawn in October 2017. Additionally, the agreement provided for an incremental £100 million (\$125 million) of available financing, subject to certain conditions. The Company drew an additional £20 million (\$28 million), £25 million (\$35 million), and €41 million (\$46 million) under the accordion in February 2018, June 2018 and April 2019, respectively. The Permira Senior Facility is secured on a fixed and floating charge basis over the assets of the Company. The Company incurred interest expense of \$51 million, \$43 million, and \$39 million (including payment-in-kind interest of \$26 million, \$14 million and \$12 million) on the Permira Senior Facility during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. In April 2021, the Company repaid all outstanding amounts under the Permira Senior Facility using proceeds from a new financing arrangement; refer to Note 23, Subsequent Events, for additional details.

In January 2018, the Company entered into leases in connection with its Greek Street properties. As part of these leases, the landlord has funded a principal amount of £5 million (\$7 million), which represents costs paid directly by the landlord which will be repaid by the Company. Amounts funded by the landlord prior to the lease inception date were initially reflected as accrued liabilities and subsequently converted into long-term debt upon execution of the respective agreements. The Greek Street loans carry interest of 7.5%, are due for repayment in January 2028 and are unsecured. The Company incurred interest expense of less than \$1 million during each of the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018.

In June 2018, the Company received proceeds of \$6.5 million from the landlord of the Soho House Hong Kong property under a loan agreement. The loan has a 5-year term, with an interest rate of LIBOR + 7% payable annually. Principal is due on expiration of the loan. The Company incurred interest expense of less than \$1 million during each of the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018. The Company must comply with certain financial covenants, including the requirement that the Company maintain certain minimum EBITDA levels, calculated pursuant to the loan agreement; the minimum EBITDA requirement was not met as of January 3, 2021. Accordingly, the Company is conducting ongoing discussions with the landlord and a grace period has been established. The loan has been presented as a current liability until the discussions are resolved.

On April 24, 2020, the Company entered into an unsecured promissory note under the Paycheck Protection Program (the “PPP”), with a principal amount of \$22 million. The loan has a January 2023 maturity date

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and is subject to a 1% interest rate. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the US Small Business Administration (the “SBA”). The Company is permitted to prepay or partially prepay this US government-backed bank loan at any time with no prepayment penalties. Under the terms of the CARES Act, PPP loan recipients can apply for, and, if successful, be granted forgiveness for all or a portion of loans granted under the PPP. However, the Company repaid all amounts outstanding under the US government-backed bank loan in April 2021, using proceeds from a new financing arrangement; refer to Note 23, Subsequent Events, for additional details. The Company incurred interest expense of less than \$1 million during the fiscal year ended January 3, 2021.

In June 2018, the Company had an outstanding balance of \$4 million under a loan agreement with Bellona Enterprises Limited (the “Bellona Loan Facility”). The Bellona Loan Facility had an original maturity date in June 2018, which was extended until August 30, 2019. Borrowings under the Bellona Loan Facility were repaid in full in September 2019.

In December 2019, the Company entered into a credit facility with Compagnie de Phalsbourg LLC. As of January 3, 2021, the Company had drawn a total of €1 million (\$1 million) under this facility. The facility matures in January 2025 and carries an interest rate of 7%. The Company incurred interest expense of less than \$1 million during the fiscal year ended January 3, 2021.

In August 2020, the Company entered into a loan agreement with Optima Bank to borrow €2 million (\$2 million). The loan matures in September 2023 and carries an interest rate of 4.1%. The Company incurred interest expense of less than \$1 million during the fiscal year ended January 3, 2021.

In August 2020, the Company entered into a loan with the government of Greece for a principal amount of €2 million (\$2 million). The loan matures in July 2025 and carries an interest rate of 3.1%. The Company incurred interest expense of less than \$1 million during the fiscal year ended January 3, 2021.

Property Mortgage Loans

In March 2014, the Company completed an \$82 million freehold property acquisition through a corporate acquisition, and following the acquisition the Company now owns the entire Soho Beach House Miami property. The purchase was financed by a combination of a term loan, mezzanine loan and preference shares (refer to Note 15, Redeemable Preferred Shares for more information). In connection with the Miami acquisition, certain subsidiaries entered into a \$55 million term loan agreement (6.07% interest) and a \$12 million mezzanine loan agreement (13% interest). The Company incurred interest expense of less than \$1 million and \$5 million on these facilities during the fiscal years ended December 29, 2019, and December 30, 2018, respectively. The mezzanine loan and term loan were scheduled to mature in April 2019.

In February 2019, the Company refinanced the existing facilities with a new term loan and a mezzanine loan. The new term loan of \$55 million and mezzanine loan of \$62 million are secured on the underlying property and operations of Soho Beach House Miami and are due in February 2024. The loans bear interest at 5.34% and 7.25%, respectively. The Company incurred interest expense of \$8 million and \$7 million on these facilities during the fiscal years ended January 3, 2021 and December 29, 2019, respectively.

Related Party Loans

In 2017, Soho Works Limited entered into a term loan facility agreement with two individuals who are the holders of the Company’s redeemable preferred shares related to a £40 million term loan facility. The SWL

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loan bears interest at 7% and matures at the earliest of: (a) September 29, 2022; (b) the date of disposal of the whole or substantial part of the Soho Works Limited; (c) the date of sale by the shareholders of the entire issued share capital of Soho Works Limited to a third party; (d) the date of the admission of Soho Works Limited to any recognized investment exchange or multi-lateral trading facility; and (e) any later date that the two individuals may determine in their sole discretion. In December 2019, Soho Works Limited drew £11 million (\$14 million) under the facility. The carrying amount of the term loan was £13 million (\$18 million) and £11 million (\$14 million) as of January 3, 2021 and December 29, 2019, respectively. The Company incurred interest expense of \$2 million and less than \$1 million on this facility during the fiscal years ended January 3, 2021 and December 29, 2019, respectively.

In August 2020, the Company entered into a non-interest bearing loan agreement with a noncontrolling interest shareholder of the Scorpions businesses for a principal amount of less than €1 million (\$1 million). The shareholder loan is presented within current portion of related party loans on the consolidated balance sheets and matures in December 2021. The shareholder loan has an effective interest rate of 4%.

Shareholders of the Company provided £19 million unsecured, non-interest bearing loan notes. The loan notes constituted unsecured obligations, and the rights of the noteholders under such loan notes were contractually subordinated to any secured senior indebtedness of the Company. The carrying amount of the loan notes was £17 million (\$23 million) and £16 million (\$20 million) as of December 29, 2019 and December 30, 2018, respectively. In May 2020, the Company issued 2,176,424 A ordinary shares to settle the loan notes. Prior to settlement, the loan notes had an effective interest rate of 10%. The Company recognized effective interest expense of \$2 million, \$2 million, and \$2 million on these loan notes during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

In October 2018 and November 2018, the Company received funding from shareholders totaling £10 million (\$13 million). These shareholder loans carry interest at 8% and were repaid in September 2019. During the fiscal years ended December 29, 2019 and December 30, 2018, the Company incurred interest of less than \$1 million and less than \$1 million, respectively.

In July 2019, the Company received £3.5 million (\$4 million) of funding from shareholders, which was repaid in September 2019.

Debt Issuance Costs

Property mortgage loans due after more than one year are net of unamortized debt issuance costs of \$2 million as of January 3, 2021, \$3 million as of December 29, 2019, and zero as of December 30, 2018. Other loans are net of unamortized debt issuance costs of less than \$1 million, zero, and less than \$1 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively. The revolving credit facility is net of unamortized debt issuance costs of \$2 million, \$2 million, and \$1 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively. The Permira Senior Facility is net of unamortized debt issuance costs of \$5 million, \$9 million, and \$10 million as of January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

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The following table presents future principal payments for the Company's debt, property mortgage loans, and related party loans as of January 3, 2021:

<i>(in thousands)</i>	
2021	\$ 84,231
2022	44,845
2023	545,188
2024	117,777
2025	11,516
Thereafter	1,595
	<u>\$ 805,152</u>

Financial Covenants

Some of the Company's debt instruments contain a number of covenants that restrict the Company's ability to incur debt in excess of calculated amounts, ability to make distributions under certain circumstances and generally require the Company to maintain certain financial metrics, such as leverage and minimum working capital levels. Failure for the Company to comply with the financial covenants contained in the debt instruments could result from, among other things, changes in its statement of operations, the incurrence of additional debt or changes in general economic conditions.

If the Company violates the financial covenants contained in the debt instruments, the Company may attempt to negotiate waivers of the violations or amend the terms of the applicable instruments, however, the Company can make no assurance that it would be successful in any such negotiations or that, if successful in obtaining waivers or amendments, such amendments or waivers would be on terms attractive to the Company.

As of January 3, 2021, December 29, 2019, and December 30, 2018, the Company is in compliance with all debt covenants (with the exception of the loan for Soho House Hong Kong as of January 3, 2021, as discussed above), current on all payments and not otherwise in default under any of the Company's debt instruments.

13. Fair Value Measurements

Recurring and Non-recurring Fair Value Measurements

There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of January 3, 2021 with exception of Little House Mayfair Apartments as discussed in Note 9, Property and Equipment, Net. There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of December 29, 2019 or December 30, 2018.

Fair Value of Financial Instruments

The Company believes the carrying values of its financial instruments related to current assets and liabilities approximate fair value due to short-term maturities.

The Company does not believe that the financial performance or creditworthiness of the Company has changed since the issuance of the Permira Senior Facility, which was issued at par with a floating interest rate of LIBOR (subject to a floor of 1%) + 7%. Given the nature of this floating rate obligation and the stability of the Company's creditworthiness, the carrying value (excluding debt issuance costs of \$5 million as of January 3, 2021, \$9 million as of December 29, 2019, and \$10 million as of December 30, 2018) closely approximates the Permira obligation's fair value.

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The fair value of the remaining debt is estimated to be equal to the current carrying value of each instrument based on a comparison of each instrument's contractual terms to current market terms. The Company does not believe that the use of different market inputs would have resulted in a materially different fair value of debt as of January 3, 2021, December 29, 2019, and December 30, 2018).

The following table presents the estimated fair values of the Company's debt instruments with maturity dates in 2021 and thereafter:

<i>(in thousands)</i>	<u>Carrying Value</u>	<u>Fair Value</u>
January 3, 2021		
Related party loans	\$ 17,595	\$ 17,595
Permira Senior Facility	542,638	547,739
US government-backed bank loan	21,481	21,481
Other non-current debt	17,648	17,648
	<u>\$ 599,362</u>	<u>\$ 604,463</u>
 <i>(in thousands)</i>	 <u>Carrying Value</u>	 <u>Fair Value</u>
December 29, 2019		
Related party loans	\$ 14,264	\$ 14,264
Permira Senior Facility	486,983	495,699
Other non-current debt	12,052	12,052
	<u>\$ 513,299</u>	<u>\$ 522,015</u>
 <i>(in thousands)</i>	 <u>Carrying Value</u>	 <u>Fair Value</u>
December 30, 2018		
Related party loans	\$ 19,905	\$ 19,905
Permira Senior Facility	412,176	422,223
Other non-current debt	12,336	12,336
	<u>\$ 444,417</u>	<u>\$ 454,464</u>

The carrying values of the Company's other non-current liabilities and non-current assets approximate their fair values.

14. Share-Based Compensation

As described in Note 2, Summary of Significant Accounting Policies – Share-Based Compensation, in August 2020, the Company established the 2020 Equity and Incentive Plan under which SARs and Growth Shares were issued to certain of the Company's employees. As of January 3, 2021, there were 5,536,998 SARs and 2,850,897 Growth Shares outstanding under the Plan. The base price of all SARs as of the grant date was equal to the deemed fair value of the underlying ordinary shares as determined by the Company with the assistance of periodic valuations from a third-party valuation firm.

SARs and Growth Shares are scheduled to vest annually in equal installments over a four-year period, or cliff-vest at the time of a change of control transaction, if earlier. Upon a Qualifying IPO event (initial public offering where primary and secondary proceeds exceed \$100 million), up to one year of vesting will accelerate. SARs have a base price per share of \$10.523. Exercised SARs will be settled in cash upon a change of control and will be settled in ordinary shares upon an IPO event. SARs have a contractual term of 10 years. Growth Shares are settled in D ordinary shares and will vest upon a change in control or an IPO

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event. The Company has the option to settle the SARs in cash or shares prior to a change in control or IPO event or if an IPO event does not occur within four years of the grant date. SARs and Growth Shares are accounted for as equity classified awards.

Share-based compensation for the fiscal year ended January 3, 2021 was recorded in the consolidated statements of operations within general and administrative expense as shown in the following table:

<i>(in thousands)</i>	January 3, 2021
SARs	\$ 1,733
Growth Shares	885
Total share-based compensation expense	\$ 2,618
Tax benefit for share-based compensation expense	—
Share-based compensation expense, net of tax	\$ 2,618

There was no share-based compensation expense recognized for the fiscal years ended December 29, 2019 and December 30, 2018.

The weighted-average assumptions used in valuing the SARs and Growth Shares granted are set forth in the following table:

	January 3, 2021
Expected average life [1]	3.50 years
Expected volatility [2]	45.00%
Risk-free interest rate [3]	0.25%
Expected dividend yield [4]	0.00%

- [1] The expected average life assumption is based on the Company's expectation for a liquidity event as of grant date.
- [2] The expected volatility assumption is developed using leverage-adjusted historical volatilities for public peer companies for the period equal to the expected average life of the awards.
- [3] The risk-free rate is based on the US Treasury Rate Yield Curve Rate as of the grant date with maturities equal to the expected average life of the awards.
- [4] The expected dividend yield is 0.0% since the Company does not expect to pay dividends.

The weighted-average grant date fair value for SARs granted during the fiscal year ended January 3, 2021 was \$3.46. There were no SARs granted during the fiscal years ended December 29, 2019 and December 30, 2018.

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The following table shows a summary of all SARs under the Plan:

	<u>Number of Shares</u>	<u>Weighted Average Base Price Per Share</u>	<u>Weighted- Average Remaining Contractual Life (in years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding as of December 29, 2019	—	—		
Granted	5,815,850	\$ 10.52		
Exercised	—	—		
Forfeited	(278,852)	10.52		
Expired	—	—		
Outstanding as of January 3, 2021	5,536,998	\$ 10.52	9.65	\$ —
Exercisable as of January 3, 2021	10,991	10.52	9.67	—
Vested and expected to vest as of January 3, 2021	5,536,998	\$ 10.52	9.65	\$ —

As of January 3, 2021, total compensation expense not yet recognized related to unvested SARs is approximately \$17 million, which is expected to be recognized over a weighted average period of 3.64 years.

The following table shows a summary of all Growth Shares under the Plan:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Nonvested as of December 29, 2019	—	—
Granted	2,850,897	\$ 3.46
Vested	—	—
Forfeited	—	—
Nonvested as of January 3, 2021	2,850,897	\$ 3.46
Vested and not yet released as of January 3, 2021	—	—
Outstanding as of January 3, 2021	2,850,897	\$ 3.46

As of January 3, 2021, total compensation expense not yet recognized related to unvested Growth Shares is approximately \$9 million, which is expected to be recognized over a weighted average period of 3.64 years.

15. Redeemable Preferred Shares

In May 2016, the Company issued 10,000,000, 7% redeemable preferred shares totaling £10 million (\$15 million) to unrelated parties. These shares are redeemable by the holders upon an exit, such as an IPO, or sale of the Company and the cumulative dividends are only paid on redemption. As of January 3, 2021, December 29, 2019, and December 30, 2018, redemption of the preferred shares was not probable.

On March 20, 2014, the Company issued 100 redeemable preferred shares totaling \$15 million to an unrelated party as part of the acquisition of the Miami property. The holders received preferred payments (8.5% coupon per annum) notwithstanding the Company's income or profit and had the option to redeem all

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of the preferred shares at the earlier of an event of default or the fifth anniversary of issuance (March 2019) for an aggregate amount of \$15 million. The Company could also redeem all of the preferred shares upon the fifth anniversary of issuance, at its election. As of December 30, 2018, the preferred shares were considered probable of becoming redeemable and, therefore, were recorded at their expected redemption value of \$15 million in the consolidated balance sheets. In February 2019, the Company redeemed the preferred shares for \$15 million in conjunction with the refinancing of property mortgage loans of Beach House JV, LLC, as described in Note 12, Debt.

16. C Ordinary Shares

On August 23, 2019, the Company issued 4,276,347 redeemable C ordinary shares to an unrelated third party for a total subscription price of \$45 million. On the same date, the new investor purchased 475,150 A ordinary shares directly from Mr. Nick Jones for \$5 million; these shares were immediately converted into an equal number of redeemable C ordinary shares. On November 4, 2019, the Company issued an additional 2,181,507 shares to the same investor for \$20 million, resulting in a total of 6,933,004 redeemable C ordinary shares issued and outstanding as of December 29, 2019. The Company received net proceeds of \$63 million and incurred \$5 million of share issuance costs in connection with these transactions.

On May 19, 2020, the Company issued an additional 9,502,993 redeemable C ordinary shares to a different unrelated third party for a total subscription price of \$100 million, net of discount of \$6 million. The Company received net proceeds of \$94 million and incurred \$1 million of share issuance costs in connection with this issuance. As a result, the Company had 16,435,997 redeemable C ordinary shares issued and outstanding as of January 3, 2021. The Company recorded the redeemable C ordinary shares as mezzanine equity as a result of the redemption provision described below.

Upon meeting certain conditions, the holders of the redeemable C ordinary shares described above have the option to redeem all of the shares between October 1, 2023 and March 31, 2024 with respect to the shares issued in August 2019 or between August 23, 2023 and February 23, 2024 with respect to the shares issued in May 2020, provided that the Company has not completed a public listing of its shares prior to the beginning of the respective redemption period. The redemption amount is determined using a 5% stated rate of return on the holders' aggregate subscription price, calculated for the period between August 23, 2019 (or May 19, 2020 for the subsequent issuance) and the redemption date. As of January 3, 2021, redemption of the redeemable C ordinary shares was not probable and, therefore, the Company recorded the shares at their original issuance price and has not accreted the shares to their redemption value.

On December 8, 2020, Mr. Nick Jones sold certain of his A ordinary shares to an unrelated third party and as a condition of the transaction, the A ordinary shares were converted into 1,710,546 C ordinary shares. Unlike the previously issued redeemable C ordinary shares described above, the investor does not have the right to redeem these converted C ordinary shares. Therefore, 1,710,546 of the total 18,146,543 C ordinary shares outstanding as of January 3, 2021 are classified as permanent equity instead of mezzanine equity.

17. Loss Per Share and Shareholders' Deficit

The Company has issued four classes of shares. Holders of A ordinary shares (par value of £1) are entitled to one vote for each A ordinary share held. Each A ordinary shareholder is entitled pari passu to dividend payments or any other distributions.

In January 2012, the Company issued 4,469,417 of B ordinary shares with par value of £0.0001, which have no voting rights. These shares vest annually in equal installments over a period of five years, and all shares became vested on January 12, 2017. B ordinary shareholders are entitled to income rights in proportion to

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the A ordinary shareholders based on the number of shares held only after \$206 million has been returned in aggregate to the holders of A ordinary shares, the C ordinary shares and the C2 ordinary shares.

As described in Note 16, C Ordinary Shares, in August and November 2019, the Company issued 6,933,004 redeemable C ordinary shares (par value of £1) to the same unrelated third party in two separate transactions. The Company issued an additional 9,502,993 redeemable C ordinary shares (par value of £1) to a separate unrelated third party in May 2020. The holders of redeemable C ordinary shares are entitled to one vote for each share held. In addition, so long as certain conditions are met, each of the investors will be entitled to appoint one non-executive director and one non-voting observer director to the Company's board and will also have certain veto rights with respect to a sale of the Company prior to August 23, 2024. All redeemable C ordinary shares are entitled to dividend payments or any other distributions on a pari passu basis with other classes of ordinary shares. Upon a public listing of the Company's shares, the redeemable C ordinary shares will convert into the same class of shares as the A ordinary shares on a 1:1 basis, subject to certain anti-dilution protection, whereby the holders of the redeemable C ordinary shares will receive additional shares if the value of the as-converted redeemable C ordinary shares is less than the investors' initial subscription price.

Separate from the redeemable C ordinary shares discussed above, in December 2020, the Company converted 1,710,546 A ordinary shares into 1,710,546 C ordinary shares which are not redeemable by the Company. These C ordinary shares do not have any voting or veto rights. The shares are entitled to dividend payments or any other distributions on a pari passu basis with other classes of ordinary shares. Upon a public listing of the Company's shares, the C ordinary shares will convert into the same class of shares as the A ordinary shares on a 1:1 basis, subject to certain anti-dilution protection, whereby the holders of the C ordinary shares will receive additional shares if the value of the as-converted C ordinary shares is less than the investors' initial purchase price.

In December 2019, the Company issued 3,326,048 of non-voting C2 ordinary shares with par value of £1 to an unrelated third party. The Company received \$15 million from the third-party investor during the fiscal year ended December 30, 2018, prior to the legal issuance of C2 ordinary shares, which is included within other current liabilities on the consolidated balance sheet as of December 30, 2018. The Company incurred \$1 million of share issuance costs in connection with this transaction. The C2 ordinary shares are entitled to dividend payments or any other distributions on a pari passu basis with other classes of ordinary shares.

In August 2020, the Company established its 2020 Equity and Incentive Plan, under which employees received SARs and Growth Shares which will be settled in D ordinary shares (par value of £0.0001). As of January 3, 2021, there are 2,850,897 D ordinary shares issued and outstanding. Any additional D ordinary shares may be issued only pursuant to the Plan or any other approved incentive plans of the Company. The D ordinary shares do not have any voting rights. D ordinary shareholders are entitled to income and distribution rights in proportion to the A ordinary, B ordinary, C ordinary and C2 ordinary shareholders based on the number of shares held only after \$1,800 million has been returned to the holders of all other classes of ordinary shares.

The Company computes loss per share of A ordinary shares, B ordinary shares, C ordinary shares, and C2 ordinary shares using the two-class method.

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The table below illustrates the reconciliation of the loss and the number of shares used in the calculations of basic and diluted loss per share:

	January 3, 2021			
	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares
<i>(in thousands except share and per share amounts)</i>				
Computation of basic and diluted loss per share				
Net loss attributable to Soho House Holdings Limited	\$ (203,295)	\$ (5,430)	\$ (15,695)	\$ (4,041)
Less: Cumulative preferred shares undeclared dividends redeemable upon change of control	(3,782)	(101)	(292)	(75)
Net loss adjusted for preferred shares dividends	\$ (207,077)	\$ (5,531)	\$ (15,987)	\$ (4,116)
Weighted average shares outstanding for basic and diluted earnings per share	167,333,636	4,469,417	12,918,609	3,326,048
Basic and diluted loss per share	\$ (1.24)	\$ (1.24)	\$ (1.24)	\$ (1.24)
	December 29, 2019			
	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares
<i>(in thousands except share and per share amounts)</i>				
Computation of basic and diluted loss per share				
Net loss attributable to Soho House Holdings Limited	\$ (122,929)	\$ (3,301)	\$ (1,478)	\$ (34)
Less: Cumulative preferred shares undeclared dividends redeemable upon change of control	(3,187)	(86)	(38)	(1)
Less: Preferred shares declared dividends	(351)	(9)	(4)	—
Net loss adjusted for preferred shares dividends	\$ (126,467)	\$ (3,396)	\$ (1,520)	\$ (35)
Weighted average shares outstanding for basic and diluted earnings per share	166,418,177	4,469,417	2,000,479	45,687
Basic and diluted loss per share	\$ (0.76)	\$ (0.76)	\$ (0.76)	\$ (0.76)

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(in thousands except share and per share amounts)	December 30, 2018	
	A Ordinary Shares	B Ordinary Shares
Computation of basic and diluted loss per share		
Net loss attributable to Soho House Holdings Limited	\$ (88,969)	\$ (2,387)
Less: Cumulative preferred shares undeclared dividends redeemable upon change of control	(2,355)	(63)
Less: Preferred shares declared dividends	(1,242)	(33)
Net loss adjusted for preferred shares dividends	\$ (92,566)	\$ (2,483)
Weighted average shares outstanding for basic and diluted earnings per share	166,585,263	4,469,417
Basic and diluted loss per share	\$ (0.56)	\$ (0.56)

The net loss attributable to the Company in calculating basic and diluted EPS is adjusted for cumulative undeclared dividends in the period. The redemption of the cumulative preferred shares was not probable as of the balance sheet date, as there was no expected change of control of the Company.

The loss per share calculations for the fiscal years ended January 3, 2021 and December 29, 2019 exclude additional shares that would be issuable to the holders of redeemable C ordinary shares in the event of a public listing that resulted in the value of the redeemable C ordinary shares being less than the investor's initial subscription price, because the impact of including such additional shares would be anti-dilutive. The loss per share calculation for the fiscal year ended January 3, 2021 also excludes D ordinary shares, as the related Growth Shares have not yet vested and the inclusion of D ordinary shares in diluted loss per share would be anti-dilutive. There were no shares excluded from the EPS calculation for the fiscal year ended December 30, 2018.

18. Commitments and Contingencies

Litigation Matters

The Company is not a party to any litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's consolidated financial statements.

Commitments and Contingencies

In connection with the closure of Houses across the world beginning on March 14, 2020, the Company in its discretion issued membership credits to members to be redeemed for certain Soho House products and services. Membership credits were issued as a one-time goodwill gesture deemed to be a marketing offer to members, and were initially set to expire on December 31, 2020. The liability associated with the membership credits is derecognized based on the usage of credits and the cost of the inventory or services to fulfill the Company's obligation to its members; this liability is classified within other current liabilities on the Company's consolidated balance sheet. In December 2020, the Company made the decision in its

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discretion to extend the expiration date to June 30, 2021 as a result of the continuing impact of the COVID-19 pandemic, resulting in a significant number of the Houses remaining closed or operating at a reduced capacity for longer periods than the Company originally expected. In March 2021, the Company decided in its discretion to further extend the expiration date to September 30, 2021. The Company simultaneously adjusted its obligation based on its best estimate of the cost to be incurred. The maximum cost the Company could incur is approximately \$21 million, however this is highly unlikely and the liability recorded reflects management's best estimate of the redemption rate applied to the membership credits issued. The redemption rate is based on the Company's cumulative experience to-date. Accordingly, an estimated liability of \$12 million was accrued as of January 3, 2021. There are associated marketing expenses of \$12 million that were incurred over the period and included within other expense in the consolidated statements of operations.

On December 7, 2017, 139 Ludlow Acquisition LLC entered into a loan agreement with Natixis Real Estate Capital LLC. The borrower is a joint venture owned in equal thirds by Soho 139 Holdco, LLC (an entity controlled by the Company) and its two partners. Pursuant to the loan agreement, the lender advanced \$33.5 million, the bulk of which proceeds were used to extinguish and refinance the borrower's previous mortgage loan with Centennial Bank. The loan is secured with a first priority mortgage and security interest on the real property known as 139 Ludlow Street, New York (including an assignment of leases and rents and other customary mortgage documents).

The loan is generally "non-recourse", but subject to standard "carve-outs" for which US AcquireCo, Inc. (a wholly-owned subsidiary of the Company) and its joint venture partners (the "Guarantors") provided a guarantee of recourse obligations, pursuant to which such Guarantors are jointly and severally obligated to pay (without any cap or limit) the amounts of any actual loss, damage, cost, expense, liability, claim or other obligation incurred by the lender.

In August 2014, the Company entered into a security arrangement with regards to Raycliff Red LLP's (a VIE's) £4 million (\$7 million) bank loan to redevelop a property into an overflow location for Shoreditch House hotel rooms in the United Kingdom. In May 2016, the VIE extended the existing loan to £10 million (\$15 million) to, inter alia, purchase an adjoining property that was redeveloped as an overflow location for Shoreditch House hotel rooms. In May 2017, the VIE extended the existing loan to £20 million (\$26 million). In July 2018, the facility was extended by a further £0.4 million (\$0.5 million). The Company has provided security in respect of the loan by granting the lender a charge over its membership interest in the VIE. The security will remain in effect until the VIE's bank loan is repaid in full to the lender. In October 2019, the VIE entered into a term loan facility agreement with a new lender, the proceeds of which were used to repay the previous bank loan. As of January 3, 2021, the outstanding balance of the VIE's term loan was £21 million (\$29 million). The Company has provided security in respect of the term loan by granting the lender a charge over its membership interest in the VIE. The security will remain in effect until the VIE's term loan is repaid in full to the lender.

In January 2014, the Company committed to invest €10 million (\$14 million) in Soho House Barcelona, for the entity to redevelop a property into Soho House Barcelona in Spain. As of January 1, 2017, the Company had advanced €10 million (\$10 million) of its commitment, of which €5 million (\$5 million) was in cash and €5 million (\$5 million) was in the form of a convertible loan (which converted to shares on November 30, 2016). There was no further activity during the fiscal year ended December 30, 2018. The cash loan matured on September 30, 2019 and was converted into shares in December 2019. Following its redevelopment, the Company began operating the property in October 2016 and has agreed to meet certain performance targets in the first five years of operations. If unmet, the Company must cure any performance shortfall for a maximum exposure of €4.4 million (\$5 million) in 2019 and adjusted for inflation every year thereafter.

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On November 18, 2016, an existing mortgage loan over the property was novated by the VIE to Banca March and extended to a total commitment of €18 million (\$19 million). This loan was further extended to a total commitment of €39.5 million (\$45 million) on March 21, 2019, and a portion of the proceeds was used to redeem an existing €18 million (\$20 million) mezzanine facility from Orca Finance and Invest Ltd to Mirador Barcel S.L. The Banca March loan is secured by way of mortgage over the Soho House Barcelona.

On June 19, 2013, the Company entered into an operating agreement with an unrelated third party to operate a property in Istanbul as Soho House Istanbul. Under the operating agreement, the Company has agreed to meet certain performance targets from the second operating year, which commenced in March 2015. The performance targets are subject to annual index increases of 2.5%. If the performance targets are not met, the Company must cure any performance shortfall up to a maximum exposure of €3 million (\$4 million) in any given year. To date, the Company considers that the performance targets have not been applicable on the basis that a force majeure event has occurred and been ongoing pursuant to the terms and conditions of the operating agreement.

In June 2018, the Company issued a Letter of Guarantee, secured by The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, in place of a cash deposit totaling HKD 40.6 million (\$5 million) to the landlord of Soho House Hong Kong in connection with the lease of the property. Subject to certain criteria, the bank guarantee reduces annually to HKD 32.4 million (\$4 million) on the first anniversary of the Letter of Guarantee and HKD 24.3 million (\$3 million) on the second anniversary. In addition, in June 2018, Soho House (Hong Kong) Limited drew down \$6.5 million pursuant to a loan agreement with Bright Success Investment Limited dated July 12, 2017 (as amended June 1, 2018 and March 7, 2019).

Certain subsidiaries of the Company guarantee the obligations of Soho Restaurants Limited (and its subsidiaries) under eight property leases (the “Soho Restaurants Guarantees”) with respect to any required rental or other payments under these guaranteed leases. The Soho Restaurants Guarantees are historical lease guarantees that have remained in place following the spin out of Soho Restaurants Limited from the Company in December 2017. The lease guarantees are all full lease term guarantees. The maximum exposure under these guarantees is \$1 million in any given year. While the Company incurred operational expenses supporting Soho Restaurants Limited, prior to its consolidation of this entity, the Company has not made any guarantee payments nor has it become obligated to make any payments pursuant to any Soho Restaurants Guarantee.

The Company believes the likelihood of having to perform under the aforementioned operations performance and lease guarantees was remote as of January 3, 2021, December 29, 2019, and December 30, 2018.

Capital Commitments

As of January 3, 2021, capital expenditure commitments contracted for but not yet incurred total \$1 million and are related primarily to Soho House Hong Kong. As of December 29, 2019, capital expenditure commitments contracted for but not yet incurred totaled \$20 million and were related to the development agreement on the DTLA property, Soho House Hong Kong, Soho House Austin, and Soho Works Limited. As of December 30, 2018, capital expenditure commitments contracted for but not yet incurred totaled \$33 million and were related to the development agreement on the DTLA property and Soho House Hong Kong.

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Business Interruption Insurance

The Company maintains insurance policies to cover business interruption with terms that it believes to be adequate and appropriate. These policies may be subject to applicable deductible or retention amounts, coverage limitations and exclusions and may not be sufficient to cover all of the losses incurred. The Company did not incur any losses during the fiscal years ended January 3, 2021 and December 29, 2019. Losses incurred during the fiscal year ended December 30, 2018 were not material.

In June 2017, there was a fire at Soho House Chicago which resulted in certain floors and a number of hotel rooms being closed for a significant period of time. Collection of receivable in connection with the outstanding insurance recoveries associated with the fire was deemed to be virtually certain, and the amounts were collected during the fiscal year ended December 30, 2018.

19. Defined Contribution Plan

The Company operates a defined contribution pension plan, an occupational plan to which an individual and their employer make contributions. The assets of the plan are held separately from those of the Company in an independently administered fund. The plan charge amounted to \$11 million, \$10 million, and \$8 million in the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. There were no outstanding or prepaid contributions at either the beginning or end of the fiscal years presented in these consolidated financial statements.

20. Income Taxes

Below are the components of loss before income taxes for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018 under the following tax jurisdictions:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Domestic	\$(137,120)	\$ (87,880)	\$ (87,836)
Foreign	(98,931)	(35,652)	(1,968)
	<u><u>\$ (236,051)</u></u>	<u><u>\$ (123,532)</u></u>	<u><u>\$ (89,804)</u></u>

The provision for income taxes is as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Current tax expense			
Domestic	\$ 7	\$ 135	\$ —
Foreign	558	4,469	1,842
Total current	<u><u>\$ 565</u></u>	<u><u>\$ 4,604</u></u>	<u><u>\$ 1,842</u></u>
Deferred tax (benefit) expense			
Domestic	\$ —	\$ —	\$ (1,955)
Foreign	(1,341)	(136)	156
Total deferred	<u><u>(1,341)</u></u>	<u><u>(136)</u></u>	<u><u>(1,799)</u></u>
Total income tax (benefit) expense	<u><u>\$ (776)</u></u>	<u><u>\$ 4,468</u></u>	<u><u>\$ 43</u></u>
Effective income tax rate	0%	(4%)	0%

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A reconciliation of the UK statutory income tax rate to the consolidated effective income tax rate is as follows:

	January 3, 2021	December 29, 2019	December 30, 2018
Benefit at UK statutory income tax rate	19%	19%	19%
Non-deductible expenses	0%	(3%)	(4%)
Change in unrecognized tax benefits	0%	(2%)	(3%)
Movement in valuation allowances	(24%)	(21%)	(11%)
Differences in tax rates in other jurisdictions	1%	(1%)	0%
Change in tax rates	1%	0%	0%
Other	3%	4%	(1%)
Effective income tax rate	0%	(4%)	0%

The effective income tax rate for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018 differs from the UK statutory rate of 19%, 19%, and 19%, respectively. The difference for the fiscal years ended January 3, 2021 and December 29, 2019 is primarily due to current period losses in certain jurisdictions that require an additional valuation allowance.

Deferred Income Taxes

Deferred tax assets and liabilities consist of the following:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Deferred tax assets			
Property and equipment, net	\$ 16,578	\$ 11,414	\$ 6,653
Intangible assets	1,492	1,623	—
Other short-term differences	5,056	3,682	2,600
Investment in partnership	—	776	—
Interest limitation carryforward	47,783	31,786	21,657
Tax losses	88,178	30,620	25,875
Total gross deferred tax assets	159,087	79,901	56,785
Valuation allowance	(131,426)	(68,235)	(43,318)
Total deferred tax assets	27,661	11,666	13,467
Deferred tax liabilities			
Property and equipment, net	(328)	(523)	—
Intangible assets	(12,077)	(11,371)	(9,280)
Other	(452)	(1,922)	(589)
Investment in partnership	(15,726)	—	(3,132)
Total gross deferred tax liabilities	(28,583)	(13,816)	(13,001)
Total net deferred tax (liabilities) assets	\$ (922)	\$ (2,150)	466

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Total net deferred taxes are classified as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Non-current deferred tax assets	\$ 377	\$ 127	\$ 466
Non-current deferred tax liabilities—Greece	(1,299)	(2,277)	—
	<u>\$ (922)</u>	<u>\$ (2,150)</u>	<u>\$ 466</u>

As of January 3, 2021, deferred tax assets related to tax losses were \$88 million and interest limitation carryforwards were \$48 million which can be used to offset future taxable income. This includes \$56 million net operating losses, or “NOLs”, and \$18 million interest limitation carryforwards in the US; \$20 million tax losses and \$30 million interest limitation carryforwards in the UK; \$3 million tax losses in the Netherlands and \$6 million tax losses in Hong Kong. Deferred tax assets related to NOLs generated in the US of \$32 million will not expire. Deferred tax assets related to federal and state NOL carryforwards which were generated in the US of \$15 million and \$9 million will expire, if not utilized, in 2031 to 2038 and in 2027 to 2038, respectively. Interest limitation carryforwards in the US do not expire. Deferred tax assets related to tax losses and interest limitation carryforwards in the UK of \$50 million will not expire. Deferred tax assets related to tax losses in the Netherlands of \$3 million will expire if not utilized, in 2023 to 2028. Deferred tax assets related to tax losses in Hong Kong of \$6 million will not expire.

As of December 29, 2019, deferred tax assets related to tax losses were \$31 million and interest limitation carryforwards were \$32 million which can be used to offset future taxable income. This includes \$21 million net operating losses, or “NOLs”, and \$15 million interest limitation carryforwards in the US; \$4 million tax losses and \$17 million interest limitation carryforwards in the UK; \$2 million tax losses in the Netherlands and \$3 million tax losses in Hong Kong. Deferred tax assets related to NOLs generated in the US of \$2 million will not expire. Deferred tax assets related to NOL carryforwards which were generated in the US of \$14 million will expire, if not utilized, in 2031 to 2038. Interest limitation carryforwards in the US do not expire. Deferred tax assets related to tax losses and interest limitation carryforwards in the UK of \$21 million will not expire. Deferred tax assets related to tax losses in the Netherlands of \$2 million will expire if not utilized, in 2023 to 2027. Deferred tax assets related to tax losses in Hong Kong of \$3 million will not expire.

As of December 30, 2018, deferred tax assets related to tax losses were \$26 million and interest limitation carryforwards were \$22 million which can be used to offset future taxable income. This includes \$19 million net operating losses or, “NOLs”, and \$11 million interest limitation carry forwards in the US; \$6 million tax losses and \$11 million of interest limitation carryforward in the UK; and \$1 million tax losses in the Netherlands. Deferred tax assets related to NOL carryforwards which were generated in the US of \$19 million will expire, if not utilized, in 2026 to 2036. Interest limitation carryforwards in the US do not expire. Deferred tax assets related to tax losses and interest limitations in the UK of \$17 million will not expire. Deferred tax assets related to NOL carryforwards in the Netherlands will expire if not utilized, in 2023 to 2028.

Deferred tax assets are reduced by a valuation allowance if, based on the weight of available positive and negative evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company has concluded that it is not more likely than not that the majority of the deferred tax assets can be realized and therefore a valuation allowance has been assigned to these deferred tax assets. If the Company is subsequently able to utilize all or a portion of the deferred tax assets for which a valuation allowance has been established, then it may be required to recognize these deferred tax assets through the reduction of the valuation allowance which could result in a material benefit to the results of operations in the period in which the benefit is determined.

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During the fiscal year ended January 3, 2021, the valuation allowance for deferred tax assets increased by \$63 million. This increase mainly relates to incremental valuation allowances recorded against deferred tax assets in the UK, US, Netherlands and Hong Kong arising in the period.

As of January 3, 2021, the Company has \$59 million (December 29, 2019: \$25 million; December 30, 2018: \$14 million), \$62 million (December 29, 2019: \$37 million; December 30, 2018: \$27 million), \$3 million (December 29, 2019: \$2 million; December 30, 2018: \$1 million), and \$6 million (December 29, 2019: \$4 million, December 30, 2018: less than \$1 million) in valuation allowances against the net UK, US, Dutch, and Hong Kong deferred tax assets, respectively.

A portion of the Company's US deferred tax assets relates to net operating losses, the use of which may not be available as a result of limitations on the use of acquired losses under Section 382 of the US tax code. With respect to these operating losses, there is no assurance that they will be used given the current assessment of the limitations on their use or the current projection of future taxable income in the entities to which these losses relate.

The deferred tax liability relating to investment in partnership arises on Soho House US Corporation's 99.66% ownership of Soho House LLC, which is treated as a partnership for US tax purposes and which contains the majority of the Company's US operations.

As of January 3, 2021, the Company had no undistributed earnings on which to provide tax. In the event the Company's subsidiaries become profitable, any distributions will not be taxable due to the UK dividends received exemption regime.

Uncertain Tax Positions

The Company recognizes tax liabilities when, despite its belief that its tax return positions are supportable, management believes that certain positions may not be fully sustained upon review by tax authorities. Each period the Company assesses uncertain tax positions for recognition, measurement and effective settlement. Benefits from uncertain tax positions are measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement—the more likely than not recognition threshold. Where the Company has determined that its tax return filing position does not satisfy the more-likely-than-not recognition threshold, the Company has recorded no tax benefits.

The ongoing assessments of the more-likely-than-not outcomes of uncertain tax positions require judgment and can increase or decrease the Company's effective tax rate, as well as impact its operating results. The specific timing of when the resolution of each tax position will be reached is uncertain. As of January 3, 2021, the Company believes it is reasonably possible that the uncertain tax benefits recorded as of January 3, 2021 will be reduced by \$3 million as a result of expiry of the relevant statute of limitation in the UK.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Balance at beginning of year	\$ 9,221	\$ 7,147	\$ 5,018
Additions related to the current year	1,996	3,040	2,480
Reductions due to expiry of state of limitations	(1,356)	(1,234)	—
Change in tax rate	1,478	—	—
Foreign exchange	(46)	268	(351)
Balance at end of year	\$ 11,293	\$ 9,221	\$ 7,147

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During the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, the Company did not recognize any interest and penalties associated with its unrecognized tax benefits in its consolidated statements of operations. As of January 3, 2021, if recognized, \$11 million of its unrecognized tax benefits, including interest and penalties, would have no impact on the Company's effective tax rate as a full valuation allowance would be applied.

In the UK, US and Greece, the earliest tax years that remain subject to examination by the tax authorities are 2018, 2015, and 2016, respectively. To the extent US tax attributes generated in closed years are carried forward into years that are open to examination, they may be subject to adjustment in audit.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law, which, among other items, reduced the federal corporate income tax rate from 35% to 21%. As a result, the federal portion of the Company's deferred taxes as of December 30, 2018 and all future periods have been revalued at the reduced 21% rate.

The Company has completed its accounting for the income tax effects of certain elements of the Act. The Act creates a new requirement that certain income such as Global Intangible Low-Taxed Income ("GILTI") earned by a controlled foreign corporation ("CFC") must be included in the gross income of its US parent. The Company has not identified any further financial statement impacts of the Act and therefore no adjustments have been recorded.

21. Segments

The Company's core operations comprise of Houses and restaurants across a number of territories, which are managed on a geographical basis. There is a segment managing director for each of the UK, North America, and Europe and Rest of the World ("RoW") who is responsible for Houses, hotels and restaurants in that region. Each operating segment manager reports directly to the Company's Chief Operating Decision Maker ("CODM"), the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and President combined. In addition to Houses and restaurants, the Company offers other products and services, such as retail, home & beauty products and services, which comprise its Retail, Home & Beauty operating segment. The Company also provides build-out and design services, which comprise its Soho House Design operating segment. The Retail, Home & Beauty and Soho House Design operating segments also have segment managers which report directly to the CODM and are managed separately from the Houses and hotels in each region.

The Company has identified the following four reportable segments:

- UK
- North America
- Europe and RoW
- Soho House Design

The Company analyzed the results of the Retail, Home & Beauty and Soho Works operating segments and concluded that they did not warrant separate presentation as reportable segments as they do not provide additional useful information to the readers of the financial statements. Therefore, these segments are included as part of an "All Other" category.

Intercompany revenue and costs among the reportable segments are not material and accounted for as if the sales were to third parties because these items are based on negotiated fees between the segments involved. All intercompany transactions and balances are eliminated in consolidation. Intercompany revenue and costs

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between entities within a reportable segment are eliminated to arrive at segment totals. Segment revenue includes revenue of certain equity method investments, which are considered standalone operating segments, which are therefore not included in revenue as part of these consolidated financial statements. Eliminations between segments are separately presented. Corporate results include amounts related to Corporate functions such as administrative costs and professional fees. Income tax expense is managed by Corporate on a consolidated basis and is not allocated to the reportable segments.

The Company manages and assesses the performance of the reportable segments by adjusted EBITDA, which is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that the Company does not consider in its evaluation of ongoing operating performance. These other items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) from equity method investments, foreign exchange, pre-opening expenses, non-cash rent, deferred registration fees, net, share of equity method investments adjusted EBITDA, and share-based compensation expense as well as other expenses, net.

The following tables present disaggregated revenue for the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018 and the key financial metrics reviewed by the CODM for the Company's reportable segments.

	January 3, 2021						
(in thousands)	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Membership revenues	\$ 98,478	\$ 54,765	\$ 22,884	\$ —	\$ 176,127	\$ 10,595	\$ 186,722
In-House revenues	50,684	53,563	28,904	—	133,151	—	133,151
Other revenues	23,869	23,610	6,282	13,763	67,524	27,526	95,050
Total segment revenue	173,031	131,938	58,070	13,763	376,802	38,121	414,923
Elimination of equity accounted revenue	(16,783)	(3,140)	(10,624)	—	(30,547)	—	(30,547)
Consolidated revenue	\$156,248	\$128,798	\$ 47,446	\$13,763	\$ 346,255	\$38,121	\$384,376

	December 29, 2019						
(in thousands)	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Membership revenues	\$ 98,495	\$ 53,399	\$ 17,691	\$ —	\$ 169,585	\$ 9,803	\$ 179,388
In-House revenues	138,813	132,736	65,708	—	337,257	—	337,257
Other revenues	44,721	50,718	30,646	23,331	149,416	32,945	182,361
Total segment revenue	282,029	236,853	114,045	23,331	656,258	42,748	699,006
Elimination of intersegment revenue	(801)	(144)	(458)	—	(1,403)	—	(1,403)
Elimination of equity accounted revenue	(23,726)	(6,175)	(25,667)	—	(55,568)	—	(55,568)
Consolidated revenue	\$257,502	\$230,534	\$ 87,920	\$23,331	\$ 599,287	\$42,748	\$642,035

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	December 30, 2018						
<i>(in thousands)</i>	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Membership revenues	\$ 84,378	\$ 44,146	\$ 14,132	\$ —	\$ 142,656	\$ —	\$ 142,656
In-House revenues	132,176	112,479	48,052	—	292,707	—	292,707
Other revenues	40,994	64,079	4,570	96,777	206,420	30,621	237,041
Total segment revenue	257,548	220,704	66,754	96,777	641,783	30,621	672,404
Elimination of intersegment revenue	—	—	—	(42,438)	(42,438)	(5,428)	(47,866)
Elimination of equity accounted revenue	(20,966)	(2,758)	(25,509)	—	(49,233)	—	(49,233)
Consolidated revenue	\$236,582	\$217,946	\$ 41,245	\$ 54,339	\$ 550,112	\$25,193	\$575,305

The following tables present the reconciliation of reportable segment adjusted EBITDA to total consolidated segment revenue and the reconciliation of net loss to adjusted EBITDA:

	January 3, 2021						
<i>(in thousands)</i>	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 156,248	\$ 128,798	\$ 47,446	\$ 13,763	\$ 346,255	\$ 38,121	\$ 384,376
Total segment operating expenses	(131,444)	(115,022)	(50,677)	(19,281)	(316,424)	(40,078)	(356,502)
Share of equity method investments adjusted EBITDA	2,647	132	784	—	3,563	—	3,563
Reportable segments adjusted EBITDA	27,451	13,908	(2,447)	(5,518)	33,394	(1,957)	31,437
Unallocated corporate overhead							(31,211)
Consolidated adjusted EBITDA							226
Depreciation and amortization							(69,802)
Interest expense, net							(77,792)
Income tax benefit							776
Gain on sale of property and other							98
Share of loss of equity method investments							(3,627)
Foreign exchange							3,354
Pre-opening expenses							(21,058)
Non-cash rent							(15,627)
Deferred registration fees, net							(1,149)
Share of equity method investments adjusted EBITDA							(3,563)
Share-based compensation expense							(2,618)
Other expenses, net ⁽¹⁾							(44,493)
Net loss							\$ (235,275)

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- (1) Represents other items included in operating expenses, which are outside the normal scope of the Company's ordinary activities or non-cash, including expenses incurred in respect of membership credits of \$12 million and other COVID-19 related charges of \$5 million, as well as abandoned project costs of \$7 million and corporate restructuring costs of \$6 million.

	December 29, 2019						
(in thousands)	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 257,502	\$ 230,534	\$ 87,920	\$ 23,331	\$ 599,287	\$ 42,748	\$ 642,035
Total segment operating expenses	(210,577)	(189,385)	(74,827)	(23,757)	(498,546)	(36,968)	(535,514)
Share of equity method investments adjusted EBITDA	3,674	802	2,271	—	6,747	—	6,747
Reportable segments adjusted EBITDA	50,599	41,951	15,364	(426)	107,488	5,780	113,268
Unallocated corporate overhead							(27,413)
Consolidated adjusted EBITDA							85,855
Depreciation and amortization							(57,139)
Interest expense, net							(64,108)
Income tax expense							(4,468)
Loss on sale of property and other, net							(1,340)
Share of profit of equity method investments							774
Foreign exchange							3,465
Pre-opening expenses							(23,437)
Non-cash rent							(33,128)
Deferred registration fees, net							(6,633)
Share of equity method investments adjusted EBITDA							(6,747)
Other expenses, net							(21,094)
Net loss							\$(128,000)

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	December 30, 2018					
<i>(in thousands)</i>	North America	UK	Europe & RoW	Soho House Design	Reportable Segment Total	All Other
Total consolidated segment revenue	\$236,582	\$217,946	\$41,245	\$54,339	\$550,112	\$25,193
Total segment operating expenses	(187,544)	(175,968)	(36,225)	(54,977)	(454,714)	(24,925)
Share of equity method investments adjusted EBITDA	3,366	305	2,206	—	5,877	—
Reportable segments adjusted EBITDA	52,404	42,283	7,226	(638)	101,275	268
Unallocated corporate overhead						
Consolidated adjusted EBITDA						76,998
Depreciation and amortization						(48,387)
Interest expense, net						(57,700)
Income tax expense						(43)
Loss on sale of property and other						(639)
Share of profit of equity method investments						270
Foreign exchange						(1,315)
Pre-opening expenses						(20,323)
Non-cash rent						(9,434)
Deferred registration fees, net						(6,877)
Share of equity method investments adjusted EBITDA						(5,877)
Other expenses, net						(16,520)
Net loss						\$ (89,847)

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<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Net loss	\$(235,275)	\$ (128,000)	\$ (89,847)
Depreciation and amortization	69,802	57,139	48,387
Interest expense, net	77,792	64,108	57,700
Income tax (benefit) expense	(776)	4,468	43
EBITDA	(88,457)	(2,285)	16,283
(Gain) loss on sale of property and other, net	(98)	1,340	639
Share of loss (profit) from equity method investments	3,627	(774)	(270)
Foreign exchange	(3,354)	(3,465)	1,315
Pre-opening expenses	21,058	23,437	20,323
Non-cash rent	15,627	33,128	9,434
Deferred registration fees, net	1,149	6,633	6,877
Share of equity method investments adjusted EBITDA	3,563	6,747	5,877
Share-based compensation expense	2,618	—	—
Other expenses, net	44,493	21,094	16,520
Adjusted EBITDA	\$ 226	\$ 85,855	\$ 76,998

The following table presents long-lived asset information (which includes property and equipment, net, operating lease right-of-use assets, equity method investments and other non-current assets) by geographic area as of January 3, 2021, December 29, 2019, and December 30, 2018. Asset information by segment is not reported internally or otherwise regularly reviewed by the CODM.

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Long-lived assets by geography			
United Kingdom	\$ 567,093	\$ 496,625	\$ 401,746
North America	760,864	695,874	506,649
All other foreign countries	327,582	323,846	148,124
Total long-lived assets	<u>\$1,655,539</u>	<u>\$ 1,516,345</u>	<u>\$ 1,056,519</u>

22. Related Party Transactions

In 2017, Soho Works Limited entered into a term loan facility agreement with two individuals who are the holders of the Company's redeemable preferred shares. In December 2019, Soho Works Limited drew £11 million (\$14 million) under this facility. For additional information, refer to Note 12, Debt – Related Party Loans.

In 2013, 2016, 2018, and 2019, the Company entered into certain loans with its existing shareholders, affiliates of The Yucaipa Companies, LLC, Richard Caring and Nick Jones. These loans have been repaid or converted into ordinary shares of the Company as of January 3, 2021. For additional information, refer to Note 12, Debt – Related Party Loans.

In June 2019, Soho House Limited made an interest free loan of less than \$1 million to Nick Jones. The loan is due on demand and remains outstanding as of January 3, 2021.

In 2016, Soho Works Limited, a consolidated VIE, entered into an agreement to lease a property under construction by the landlord with Store Holding Group Ltd, a wholly-owned subsidiary of the

Soho House Holdings Limited
Notes to Consolidated Financial Statements
January 3, 2021, December 29, 2019, and December 30, 2018

noncontrolling interest holders of SWL. The handover of six floors of the leased property occurred on a floor-by-floor basis upon substantial completion of landlord improvements, resulting in multiple lease commencement dates in 2019. Lease commencement for the remaining four floors commenced during 2020 upon substantial completion of landlord improvements. The operating lease asset, liability and rent expense associated with this lease were \$100 million, \$120 million, and \$9 million, respectively as of and for the fiscal year ended January 3, 2021.

The amounts owed by (to) equity method investees due within one year are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Soho House Toronto Partnership	\$ (1,787)	\$ (1,304)	\$ (637)
Soho House—Cipura (Miami), LLC	1,427	1,986	1,455
Raycliff Red LLP	(684)	(1,428)	1,301
Mirador Barcel S.L.	773	145	6,757
Little Beach House Barcelona S.L.	1	(9)	—
Mimea XXI S.L.	149	779	565
	\$ (121)	\$ 169	\$ 9,441

Amounts owed by equity method investees due within one year are included in prepaid expenses and other current assets on the consolidated balance sheets. Amounts owed to equity method investees due within one year are included in other current liabilities on the consolidated balance sheets.

The amounts owed by equity method investees due after more than one year are included in equity method investments, net on the consolidated balance sheets and are as follows:

<i>(in thousands)</i>	January 3, 2021	December 29, 2019	December 30, 2018
Soho House—Cipura (Miami), LLC	\$ —	\$ —	\$ 202
Raycliff Red LLP	—	4,470	4,355
	\$ —	\$ 4,470	\$ 4,537

The Company is party to a property lease arrangement with The Yucaipa Companies LLC. The operating lease asset and liability associated with this lease were \$12 million and \$17 million as of January 3, 2021, respectively, \$14 million and \$17 million as of December 29, 2019, respectively, and \$16 million and \$17 million as of December 30, 2018, respectively. Rent expense associated with this lease totaled \$3 million, \$2 million, and \$2 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

Through Soho-Ludlow Tenant LLC, the Company is party to a property lease agreement dated May 3, 2019 for 137 Ludlow Street, New York with Ludlow 137 Holdings LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 22 years until April 20, 2041, with options to extend for three additional five-year terms. The operating lease asset, liability, and rent expense associated with this lease are \$9 million, \$15 million, and \$1 million, respectively, as of and for the fiscal year ended January 3, 2021. The operating lease asset, liability, and rent expense associated with this lease are \$10 million, \$11 million, and \$1 million, respectively, as of and for the fiscal year ended December 29, 2019.

The Company leases the Ludlow property from 139 Ludlow Acquisition LLC, an equity method investee. This is a 25-year lease that commenced May 1, 2016. The operating lease asset, liability and rent expense

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associated with this lease were \$31 million, \$34 million, and \$4 million, respectively, as of and for the fiscal year ended January 3, 2021. The operating lease asset, liability and rent expense associated with this lease were \$32 million, \$35 million, and \$4 million, respectively, as of and for the fiscal year ended December 29, 2019. The operating lease asset, liability and rent expense associated with this lease were \$33 million, \$35 million, and \$4 million, respectively as of and for the fiscal year ended December 30, 2018.

Soho House-Sydell, LLP received management fees, development fees and cost reimbursements from The Ned totaling \$2 million, \$4 million, and \$4 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

The Company recognized income from the sale of products and Soho House Design services to The Ned of less than \$1 million, less than \$1 million, and \$2 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. As of January 3, 2021, December 29, 2019, and December 30, 2018, an amount of \$1 million, \$1 million, and \$1 million, respectively, was due from The Ned to the Company related to these products and services.

The Company recognized reimbursement of costs in respect of services provided to a related party totaling \$2 million, \$2 million and \$1 million during the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively.

Revenues from Soho House Design services to various joint ventures totaled \$7 million, \$11 million, and \$14 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. In addition, revenue from Soho House Design services to owners of the Company totaled \$2 million, less than \$1 million, and \$1 million during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively. As of January 3, 2021, December 29, 2019, and December 30, 2018, an amount of \$2 million, \$3 million, and \$1 million, respectively, was due from owners of the Company.

Revenues from Soho House Design services to Soho Restaurants Limited totaled less than \$1 million, \$2 million and \$12 million during the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. As of December 29, 2019 and December 30, 2018, an amount of \$10 million and \$6 million was due from Soho Restaurants Limited in relation to these services.

Rental income from owners of the Company was zero in all three fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018. As of January 3, 2021, December 29, 2019, and December 30, 2018, less than \$1 million was due from owners of the Company in relation to these rental arrangements.

Prior to 2018, the Company entered into the Soho Restaurants Limited MSA in relation to certain centralized services being provided by the Company. In addition, the Company entered into the Quentin Partners MSA following the sale of its 50% interest in Soho Restaurants Limited during the fiscal year ended December 30, 2018. As part of the reorganization of Soho Restaurants Limited in August 2020, various notes payable and receivable held by Soho Restaurants Limited were acquired, settled, or, in some cases, forgiven. A total of less than \$1 million, \$1 million, and \$1 million has been recharged to Soho Restaurants Limited and Quentin Partners under these agreements during the fiscal years ended January 3, 2021, December 29, 2019, and December 30, 2018, respectively.

As of December 30, 2018, the amount due from Soho Restaurants Limited totaled \$6 million and was included within prepaid expenses and other current assets on the consolidated balance sheets; this amount included the Loan Notes (refer to Note 4, Consolidated Variable Interest Entities) and amounts due under the Soho Restaurants Limited MSA, as described above. During the fiscal year ended December 29, 2019, the Company determined that the full amount of the Soho Restaurants Loan Notes and other balances due

Soho House Holdings Limited
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from Soho Restaurants Limited were no longer recoverable; as a result, these amounts have been written off, and the Company recognized a charge of \$10 million, which is included in other in the consolidated statements of operations.

23. Subsequent Events

Redeemable C Ordinary Shares Investor Option

An investor option was provided in conjunction with the redeemable C ordinary shares issued on May 19, 2020. From May 19, 2020 until March 19, 2021, the unrelated investor was given the right to purchase additional shares of up to \$50 million at a price of \$10.523 per share. In February 2021, the investor option was exercised for the full \$50 million, and the Company issued an additional 4,751,497 redeemable C ordinary shares.

Extension of Debt Maturity Dates

The Company has signed an agreement to extend the maturities of both our revolving credit facility and Permira Senior Facility by twelve months to April 2023. The Permira Senior Facility is secured on a fixed and floating charge basis over the assets of the Company. As of January 3, 2021, the Company had £397 million (\$542 million) and £60 million (\$82 million) due associated with the Permira Senior Facility and the revolving credit facility, respectively.

Senior Secured Notes and Senior Preference Shares Issuance

On March 31, 2021, Soho House Bond Limited, a wholly-owned subsidiary of the Company, issued pursuant to a Notes Purchase Agreement senior secured notes, which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates, in aggregate amounts equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) (the “Initial Notes”). The Notes Purchase Agreement includes an option to issue, and a commitment on the part of the purchasers to subscribe for, further notes in one or several issuances on or prior to March 31, 2022 in an aggregate amount of up to \$100 million (the “Additional Notes” and, together with the Initial Notes, the “Notes”).

The Notes mature on March 31, 2027 and bear interest at a fixed rate equal to a cash margin of 2.0192% per annum for the Initial Notes or 2.125% per annum for any Additional Notes, plus a payment-in-kind (capitalized) margin of 6.1572% per annum for the Initial Notes or 6.375% per annum for any Additional Notes. The Notes issued pursuant to the Notes Purchase Agreement may be redeemed and prepaid for cash, in whole or in part, at any time in accordance with the terms thereof, subject to payment of redemption fees. The Notes are guaranteed and secured on substantially the same basis as the Company’s existing revolving credit facility. The Company incurred transaction costs of \$9 million related to the Notes.

On March 31, 2021, the Company issued 12,970,766 senior convertible preference shares (the “Senior Preference Shares”) in an aggregate liquidation preference of \$175 million, or approximately \$13.49 per Senior Preference Share (the “Issuance Price”), to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates (the “Preference Share Investors”). In addition, the Preference Share Investors granted the Company the right to purchase, at the discretion of the Company at any time up to six months effective from March 31, 2021, 5,558,900 Senior Preference Shares in an aggregate liquidation preference of \$75 million. The Senior Preference Shares rank senior in right of payment and priority to all other classes of shares of the Company and junior in right of payment to all classes of indebtedness of the Company.

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The Senior Preference Shares accrue a non-cash dividend of 8% per annum on the investment amount of the Senior Preference Shares plus all previously compounded non-cash dividends. Holders of the Senior Preference Shares are able to automatically convert the shares into ordinary shares upon the completion of an initial public offering at a discount to the price of publicly offered shares. The Company incurred transaction costs of \$13 million related to the Senior Preference Shares.

The net proceeds from the Initial Notes and the Senior Preference Shares were used to repay all amounts outstanding under the Permira Senior Facility and the US government-backed bank loan. The remaining amounts will be used for general corporate purposes.

The Company has also drawn an additional £10 million (\$14 million) on its existing revolving credit facility to fund its working capital and made an additional drawdown of €2 million (\$2 million) on a loan that is financing the build-out costs and capital expenditures related to Soho House Paris, which is expected to open in 2021.

Issuance of Share Based Awards

In March 2021, the Company issued 1,643,216 SARs to certain employees and executive officers of the Company.

CLASS A COMMON STOCK



PROSPECTUS

Joint Book-Running Managers

J.P. MORGAN

MORGAN STANLEY

GOLDMAN SACHS & CO. LLC

BOFA SECURITIES

HSBC

Co-Managers

CITIGROUP

WILLIAM BLAIR

Through and including _____, 2021 (25 days after the date of this prospectus), all dealers that effect transactions in our Class A Common Stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table itemizes the expenses incurred by us in connection with the issuance and registration of the securities being registered hereunder (excluding the underwriters' discount and commission). All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the NYSE listing fee.

	Amount to be paid
SEC registration fee	\$ *
FINRA filing fee	*
NYSE Listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Miscellaneous fees and expenses	*
Total	\$ *

* To be filed by amendment.

We will bear all of the expenses shown above.

Item 14. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of its directors for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Upon completion of this offering, our Certificate of Incorporation will provide that none of our directors shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Upon the completion of this offering, our Certificate of Incorporation will provide that we will indemnify each person who was or is a party or is threatened to be made a party or is involved in any

threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our Certificate of Incorporation also provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred by him or her or on his or her behalf in connection therewith. If we do not assume the defense, expenses must be advanced to an Indemnitee under certain circumstances.

We plan to enter into indemnification agreements with each of our executive officers and directors. In general, these agreements provide that we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as a director or executive officer of our company or in connection with their service at our request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that a director or executive officer makes a claim for indemnification and establish certain presumptions that are favorable to the director or executive officer.

We maintain a general liability insurance policy that covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

The underwriting agreement we will enter into in connection with the offering of common stock being registered hereby provides that the underwriters will indemnify, under certain conditions, our directors and officers (as well as certain other persons) against certain liabilities arising in connection with such offering.

Insofar as the forgoing provisions permit indemnification of directors, executive officers, or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities.

Class A Ordinary Shares

In May 2020, Soho House Holdings Limited issued 2,176,424 A ordinary shares to settle £19 million of unsecured, non-interest bearing loan notes provided by shareholders of Soho House Holdings Limited.

Class C Ordinary Shares

On August 23, 2019, Soho House Holdings Limited issued 4,276,347 redeemable C ordinary shares to Raycliff SH Holdings LLC for a total subscription price of \$45 million. On the same date, Raycliff SH Holdings LLC purchased 475,150 A ordinary shares directly from Mr. Nick Jones for \$5 million; these shares were immediately converted into an equal number of redeemable C ordinary shares. On November 4, 2019, Soho House Holdings Limited issued an additional 2,181,507 shares to Raycliff SH Holdings LLC for \$20 million, resulting in a total of 6,933,004 redeemable C ordinary shares issued and outstanding as of December 29, 2019. Soho House Holdings Limited received net proceeds of \$63 million and incurred \$5 million of share issuance costs in connection with these transactions.

On May 19, 2020, Soho House Holdings Limited issued an additional 9,502,993 redeemable C ordinary shares to a different unrelated third party for a total subscription price of \$100 million, net of discount of \$6 million. Soho House Holdings Limited received net proceeds of \$94 million and incurred \$1 million of share issuance costs in connection with this issuance. As a result, Soho House Holdings Limited had 16,435,997 redeemable C ordinary shares issued and outstanding as of January 3, 2021.

An investor option was provided in conjunction with the redeemable C ordinary shares issued on May 19, 2020. From May 19, 2020 until March 19, 2021, an existing shareholder was given the right to purchase additional shares of up to \$50 million at a price of \$10.523 per share. In February 2021, the investor option was exercised for the full \$50 million, and Soho House Holdings Limited issued an additional 4,751,496 redeemable C ordinary shares.

Redeemable Preference Shares

On March 20, 2014, Soho House Holdings Limited issued 100 redeemable preferred shares totaling \$15 million. In February 2019, Soho House Holdings Limited redeemed the preferred shares for \$15 million in conjunction with the refinancing of property mortgage loans of Beach House JV, LLC.

On March 31, 2021, Soho House Holdings Limited issued 12,970,766 senior convertible preference shares in an aggregate liquidation preference of \$175 million, or approximately \$13.49 per share, to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates. The shares accrue a non-cash dividend of 8% per annum on the investment amount of the shares plus all previously compounded non-cash dividends, with dividends accruing daily and compounding semiannually. Upon completion of the offering to which this registration statement relates, the shares will convert into a number of shares of the Registrant's Class A common stock equal to the quotient of the investment amount of the shares (plus all accrued dividends compounded thereon) divided by the lesser of (i) the per issuance price and (ii) the product of the initial public offering price multiplied by a discount factor (which will be 0.825 until September 30, 2021). The senior convertible preference shares were issued for aggregate consideration of \$175 million in reliance on the exemption contained in Section 4(a)(2) of the Securities Act of 1933 on the basis that the transaction does not involve a public offering.

In August 2020, Soho House Holdings Limited established the 2020 Equity and Incentive Plan (the 'Plan') under which Share Appreciation Rights and Growth Shares were issued to certain of its employees. The awards are settled in ordinary D shares and Soho House Holdings Limited can grant

up to 9,978,143 ordinary D shares under the Plan. As of January 3, 2021, 1,590,249 were available for future awards.

The Registrant will issue shares of Class A common stock and shares of Class B common stock of Membership Collective Group Inc. to certain existing holders of equity interests of Soho House Holdings Limited. The shares of Class A common stock and Class B common stock will be issued for nominal consideration in reliance on the exemption contained in Section 4(a)(2) of the Securities Act of 1933 on the basis that the transaction does not involve a public offering.

No underwriters were involved in the foregoing sales of securities.

The sales and issuances of shares described above were effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 promulgated under the Securities Act and in Section 4(a)(2) of the Securities Act, based on the following: (1) the investors confirmed to us that they were either “accredited investors,” as defined in Rule 501 of Regulation D promulgated under the Securities Act or had such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities; (2) the investors acknowledged that all securities being purchased were “restricted securities” for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act of 1933, as amended; and (3) a legend was placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequently registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

Item 16. Financial Statements and Exhibits.

(A) Financial Statements. See Index to Financial Statements.

(B) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
1.1*	Form of Underwriting Agreement
2.1	Stockholders' Agreement, dated as of _____, among Yucaipa American Alliance Fund II, L.P., Yucaipa American Alliance (Parallel) Fund II, L.P., Richard Caring, Nick Jones and Membership Collective Group Inc.
3.1	Certification of Incorporation of Membership Collective Group Inc.
3.2	Form of Amended and Restated Certification of Incorporation of Membership Collective Group Inc.
3.3	Bylaws of Membership Collective Group Inc.
3.4	Form of Amended and Restated Bylaws of Membership Collective Group Inc.
3.5	Third Amended and Restated Registration Rights Agreement, dated as of among Soho House Holdings Limited, Yucaipa American Alliance Fund II, L.P., Yucaipa American Alliance (Parallel) Fund II, L.P., Richard Caring, Nick Jones and certain other parties thereto
3.6	Form of Indemnification Agreement
4.1	Form of Share Certificate for Class A common stock
4.2	Form of Note
5.1*	Opinion of Sidley Austin LLP regarding the validity of the Class A common stock
10.1*†	Form of Employment Agreement

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Exhibit Number	Description of Exhibit
10.2	Revolving Facility Agreement, dated December 5, 2019, between Soho House & Co Limited, Soho House Bond Limited, the Original Borrowers party thereto, the Original Guarantors party thereto, HSBC UK Bank PLC, the Original Lenders party thereto, Global Loan Agency Services Limited and Glas Trust Corporation Limited
10.3	Note Purchase Agreement, dated March 23, 2021, among Soho House & Co Limited, Soho House Bond Limited, the Original Guarantors listed in Schedule I, the Original Notes Purchasers listed in Schedule I, Global Loan Agency Services Limited and GLAS Trust Corporation Limited
10.4†*	Soho House Holdings Limited 2020 Equity and Incentive Plan
10.5†*	Membership Collective Group Inc. 2021 Equity and Incentive Plan
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Sidley Austin LLP (included in the opinion filed as Exhibit 5.1 hereto)
23.2	Consent of BDO LLP, independent registered public accounting firm
24.1	Power of Attorney (included on signature page)
99.1	Consent to be Named as a Director Nominee (Nicole Avant)
99.2	Consent to be Named as a Director Nominee (Richard Caring)
99.3	Consent to be Named as a Director Nominee (Alice Delahunt)
99.4	Consent to be Named as a Director Nominee (Mark Ein)
99.5	Consent to be Named as a Director Nominee (Joe Hage)
99.6	Consent to be Named as a Director Nominee (Yusef D. Jackson)
99.7	Consent to be Named as a Director Nominee (Ben Schwerin)
99.8	Consent to be Named as a Director Nominee (Bippy Siegal)
99.9	Consent to be Named as a Director Nominee (Her Excellency Sheikha Al Mayassa Bint Hamad Al-Thani)
99.10	Consent to be Named as a Director Nominee (Dasha Zhukova)
*	To be filed by amendment.
†	Employment agreement or compensation plan

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection

with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby further undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus as filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Nick Jones, the Company's Chief Executive Officer, Humera Afzal, the Company's Chief Financial Officer, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Registration Statement and any and all amendments (including post-effective amendments) hereto and any registration statements relating to the offering contemplated hereby filed pursuant to Rule 462(b) of the Securities Act, and any and all amendments (including post-effective amendments) thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full right, power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or any of his, her or their substitute or substitutes, may lawfully have done or may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities indicated below as of June 21, 2021:

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of New York, State of New York, on June 21, 2021.

MEMBERSHIP COLLECTIVE GROUP INC.

BY: /s/ Humera Afzal

NAME: Humera Afzal

TITLE: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated below.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Ron Burkle</u> Ron Burkle	Executive Chairman of the Board of Directors	June 21, 2021
<u>/s/ Nick Jones</u> Nick Jones	Chief Executive Officer and Director (Principal Executive Officer)	June 21, 2021
<u>/s/ Humera Afzal</u> Humera Afzal	Chief Financial Officer (Principal Financial and Accounting Officer) and Authorized Representative in the United States	June 21, 2021
<u>/s/ Andrew Carnie</u> Andrew Carnie	President and Director	June 21, 2021

STOCKHOLDERS AGREEMENT

by and among

MEMBERSHIP COLLECTIVE GROUP INC.

and

the STOCKHOLDERS PARTY HERETO

Dated as of [], 2021

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STOCKHOLDERS AGREEMENT

This Stockholders Agreement is entered into as of [], 2021 by and among Membership Collective Group Inc., a Delaware corporation (the “Company”), Yucaipa American Alliance Fund II, L.P., a limited partnership organized under the laws of the state of Delaware (“YAAFII”), Yucaipa American Alliance (Parallel) Fund II, L.P., a limited partnership organized under the laws of the State of Delaware (“YAAFII Parallel”), Mr. Richard Allan Caring (“Mr. Caring”) and Mr. Nicholas Keith Arthur Jones (“Mr. Jones”).

RECITALS:

WHEREAS, the Company has completed an underwritten initial public offering (“IPO”) of shares of its Common Stock (as defined below); and

WHEREAS, in connection with, and effective upon, the date of completion of the IPO (the “Closing Date”), the Company and each member of the Voting Group (as defined below) wish to set forth certain understandings between such parties, including with respect to certain governance matters.

NOW, THEREFORE, the parties agree as follows:

Article I INTRODUCTORY MATTERS

1.1 Defined Terms. In addition to the terms defined elsewhere herein, the following terms have the following meanings when used herein with initial capital letters:

“Affiliate” has the meaning set forth in Rule 12b-2 promulgated under the Exchange Act, as in effect on the date hereof.

“Agreement” means this Stockholders Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

“beneficially own” has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

“Board” means the board of directors of the Company.

“Board Designee” has the meaning set forth in Section 3.01(b).

“Caring Voting Group Member” has the meaning set forth in the definition of “Voting Group.”

“Closing Date” has the meaning set forth in the Recitals.

“Common Stock” means the shares of Class A common stock and Class B common stock, each with a par value \$0.01 per share, of the Company, and any other capital stock of the Company into which such stock is reclassified or reconstituted and any other common stock of the Company.

“Company” has the meaning set forth in the Preamble.

“control” (including its correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

“Director” means any director of the Company from time to time.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Family Member" in relation to an individual means:

- (a) his or her spouse or civil partner (provided that, for the purposes of this Agreement, any individual who becomes divorced or whose civil partnership is dissolved shall, on the grant of the decree absolute or final dissolution order in respect of that divorce or dissolution, cease to be a Family Member of his or her former spouse or civil partner);
- (b) his or her parent or sibling;
- (c) his or her child, adopted child or stepchild (including a child of the civil partner) or any descendant of such child, adopted child or stepchild.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"IPO" has the meaning set forth in the Recitals.

"Jones Voting Group Member" has the meaning set forth in the definition of "Voting Group."

"Law" means any statute, law, regulation, ordinance, rule, injunction, order, decree, governmental approval, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority.

"Member Designee" has the meaning set forth in Section 3.01(b).

"Mr. Burkle" means Mr. Ronald Burkle.

"Mr. Caring" has the meaning set forth in the Recitals.

"Mr. Jones" has the meaning set forth in the Recitals.

"Permitted Assigns" means with respect to a Sponsor Entity, a Transferee of shares of Common Stock that agrees to become party to, and to be bound to the same extent as its Transferor by the terms of, this Agreement.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other form of business organization, whether or not regarded as a legal entity under applicable Law, or any Governmental Authority or any department, agency or political subdivision thereof.

"Relevant Criteria" has the meaning set forth in Section 3.1(a).

"Sponsor Entities" means YAAFII and YAAFII Parallel.

"Transfer" (including its correlative meanings, "Transferor", "Transferee" and "Transferred") shall mean, with respect to any security, directly or indirectly, to sell, contract to sell, give, assign, hypothecate, pledge, encumber, grant a security interest in, offer, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any economic, voting or other rights in or to such security. When used as a noun, "Transfer" shall have such correlative meaning as the context may require.

ERISA. “VCOC” means a venture capital operating company as defined in the US Department of Labor Plan Asset Regulations for the purposes of

“VCOC Fund” means the Sponsor Entities intended to qualify as a VCOC as defined in the US Development of Labor Plan Asset Regulations for the purposes of ERISA who has notified the Company of such intention.

“Voting Group” means (and each of the following shall be a “member” of the Voting Group):

- (a) Mr. Caring, who has the ability to hold shares in trust, and any Family Member of Mr. Caring or Affiliate of Mr. Caring controlled by him or a Family Member of Mr. Caring (collectively, the “Caring Voting Group Member”);
- (b) Mr. Jones, who has the ability to hold shares in trust, and any Family Member of Mr. Jones or Affiliate of Mr. Jones controlled by Mr. Jones or a Family Member of Mr. Jones (collectively, the “Jones Voting Group Member”);
- (c) the Sponsor Entities and their Permitted Assigns, and Affiliates of the Sponsor Entities or any other Person(s) that are, in each case of this clause (c), ultimately controlled by Mr. Burkle (collectively, the “Yucaipa Voting Group Member”).

“Voting Group Designee” has the meaning set forth in Section 3.1(b).

“YAAFII” has the meaning set forth in the Recitals.

“YAAFII Parallel” has the meaning set forth in the Recitals.

“Yucaipa Voting Group Member” has the meaning set forth in the definition of “Voting Group.”

1.2 Construction. Interpretation of this Agreement shall be governed by the following rules of construction. Unless the context otherwise requires: (a) references to the terms Article, Section and paragraph are references to the Articles, Sections and paragraphs to this Agreement unless otherwise specified; (b) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement; (c) references to “\$” or “Dollars” shall mean United States dollars; (d) the words “include,” “includes,” “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified; (e) the word “or” shall not be exclusive; (f) references to “written” or “in writing” include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) the party has participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties thereto and no presumption or burden of proof shall arise favoring or burdening either party by virtue of the authorship of any of the provisions in this Agreement; (j) a reference to any Person includes such Person’s permitted successors and assigns; (l) the word “will” shall be construed to have the same meaning and effect as the word “shall”; (m) the terms “party,” “party hereto,” “parties” and “party hereto” shall mean a party to this Agreement and the parties to this Agreement, as applicable, unless otherwise specified; (n) with respect to the determination of any period of time, “from” means “from and including” Any agreement, instrument or statute defined or referred to herein means such agreement, instrument or statute as from time to time may be amended, supplemented, restated or modified, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes.

Article II
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties. Each party hereto represents and warrants to each other party as of the date of this Agreement that:

- (a) such party has taken all necessary action and has all requisite power and authority to enter into and perform this Agreement in accordance with its terms;
- (b) this Agreement constitutes valid, legal and binding obligations of such party in accordance with its terms;
- (c) the execution and delivery of this Agreement by such party and the performance of and compliance with its terms and provisions will not conflict with or result in a breach of, or constitute a default under, the constitutional documents of such party (if applicable), any agreement or instrument by which such party is bound or any Law, order or judgment that applies to or binds such party or any of its property; and
- (d) no consent, action, approval or authorization of, and no registration, declaration, notification or filing with or to, any competent governmental, administrative or supervisory authority is required to be obtained, or made, by such party to authorize the execution or performance of this Agreement by such party.

Article III
BOARD OF DIRECTORS

3.1 Election of Directors.

(a) Following the Closing Date, the Voting Group shall have the right, but not the obligation, to nominate to the Board a number of designees equal to:

- (i) nine (9) Directors, so long as the Voting Group beneficially owns 35% or more of the Company's outstanding shares of Common Stock, of which (subject to the proviso below) (A) seven (7) of such designees shall be nominated by the Yucaipa Voting Group Member, (B) one (1) of such designees shall be nominated by the Caring Voting Group Member and (C) one (1) of such designees shall be nominated by the Jones Voting Group Member;
- (ii) six (6) Directors, so long as the Voting Group beneficially owns 15% or more, but less than 35%, of the Company's outstanding shares of Common Stock, of which (subject to the proviso below) (A) four (4) of such designees shall be nominated by the Yucaipa Voting Group Member, (B) one (1) of such designees shall be nominated by the Caring Voting Group Member and (C) one (1) of such designees shall be nominated by the Jones Voting Group Member;
- (iii) three (3) Directors, so long as the Voting Group beneficially owns 9% or more, but less than 15%, of the Company's outstanding shares of Common Stock, of which (subject to the proviso below) (A) one (1) of such designees shall be nominated by the Yucaipa Voting Group Member, (B) one (1) of such designees shall be nominated by the Caring Voting Group Member and (C) one (1) of such designees shall be nominated by the Jones Voting Group Member;

provided, however, (A) that in the event at any time either the Caring Voting Group Member or the Jones Voting Group Member (in the case of the Jones Voting Group Member, at such time as Mr. Jones is not also the Chief Executive Officer of the Company) shall own less than 5% of the Company's outstanding shares of Common Stock, such member shall no longer have the nomination rights set forth above and such nomination rights shall instead be transferred to the Yucaipa Voting Group Member and (B) in each case to the extent such designees are permitted to serve on the Board under the applicable rules of the U.S. Securities and Exchange Commission and any stock exchange applicable to the Common Stock (the "Relevant Criteria"). Each such person whom the Voting Group or any member thereof shall actually nominate pursuant to this Section 3.1(a) and who is thereafter elected to the Board to serve as a Director shall be referred to herein as a "Voting Group Designee."

(b) Notwithstanding Section 3.1(a), in each case where any member of the Voting Group beneficially owns 5% or more of the total outstanding shares of Common Stock and the Voting Group beneficially owns less than 9% of the total outstanding shares of Common Stock, such member shall have the right, but not the obligation, to nominate to the Board one designee, to the extent such designee satisfies the Relevant Criteria; provided, however, no other member of the Voting Group member shall have any obligation to vote its shares of Common Stock in favor of such designee. Each such person whom any member of the Voting Group shall actually nominate pursuant to this Section 3.1(b) and who is thereafter elected to the Board to serve as a Director shall be referred to herein as a “Member Designee,” and any such Member Designee(s), together with any Voting Group Designee(s), shall be referred to herein as “Board Designees.”

(c) Each member of the Voting Group hereby agrees to vote its shares of Common Stock in favor of the designees nominated pursuant to Section 3.1(a), and to take such actions as are within their power to procure that each such designee nominated by the Voting Group pursuant to Section 3.1(a) is elected as a Director.

(d) In the event that (i) the Voting Group has nominated fewer than the total number of designees the Voting Group shall be entitled to nominate pursuant to Section 3.1(a) or (ii) any member of the Voting Group has not nominated the designee such member shall be entitled to nominate pursuant to Section 3.1(b), the Voting Group or such member, as the case may be, shall have the right, at any time, to nominate such additional designee(s) to which it is entitled, in which case, the Company and the Directors shall take all necessary corporate action, to the fullest extent permitted by applicable Law, to (x) enable the Voting Group or such member, as the case may be, to nominate and effect the election or appointment of such additional individuals, whether by increasing the size of the Board, or otherwise and (y) to effect the election or appointment of such additional individuals nominated by the Voting Group or such member, as the case may be, to fill such newly-created directorships or to fill any other existing vacancies.

(e) In the event that a vacancy is created at any time by the death, retirement or resignation of any Board Designee, the remaining Directors and the Company shall, to the fullest extent permitted by applicable Law, take all actions necessary at any time and from time to time to cause the vacancy created thereby to be filled by a new designee of the Voting Group (in the case of the death, retirement or resignation of a Voting Group Designee) or the applicable member of the Voting Group (in the case of a Member Designee) as soon as possible.

(f) The Company agrees, to the fullest extent permitted by applicable Law, to include in the slate of nominees recommended by the Board for election at any meeting of stockholders called for the purpose of electing directors the persons designated pursuant to this Section 3.1 and to nominate and recommend each such individual to be elected as a Director as provided herein, and to solicit proxies or consents in favor thereof. The Company is entitled, solely for the purposes set forth in this Section 3.1(f), to identify such individual as a Board Designee pursuant to this Agreement.

3.2 Director Status of Mr. Jones. Subject to satisfaction of the Relevant Criteria, for so long as Mr. Jones is the Chief Executive Officer of the Company, he shall be entitled to remain a Director and each other member of the Voting Group hereby agrees (solely to the extent the Jones Voting Group member no longer retains any nomination right pursuant to Section 3.1(a)) to cause the nomination of Mr. Jones as Director, to vote its shares of Common Stock in favor of his nomination as Director, and to take such other actions as are reasonably within their power to procure that Mr. Jones continues to serve as a Director for such time as he remains Chief Executive Officer.

Article IV GENERAL PROVISIONS

4.1 VCOC.

(a) Each VCOC Fund shall, upon reasonable notice to the Company, have the right to meet with such management personnel, directors and independent accountants of the Group as may be reasonably designated by the Company, for the purpose of consulting with and advising and influencing management, obtaining information regarding the business and prospects of the Group or expressing the views of the relevant VCOC Fund(s) on such matters. The Company agrees to give due consideration to the advice given and any proposals made by each VCOC Fund.

(b) Each VCOC Fund shall have the right to visit and inspect any of the properties of the Group.

(c) Subject to Section 4.1(d), any provision of this Section 4.1 may be amended for the purposes of preserving the qualification of any VCOC Fund as a VCOC, or otherwise to ensure that the assets of any of the VCOC Funds are not considered “plan assets” of the benefit plan investors in such VCOC Funds for the purposes of ERISA by an agreement in writing which indicates that it is intended to be an amendment, executed by the Company and the relevant VCOC Fund(s) or its nominee (and, for the avoidance of doubt, the consent or agreement of the other parties to this Agreement shall not be required).

(d) The Company agrees with the VCOC Funds that if any of the VCOC Funds notifies the Company in writing that the provisions of this Section 4.1 should be amended to preserve the qualification of such VCOC Fund as a VCOC, or otherwise to ensure that the assets of any of the VCOC Funds are not considered “plan assets” of the benefit plan investors in such VCOC Funds for purposes of ERISA, the Company will consent to the proposed amendments provided that the amendments do not result in a material adverse effect on the operation, business or the prospects of the Group.

4.2 Termination. This Agreement shall terminate (a) at such time as no member of the Voting Group shall beneficially own 5% or more of the Company’s outstanding shares of Common Stock and Mr. Jones is no longer serving as Chief Executive Officer of the Company or (b) upon the written agreement of the parties hereto to terminate this Agreement.

4.3 Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by electronic transmission (but excluding transmission by fax) or sent by reputable overnight courier service (charges prepaid) to the Company at the address set forth below and to any other recipient at the address indicated on the Company’s records, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when delivered personally, sent by electronic transmission or upon actual delivery by reputable overnight courier service (as indicated in such courier service’s records).

The Company’s notice information is as follows:

Membership Collective Group Inc.
180 Strand
London, WC2R 1EA
United Kingdom
Attention: Soho House In House Legal team
Email: legal@sohohouse.com

with a copy (not constituting notice) to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
United States of America
Attention: Samir A. Gandhi and Robert A. Ryan
Email: sgandhi@sidley.com; rryan@sidley.com

The Sponsor Entities’ notice information is as follows:

The Yucaipa Companies, LLC

9130 West Sunset Boulevard
Los Angeles, California 90069
United States of America
Attention: Legal
Email: legal@burklework.com

Mr. Caring's notice information is as follows:

Mr. Richard Caring
c/o Chris Robinson
26/28 Conway Street
London W1T 6BQ
United Kingdom
Email: chrisr@rcaring.co.uk

Mr. Jones' notice information is as follows:

Mr. Nick Jones
Soho House
180 Strand
London WC2R 1EA
United Kingdom
Email: nickjones@sohohouse.com

4.4 Amendment; Waiver. This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by the Company and the other parties hereto. Neither the failure nor delay on the part of any party hereto to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

4.5 Further Assurances. The parties hereto will sign such further documents, cause such meetings to be held, resolutions passed, exercise their votes and do and perform and cause to be done such further acts and things necessary, proper or advisable in order to give full effect to this Agreement and every provision hereof. To the fullest extent permitted by Law, the Company shall not directly or indirectly take any action that is intended to, or would reasonably be expected to result in, any Sponsor Entity being deprived of the rights contemplated by this Agreement.

4.6 Assignment. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned without the express prior written consent of the other parties hereto, and any attempted assignment, without such consents, will be null and void; provided, however, that each Sponsor Entity shall be entitled to assign, in whole or in part, to any of its Permitted Assigns without such prior written consent any of its rights hereunder.

4.7 Third Parties. This Agreement does not create any rights, claims or benefits inuring to any person that is not a party hereto nor create or establish any third party beneficiary hereto.

4.8 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to principles of conflicts of laws thereof.

4.9 Jurisdiction; Waiver of Jury Trial. In any judicial proceeding involving any dispute, controversy or claim arising out of or relating to this Agreement, each of the parties unconditionally accepts the jurisdiction and venue of the Court of Chancery of the State of Delaware or, if the Court of Chancery does not have subject matter

jurisdiction over this matter, the Superior Court of the State of Delaware (Complex Commercial Division), or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the District of Delaware, and the appellate courts to which orders and judgments thereof may be appealed. In any such judicial proceeding, the parties agree that in addition to any method for the service of process permitted or required by such courts, to the fullest extent permitted by Law, service of process may be made by delivery provided pursuant to the directions in Section 4.3. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

4.10 Specific Performance. Each party hereto acknowledges and agrees that in the event of any breach of this Agreement by any of them, the other parties hereto would be irreparably harmed and could not be made whole by monetary damages. Each party accordingly agrees to waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to specific performance of this Agreement without the posting of any bond.

4.11 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof. There are no agreements, representations, warranties, covenants or understandings with respect to the subject matter hereof or thereof other than those expressly set forth herein and therein. This Agreement supersedes all other prior agreements and understandings between the parties with respect to such subject matter.

4.12 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid or unenforceable to any extent, (i) the remainder of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by law, (ii) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by law and (iii) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

4.13 Table of Contents, Headings and Captions. The table of contents, headings, subheadings and captions contained in this Agreement are included for convenience of reference only, and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

4.14 Counterparts. This Agreement and any amendment hereto may be signed in any number of separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one Agreement (or amendment, as applicable).

4.15 Effectiveness. This Agreement shall become effective upon the Closing Date.

4.16 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or otherwise, and notwithstanding the fact that the Sponsor Entities are limited partnerships, each party hereto covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered by any Person pursuant hereto or otherwise shall be had against any of the Sponsor Entities or any of their former, current or future direct or indirect equity holders, controlling Persons, stockholders, directors, officers, employees, agents, Affiliates, members, financing sources, managers, general or limited partners or assignees (each a "Related Party" and collectively, the "Related Parties"), in each case other than (subject, for the avoidance of doubt, to the provisions of this Agreement) each party hereto or any of its respective assignees under this Agreement, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Related Parties, as such, for any obligation or liability of any party hereto or any of its respective assignees under this Agreement or any documents or instruments delivered by any Person pursuant hereto for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, that nothing in this Section 4.16 shall relieve or otherwise limit the liability of any party hereto or any of its respective assignees for any breach or violation of its obligations under such agreements, documents or instruments.

[Remainder Of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

MEMBERSHIP COLLECTIVE GROUP INC.

By: _____
Name:
Title:

[Signature Page to Stockholders Agreement]

YUCAIPA AMERICAN ALLIANCE FUND II, L.P.

By:

By:

Name:

Title:

[Signature Page to Stockholders Agreement]

YUCAIPA AMERICAN ALLIANCE (PARALLEL) FUND
II, L.P.

By:

By:

Name:

Title:

[Signature Page to Stockholders Agreement]

[Signature Page to Stockholders Agreement]

[Signature Page to Stockholders Agreement]

**CERTIFICATE OF INCORPORATION
OF
MEMBERSHIP COLLECTIVE GROUP INC.**

FIRST: The name of the corporation is Membership Collective Group Inc. (the "Corporation").

SECOND: The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL"). The Corporation shall have all power necessary or convenient to the conduct, promotion or attainment of such acts and activities.

FOURTH: The total number of shares of all classes of stock that the Corporation shall have authority to issue is 1,000 shares of common stock, par value of one cent (\$0.01) per share.

FIFTH: Each holder of shares of common stock shall be entitled to attend all special and annual meetings of the stockholders of the Corporation and to cast one vote for each outstanding share of common stock so held upon any matter or thing (including, without limitation, the election of one or more directors) properly considered and acted upon by the stockholders.

SIXTH: The name and mailing address of the incorporator are Nicole Garrett, Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019.

SEVENTH: In furtherance of, and not in limitation of, the powers conferred by the DGCL, the Board of Directors of the Corporation is expressly authorized and empowered to adopt, amend or repeal the bylaws of the Corporation or adopt new bylaws without any action on part of the stockholders; provided that any bylaw adopted or amended by the Board of Directors of the Corporation, and any powers thereby conferred, may be amended, altered or repealed by the stockholders.

EIGHTH: The number of directors of the Corporation shall be as specified in, or determined in the manner provided in, the bylaws of the Corporation. Unless and except to the extent that the bylaws of the Corporation so provide, the election of directors need not be by written ballot.

NINTH: The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors of the Corporation.

TENTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as it now exists. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the preceding sentence, a director of the Corporation shall not be liable to the fullest extent permitted by any amendment to the DGCL hereafter enacted that further limits the liability of a director. Any amendment, repeal or modification of this Article TENTH shall be prospective only and shall not affect any limitation on liability of a director for acts or omissions occurring prior to the date of such amendment, repeal or modification.

ELEVENTH: The Corporation reserves the right at any time, and from time to time, to amend, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of any nature conferred upon directors, stockholders or any other persons by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article ELEVENTH.

[Signature Page Follows]

I, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the DGCL, do make this Certificate of Incorporation, hereby declaring that this is my act and deed and that the facts herein stated are true, and accordingly have hereunto set my hand this 10th day of February, 2021.

/s/ Nicole Garrett

Nicole Garrett

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
MEMBERSHIP COLLECTIVE GROUP INC.**

Membership Collective Group Inc., a corporation organized and existing under the laws of the State of Delaware (the “Corporation”) hereby certifies as follows:

1. The original Certificate of Incorporation of the Corporation was filed with the Office of the Secretary of State of the State of Delaware on February 10, 2021 (the “Original Certificate”).

2. The Corporation is filing this Amended and Restated Certificate of Incorporation of the Corporation (the “Certificate”), which restates, integrates and further amends the Original Certificate, as heretofore amended, and which was duly adopted by all necessary action of the board of directors of the Corporation and the stockholders of the Corporation in accordance with the provisions of Sections 242, 245 and 228 of the General Corporation Law of the State of Delaware (the “DGCL”).

3. The text of the Original Certificate is hereby amended and restated in its entirety hereby to read in full as follows:

ARTICLE I

The name of the corporation (hereinafter the “Corporation”) is Membership Collective Group Inc.

ARTICLE II

The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, 19081. The name of the Corporation’s registered agent at such address is The Corporation Trust Company.

ARTICLE III

The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL, including, without limitation, (i) investing in securities of Soho House Holdings Limited and any of its subsidiaries, (ii) exercising all rights, powers, privileges and other incidents of ownership or possession with respect to the Corporation’s assets, including managing, holding, selling and disposing of such assets and (iii) engaging in any other activities incidental or ancillary thereto.

ARTICLE IV

Section 4.01 Authorized Capital Stock and Recapitalization.

(a) The total number of shares of all classes of capital stock that the Corporation is authorized to issue is [] ([]) shares of capital stock, of which [] shares shall be Class A common stock, par value \$0.01 per share (the "Class A Common Stock"), [] shares shall be Class B common stock, par value \$0.01 per share (the "Class B Common Stock") and, together with the Class A Common Stock, the "Common Stock") and [] shares shall be preferred stock, par value \$0.01 per share (the "Preferred Stock"). Subject to the rights of the holders of any series of Preferred Stock then outstanding, the number of authorized shares of any of the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL or any successor provision thereof, and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

(b) Effective upon the filing of this Certificate with the Office of the Secretary of State of the State of Delaware, all shares of common stock, par value \$0.01 per share, of the Corporation issued and outstanding immediately prior to the filing of this Certificate of Incorporation (the "Existing Common Stock") shall be recapitalized, reclassified and reconstituted into one (1) fully paid and non-assessable share of Class A Common Stock (as defined below) (the "Recapitalization"). The Recapitalization shall occur automatically without any further action by the holders of Existing Common Stock. The outstanding stock certificate that, immediately prior to the Recapitalization, represented the outstanding Existing Common Shares shall, upon and after the Recapitalization, be deemed to represent one (1) share of Class A Common Stock, without the need for surrender or exchange thereof.

Section 4.02 Common Stock. The terms of the Common Stock set forth below shall be subject to the express terms of any series of Preferred Stock then outstanding.

(a) Voting Rights. Except as otherwise required by applicable law or this Certificate:

(i) each share of Class A Common Stock shall entitle the record holder thereof as of the applicable record date to one (1) vote per share in person or by proxy on all matters submitted to a vote of the holders of Class A Common Stock, whether voting separately as a class or otherwise;

(ii) each share of Class B Common Stock shall entitle the record holder thereof as of the applicable record date to ten (10) votes per share in person or by proxy on all matters submitted to a vote of the holders of Class B Common Stock, whether voting separately as a class or otherwise; and

(iii) except as otherwise required in this Certificate, the holders of shares of Class A Common Stock and Class B Common Stock shall vote together as a single class (or, if any holders of shares of Preferred Stock are entitled to vote together with the holders of Class A Common Stock and Class B Common Stock, as a single class with such holders of Preferred Stock) on all matters submitted to a vote of stockholders of the Corporation.

(b) Dividends and Distributions. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends or distributions, the holders of Common Stock shall be entitled to receive, as, if and when declared by the Board out of the funds of the Corporation legally available therefor, such dividends (payable in cash, shares of stock of the Corporation, property or assets of the Corporation or otherwise) as the Board may from time to time in its sole discretion determine.

(c) Liquidation Rights. In the event of liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and after making provisions for preferential and other amounts, if any, to which the holders of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to payments in liquidation shall be entitled, the remaining assets and funds of the Corporation available for distribution shall be divided among and paid ratably to the holders of all outstanding shares of Class A Common Stock and Class B Common Stock in proportion to the number of shares held by each such stockholder. A consolidation, reorganization or merger of the Corporation with any other Person or Persons (as defined below), or a sale of all or substantially all of the assets of the Corporation, shall not be considered to be a dissolution, liquidation or winding up of the Corporation within the meaning of this Section 4.02(c).

(d) Class B Common Stock.

(i) From and after the effectiveness of this Certificate with the Secretary of State of the State of Delaware (the “Effective Time”), shares of Class B Common Stock may be issued only to, and registered only in the name of, a member of the Voting Group (as defined in the Stockholders Agreement, dated on or about the Effective Time, by and among the Corporation and Yucaipa American Alliance Fund II, L.P., Yucaipa American Alliance (Parallel) Fund II, L.P., Richard Caring and Nick Jones (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “Stockholders’ Agreement”)) (such holders, collectively, the “Permitted Class B Owners”).

Section 4.03 Conversions and Transfers of Class B Common Stock.

(a) Optional Conversion of Class B Common Stock. At the option of a holder of Class B Common Stock, each share of Class B Common Stock shall be convertible, at any time or from time to time, into one fully paid and nonassessable share of Class A Common Stock as provided herein. Each holder of Class B Common stock who elects to convert the same into shares of Class A Common Stock shall surrender the certificate or certificates (if any), duly endorsed, at the office of the Corporation or the Corporation’s transfer agent (the “Transfer Agent”), and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the number of shares of Class B Common Stock being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender and the certificate or certificates representing the shares of Class B Common Stock, or, if the shares are uncertificated, immediately prior to the close of business on the date that the holder delivers notice of such conversion to the Transfer Agent and the person entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common Stock at such time.

(b) Automatic Conversion of Class B Common Stock. Each share of Class B Common Stock shall automatically, without any further action, convert into one share of Class A Common Stock immediately following a transfer to any person other than a Permitted Class B Owner. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares (if any) are surrendered to the Corporation or the Transfer Agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock are either delivered to the Corporation or the Transfer Agent, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the shares of Class B Common Stock, the holder of Class B Common Stock so converted shall surrender the certificates representing such shares (if any) at the office of the Corporation or the Transfer Agent.

(c) Conversion upon Death. Each share of Class B Common Stock held of record by a natural person, including a natural person serving in a trustee capacity, other than a Permitted Class B Owner, shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the death of such natural person.

(d) Final Conversion of Class B Common Stock. At such time as the Voting Group owns less than 15% of the shares of the Corporation's total outstanding Common Stock (the "Final Conversion Date"), each issued share of Class B Common Stock shall automatically, without any further action, convert into one share of Class A Common Stock. Following the Final Conversion Date, the Corporation may no longer issue any additional shares of Class B Common Stock. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificates representing the shares (if any) are surrendered to the Corporation or the Transfer Agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock are either delivered to the Corporation or the Transfer Agent, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the shares of Class B Common Stock, the holder of Class B Common Stock so converted shall surrender the certificates representing such shares (if any) at the office of the Corporation or the Transfer Agent.

(e) Procedures. The Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind, by bylaw or otherwise, regulations and procedures not inconsistent with the provisions of this Section 4.03 for determining whether any transfer or acquisition of shares of Class B Common Stock would violate the provisions hereof and for the orderly application, administration and implementation of the provisions of this Section 4.03. Any such procedures and regulations shall be kept on file with the Secretary of the Corporation and with the Transfer Agent and shall be made available for inspection by and, upon written request shall be mailed to, holders of shares of Class B Common Stock.

(f) Immediate Effect. In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section 4.03, such conversions shall be deemed to have been made at the time that the transfer of shares occurred or immediately upon the Final Conversion Date, as applicable.

Section 4.04 Certificates. All certificates or book entries representing shares of Class B Common Stock shall bear a legend substantially in the following form (or in such other form as the Board of Directors may determine):

THE SECURITIES REPRESENTED BY THIS [CERTIFICATE][BOOK ENTRY] ARE SUBJECT TO THE RESTRICTIONS (INCLUDING RESTRICTIONS ON TRANSFER) SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE CORPORATION AS IT MAY BE AMENDED AND/OR RESTATED (A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE CORPORATION AND SHALL BE PROVIDED FREE OF CHARGE TO ANY STOCKHOLDER MAKING A REQUEST THEREFOR).

Section 4.05 Fractions. Class A Common Stock and Class B Common Stock may be issued and transferred in fractions of a share which shall entitle the holder to exercise fractional voting rights and to have the benefit of all other rights of holders of Class A Common Stock and Class B Common Stock, as applicable. Subject to the Restrictions, holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to transfer fractions thereof and the Corporation shall, and shall cause the Transfer Agent to, facilitate any such transfers, including by issuing certificates or making book entries representing any such fractional shares. For all purposes of this Certificate of Incorporation, all references to Class A Common Stock and Class B Common Stock or any share thereof (whether in the singular or plural) shall be deemed to include references to any fraction of a share of such Class A Common Stock or Class B Common Stock.

Section 4.06 Amendment. Except as otherwise required by law, holders of Class A Common Stock and Class B Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any Preferred Stock Certificate of Designation (as defined below)) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any Preferred Stock Certificate of Designation).

Section 4.07 Preferred Stock. The Board is authorized, by resolution or resolutions, to provide, out of the authorized but unissued shares of Preferred Stock, for the issuance from time to time of shares of Preferred Stock in one or more series and, by filing a certificate of designation (a "Preferred Stock Certificate of Designation") pursuant to the applicable provisions of the DGCL, to establish from time to time the number of shares to be included in each such series, with such powers (including voting powers, if any), designations, preferences, participating, optional or other rights, if any, and qualifications, limitations or restrictions thereof, if any, as are stated and expressed in the resolution or resolutions providing for the issuance thereof adopted by the Board, including, but not limited to, determination of any of the following:

- (a) the distinctive designation of the series, whether by number, letter or title, and the number of shares which will constitute the series;

(b) the dividend rate, if any, and the times of payment of dividends, if any, on the shares of the series, whether such dividends will be cumulative and, if so, from what date or dates, and the relation which such dividends, if any, shall bear to the dividends payable on any other class or classes or series of stock;

(c) the price or prices at which, and the terms and conditions on which, the shares of the series may be redeemed at the option of the Corporation or the holder thereof or upon the happening of a specified event;

(d) whether or not the shares of the series will be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the terms and provisions relative to the operation thereof;

(e) the amounts payable on, and the preferences, if any, of the shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation or upon the happening of any other specified event;

(f) whether or not the shares of the series will be convertible into, or exchangeable for, at the option of either the holder or the Corporation or upon the happening of a specified event, shares of any other class or classes or series of stock of the Corporation and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(g) whether or not the shares of the series will have priority over or be on a parity with or be junior to the shares of any other class or classes or series of stock of the Corporation in any respect, or will be entitled to the benefit of limitations restricting the issuance of shares of any other class or classes or series of stock of the Corporation, restricting the payment of dividends on or the making of other distributions in respect of shares of any other class or classes or series of stock of the Corporation ranking junior to the shares of the series as to dividends or distributions, or restricting the purchase or redemption of the shares of any such junior class or classes or series of stock of the Corporation, and the terms of any such restriction;

(h) whether or not the shares of the series will have voting rights or powers and, if so, the terms of such voting rights and powers; and

(i) any other powers, preferences and rights, and qualifications, limitations and restrictions thereof, of the series.

Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights and powers, if any, as shall expressly be granted thereto by this Certificate. Except as otherwise expressly provided in this Certificate, no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock so authorized in accordance with this Certificate. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately as a class or together with the holders of one or more other such series as a separate class, to vote thereon

pursuant to this Certificate or pursuant to the DGCL. Unless otherwise provided by this Certificate, the Board may, by resolution or resolutions, increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series of Preferred Stock established by a Preferred Stock Certificate of Designation pursuant to this Article IV and the DGCL and, if the number of shares of such series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

Section 4.08 Rights upon Liquidation and Dissolution. On any liquidation, dissolution or winding-up of the Corporation, the holders of Class A Common Stock and Class B Common Stock will be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class

Section 4.09 Change of Control Transactions. The holders of Class A Common Stock and Class B Common Stock will be treated equally and identically with respect to shares of Class A Common Stock or Class B Common Stock owned by them, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the class treated differently, voting separately as a class, on (a) the closing of the sale, transfer or other disposition of all or substantially all of the assets of the Corporation, (b) the consummation of a consolidation, merger or reorganization which results in the voting securities of the Corporation outstanding immediately before the transaction (or the voting securities issued with respect to the voting securities of the Corporation outstanding immediately before the transaction) representing less than a majority of the combined voting power of the voting securities of the Corporation or the surviving or acquiring entity or (c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons of securities of the company if, after closing, the transferee person or group would hold 50% or more of the outstanding voting power of the Corporation (or the surviving or acquiring entity). However, consideration to be paid or received by a holder of common stock in connection with any such assets sale, consolidation, merger or reorganization under any employment, consulting, severance or other compensatory arrangement will be disregarded for the purposes of determining whether holders of common stock are treated equally and identically.

ARTICLE V

Section 5.01 General Powers. Except as otherwise provided by applicable law or this Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

Section 5.02 Number of Directors. Except as otherwise provided for or fixed pursuant to Article IV and this Article V (relating to the rights of any series of Preferred Stock to elect additional directors); the total number of directors shall be as determined from time to time exclusively by the Board; provided, that in no event shall the total number of directors be less than three (3) nor more than fifteen (15). Election of directors need not be by written ballot unless the Bylaws (as defined below) shall so require.

Section 5.03 Classified Board; Term of Office. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual general meeting of stockholders following the date the Common Stock is first publicly traded (the “IPO Date”), Class II directors shall initially serve for a term expiring at the second annual general meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual general meeting of stockholders following the IPO Date. At each succeeding annual general meeting, successors to the class of directors whose term expires at that annual meeting shall be elected for a term expiring at the third succeeding annual meeting of stockholders. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Each director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, subject, however, to such director’s earlier death, resignation, retirement, removal or disqualification. The Board is authorized to assign members of the Board already in office to their respective class.

Section 5.04 Quorum. Notwithstanding anything to the contrary set forth in this Certificate, the Bylaws or applicable law, but in addition to any requirements set forth in this Certificate, the Bylaws and applicable law, if the Voting Group owns at least 9% of the outstanding Common Stock of the Corporation and there is at least one member of the Board who is a Voting Group Designee (as defined in the Stockholders’ Agreement), a quorum for the transaction of business at any meeting of the Board shall include at least one Voting Group Designee unless each Voting Group Designee provides notice in writing or by electronic transmission to the Corporation waiving his or her right to be included in the quorum at such meeting. Notwithstanding anything to the contrary set forth herein, but in addition to any other vote required by this Certificate, the Bylaws or applicable law, at any time that the Voting Group owns at least 9% of the outstanding Common Stock of the Corporation, the Corporation shall not (directly or indirectly, by merger, consolidation or otherwise) amend, alter or repeal this Section 5.04, or adopt any provision inconsistent herewith, without the prior written consent of the Voting Group.

Section 5.05 Vacancies; Newly Created Directorships. Except as otherwise provided by this Certificate, and subject to the terms of the Stockholders’ Agreement, any vacancy resulting from the death, resignation, removal or disqualification of a director or other cause, or any newly created directorship in the Board, shall be filled only by an affirmative vote of a majority of the directors then in office, although less than a quorum, or by the sole remaining director, and shall not be filled by the stockholders of the Corporation; provided, that, (i) for so long as the Voting Group owns, at least 9% of the outstanding Common Stock of the Corporation, any vacancy resulting from the death, resignation, removal, disqualification or other cause in respect of any

Voting Group Designee, including the failure of any Voting Group Designee to be elected, shall be filled only by the Voting Group and (ii) for so long as any member of the Voting Group owns at least 5% of the outstanding Common Stock of the Corporation and has the right to nominate a director pursuant to Section 3.1(b) of the Stockholders Agreement, any vacancy resulting from the death, resignation, removal, disqualification or other cause in respect of any Member Designee, including the failure of any Member Designee to be elected, shall be filled only by such member of the Voting Group. Except as otherwise provided by this Certificate, a director elected to fill a vacancy or newly created directorship shall hold office until the annual meeting of stockholders for the election of directors of the class to which he or she has been appointed and until his or her successor has been duly elected and qualified, subject, however, to such director's earlier death, resignation, retirement, removal or disqualification.

Section 5.06 Removal of Directors. Except as otherwise provided by law, the Stockholders' Agreement or this Certificate, directors may be removed only for cause by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of the stock of the Corporation entitled to vote thereon, voting together as a single class.

Section 5.07 Voting Rights of Preferred Stock. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a series or separately as a class with one or more such other series of Preferred Stock, to elect directors, the election, term of office, removal, filling of vacancies (including filling any newly created directorships) any and other features of such directorships shall be governed by the terms of the other provisions of this Certificate (including any Preferred Stock Certificate of Designation). Notwithstanding anything herein to the contrary, during any period when the holders of any series of Preferred Stock have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to such provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to such provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, removal or disqualification. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, retirement, removal or disqualification of such additional directors, shall forthwith terminate, and the total authorized number of directors of the Corporation shall be reduced accordingly.

ARTICLE VI

In furtherance and not in limitation of the rights, powers, privileges and discretionary authority granted or conferred by the DGCL or other statutes or laws of the State of Delaware, the Board is expressly authorized to make, alter, amend or repeal the bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "Bylaws"), without any action on the part of the stockholders.

ARTICLE VII

Except as otherwise required by law, and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called only by (i) the Chairperson of the Board, at any time, (ii) the Secretary of the Corporation at the direction of a majority of the directors then in office, at any time, or (iii) until such time as The Yucaipa Companies LLC and its Affiliates (as such term is defined in Section 11.06 below (collectively, “Yucaipa”) ceases to beneficially own at least 50.1% of the outstanding shares of Common Stock (the “Trigger Event”), the Secretary of the Corporation at the written request of the holders of a majority of the voting power of the then outstanding Common Stock, and special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice.

ARTICLE VIII

To the fullest extent permitted by the DGCL, as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders. Any repeal or amendment or modification of this Article VIII (including by changes in applicable law), or the adoption of any provision of this Certificate inconsistent with this Article VIII, shall, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide a broader limitation on a retroactive basis than permitted prior thereto), and shall not adversely affect any limitation on the personal liability of any director of the Corporation with respect to acts or omissions occurring prior to the time of such repeal or amendment or modification or adoption of such inconsistent provision. If any provision of the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of directors shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

ARTICLE IX

Subject to the rights of the holders of one or more series of Preferred Stock then outstanding to act by written consent as provided in any Preferred Stock Certificate of Designation, any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting of stockholders; provided, that prior to the Trigger Event, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, is signed by or on behalf of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the DGCL.

ARTICLE X

Section 10.01 Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “Proceeding”), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was, at any time during which this Certificate is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or payment of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), a director or officer of the Corporation or is or was at any such time serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (hereinafter, an “Indemnitee”), whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor of the Corporation by merger or otherwise) to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), against all expense, liability and loss (including reasonably incurred attorneys’ fees, judgments, fines, excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974 and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 10.04 of this Article X, the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized in the first instance by the Board.

Section 10.02 Advancement of Expenses. The right to indemnification conferred upon Indemnitees in this Article X shall include the right, without the need for any action by the Board, to be paid by the Corporation (and any successor of the Corporation by merger or otherwise) the expenses incurred in defending any such Proceeding in advance of its final disposition, such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such director or officer is not entitled to be indemnified for such expenses under this Article X or otherwise.

Section 10.03 Nature of Rights; Other Sources. The rights conferred upon Indemnitees in this Article X shall be contract rights between the Corporation and each Indemnitee to whom such rights are extended that vest at the commencement of such person’s service to or at the request of the Corporation and all such rights shall continue as to an Indemnitee who has ceased to be a director or officer of the Corporation or ceased to serve at the Corporation’s request as a director, officer, trustee, employee or agent of another corporation, partnership, joint venture, trust or other

enterprise, as described herein, and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. The Corporation hereby acknowledges that certain Indemnitees may have certain rights to indemnification, advancement of expenses and/or insurance (other than directors' and officers' liability insurance or similar insurance obtained or maintained by or on behalf of the Corporation, its affiliates or any of the foregoing's respective subsidiaries) from persons or entities other than the Corporation (collectively, the "Other Indemnitors"). The Corporation hereby agrees (i) that it is the indemnitor of first resort of the Indemnitees (i.e., its obligations to an Indemnitee hereunder are primary and any obligation of the Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by an Indemnitee and shall be liable for the full amount of all losses, claims, damages, liabilities and expenses (including reasonably incurred attorneys' fees, judgments, fines, penalties and amounts paid in settlement) to the extent legally permitted and as required by the terms hereof, without regard to any rights an Indemnitee may have against the Other Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Corporation further agrees that no advancement or payment by the Other Indemnitors on behalf of an Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from the Corporation hereunder shall affect the foregoing and the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnitee against the Corporation. For the avoidance of doubt, no person or entity providing directors' or officers' liability insurance or similar insurance obtained or maintained by or on behalf of the Corporation, any of its affiliates or any of the foregoing's respective subsidiaries, including any person or entity providing such insurance obtained or maintained as contemplated by Section 10.08, shall be an Other Indemnitor.

Section 10.04 Claims. To obtain indemnification under this Article X, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 10.04, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by Independent Counsel, (a) by a majority vote of Disinterested Directors (as hereinafter defined), even though less than a quorum, (b) if there are no such Disinterested Directors, or if a majority of the Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (c) if a majority of Disinterested Directors so directs, by a majority of the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by the Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

Section 10.05 Enforcement. If a claim under Section 10.01 of this Article X is not paid in full by the Corporation within sixty (60) days after a written claim pursuant to Section 10.04 of this Article X has been received by the Corporation, or if a claim under Section 10.02 of this Article X is not paid in full by the Corporation within twenty (20) days after a written claim therefor has been made, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim to the fullest extent permitted by law. It shall be a defense to any such action that in the case of a claim for indemnification, the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board, Disinterested Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, Disinterested Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 10.06 Procedures. If a determination shall have been made pursuant to Section 10.04 of this Article X that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 10.05 of this Article X. The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 10.05 of this Article X that the procedures and presumptions of this Article X are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article X.

Section 10.07 Non-Exclusive Rights. The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Article X: (i) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Certificate, Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise and (ii) cannot be terminated by the Corporation, the Board or the stockholders of the Corporation with respect to any act or omission that is the subject of the Proceeding for which indemnification or advancement of expenses is sought prior to the date of such termination. Any amendment, modification, alteration or repeal of this Article X (by merger, consolidation or otherwise) that in any way diminishes, limits, restricts, adversely affects or eliminates any right of an Indemnitee or his or her successors to indemnification, advancement of expenses or otherwise shall be prospective only and shall not, without the written consent of the Indemnitee, in any way diminish, limit, restrict, adversely affect or eliminate any such right with respect to any actual or alleged state of facts, occurrence, action or omission then or previously existing, or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such actual or alleged state of facts, occurrence, action or omission.

Section 10.08 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise, against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 10.09 Additional Rights. The Board may grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in connection with any Proceeding in advance of its final disposition, to any current or former employee or agent of the Corporation to the fullest extent of the provisions of this Article X with respect to the indemnification and advancement of expenses of current or former directors and officers of the Corporation.

Section 10.10 Severability. If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article X (including, without limitation, each portion of any Section of this Article X containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article X (including, without limitation, each such portion of any Section of this Article X containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 10.11 Definitions; Construction. For purposes of this Article X: “Disinterested Director” means a director of the Corporation who is not and was not a party to the Proceeding in respect of which indemnification is sought by the claimant; and “Independent Counsel” means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporate law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant’s rights under this Article X. Any reference to an officer of the Corporation in this Article X shall be deemed to refer exclusively to the officers appointed as such pursuant to the Bylaws by the Board or by an officer to whom the Board has delegated the power to appoint officers, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors (or equivalent governing body) of such other entity pursuant to the certificate of incorporation and bylaws (or equivalent organizational documents) of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise has been given or has used the title of “vice president” or any other title that could be construed to suggest or imply that such person is or may be an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article X.

Section 10.12 Notices. Any notice, request or other communication required or permitted to be given to the Corporation under this Article X shall be in writing and either delivered in person or sent by telecopy, fax, email, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE XI

Section 11.01 Recognition of Corporate Opportunities. In recognition and anticipation that (i) certain directors, officers, principals, partners, members, managers, employees, agents and/or other representatives of Yucaipa or its respective Affiliates (as defined below) may serve as directors, officers or agents of the Corporation and its Affiliates, and (ii) Yucaipa or its respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation and Affiliates, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation and its Affiliates, directly or indirectly, may engage, the provisions of this Article XI are set forth to regulate and define the conduct of certain affairs of the Corporation and its Affiliates with respect to certain classes or categories of business opportunities as they may involve Yucaipa or its respective Affiliates and any person or entity who, while a stockholder, director, officer or agent of the Corporation or any of its Affiliates, is a director, officer, principal, partner, member, manager, employee, agent and/or other representative of Yucaipa or its Affiliates (each, an “Identified Person”), on the one hand, and the powers, rights, duties and liabilities of the Corporation and its Affiliates and its and their respective stockholders, directors, officers, and agents in connection therewith, on the other. To the fullest extent permitted by law (including, without limitation, the DGCL), and notwithstanding any other duty (contractual, fiduciary or otherwise, whether at law or in equity), each Identified Person (i) shall have the right to, directly or indirectly, engage in and possess interests in other business ventures of every type and description, including those engaged in the same or similar business activities or lines of business as the Corporation or any of its Affiliates or deemed to be competing with the Corporation or any of its Affiliates, on its own account, or in partnership with, or as a direct or indirect equity holder, controlling person, stockholder, director, officer, employee, agent, Affiliate (including any portfolio company), member, financing source, investor, director or indirect manager, general or limited partner or assignee of any other person or entity with no obligation to offer to the Corporation or its subsidiaries or other Affiliates the right to participate therein and (ii) shall have the right to invest in, or provide services to, any person that is engaged in the same or similar business activities as the Corporation or its Affiliates or directly or indirectly competes with the Corporation or any of its Affiliates.

Section 11.02 Competitive Opportunities. In the event that any Identified Person acquires knowledge of a potential transaction or matter which may be an investment, corporate or business opportunity or prospective economic or competitive advantage in which the Corporation or its Affiliates could have an interest or expectancy (contractual, equitable or otherwise) (a “Competitive Opportunity”) or otherwise is then exploiting any Competitive Opportunity, to the fullest extent permitted under the DGCL and notwithstanding any other duty existing at law or in equity, the Corporation and its Affiliates will have no interest in, and no expectation (contractual, equitable or otherwise) that such Competitive Opportunity be offered to it. To the fullest extent permitted by law, any such interest or expectation (contractual, equitable or otherwise) is hereby renounced so that such Identified Person shall (i) have no duty to communicate or present such Competitive Opportunity to the Corporation or its Affiliates, (ii) have the right to either hold any such Competitive Opportunity for such Identified Person’s own account and benefit or the account of the former, current or future direct or indirect equity holders, controlling persons, stockholders, directors, officers, employees, agents, Affiliates, members, financing sources, investors, direct or indirect managers, general or limited partners or assignees of any Identified Person or to direct, recommend, assign or otherwise transfer such Competitive Opportunity to persons or entities other than the Corporation or any of its subsidiaries, Affiliates or direct or indirect equity holders and (iii) notwithstanding any provision in this Certificate to the contrary, not be obligated or liable to the Corporation, any stockholder, director or officer of the Corporation or any other person or entity by reason of the fact that such Identified Person, directly or indirectly, took any of the actions noted in the immediately preceding clause (ii), pursued or acquired such Competitive Opportunity for itself or any other person or entity or failed to communicate or present such Competitive Opportunity to the Corporation or its Affiliates.

Section 11.03 Acknowledgement. Any person or entity purchasing or otherwise acquiring or holding any interest in any shares of capital stock of the Corporation or any other interest in the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XI.

Section 11.04 Interpretation; Duties. In the event of a conflict or other inconsistency between this Article XI and any other Article or provision of this Certificate, this Article XI shall prevail under all circumstances. Notwithstanding anything to the contrary herein, under no circumstances shall the provisions of this Article XI (other than this Section 11.04 of this Article XI) apply to (or result in or be deemed to result in a limitation or elimination of any duty (contractual, fiduciary or otherwise, whether at law or in equity)) owed by any employee of the Corporation or any of its subsidiaries, irrespective of whether such employee otherwise would be an Identified Person, and any Competitive Opportunity waived or renounced by any person or entity pursuant to such other provisions of this Article XI shall be expressly reserved and maintained by such person or entity, as applicable (and shall not be waived or renounced) as to any such employee.

Section 11.05 Section 122(17) of the DGCL. For the avoidance of doubt, subject to Section 11.04 of this Article XI, this Article XI is intended to constitute, with respect to the Identified Persons, a disclaimer and renunciation, to the fullest extent permitted under Section 122(17) of the DGCL, of any right of the Corporation or any of its Affiliates with respect to the matters set forth in this Article XI, and this Article XI shall be construed to effect such disclaimer and renunciation to the fullest extent permitted under the DGCL.

Section 11.06 Definitions. Solely for purposes of this Article XI, (A) “Affiliate” shall mean (a) with respect to Yucaipa, any person or entity that, directly or indirectly, is controlled by a Yucaipa entity, controls a Yucaipa entity, or is under common control with a Yucaipa entity, excluding (i) the Corporation, and (ii) any entity that is controlled by the Corporation (including its direct and indirect subsidiaries), and (b) in respect of the Corporation, any person or entity that, directly or indirectly, is controlled by the Corporation, and (B) “Yucaipa” shall mean the The Yucaipa Companies LLC.

ARTICLE XII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Corporation, (c) any action asserting a claim arising pursuant to any provision of the DGCL or of this Certificate or the Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (d) any action asserting a claim governed by the internal affairs doctrine. Notwithstanding anything to the

contrary herein, but subject to the foregoing provisions of this Article XII, the federal district courts of the United States shall be the exclusive forum for the resolution of any action, suit or proceeding asserting a cause of action arising under the Securities Act of 1933, as amended. The provisions of this Article XII do not apply to claims arising under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the provisions of this Article XII.

ARTICLE XIII

Section 13.01 Section 203 of the DGCL. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

Section 13.02 Interested Stockholders. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(a) prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

(b) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (a) by persons who are directors and also officers and (b) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(c) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

Section 13.03 Certain Exceptions. The restrictions contained in this Article XIII shall not apply if:

(a) a stockholder becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder and (ii) would not, at any time, within the three-year period immediately prior to the business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership, or

(b) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this Section 13.03(b), (ii) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the Board and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required), (y) a sale, lease, exchange, mortgage, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent or more of either that aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation or (z) a proposed tender or exchange offer for fifty percent or more of the outstanding voting stock of the Corporation. The Corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this Section 13.03.

Section 13.04 Definitions. For purposes of this Article XIII only, references to:

(a) "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(b) "associate", when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(c) "business combination", when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section 13.02 of this Article XIII is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (c)-(e) of this subsection (iii) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(v) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i)-(iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(d) "control", including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(e) “interested stockholder” means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the affiliates and associates of such person; but “interested stockholder” shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation, provided that such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of “owner” below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(f) “owner,” including the terms “own” and “owned,” when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(g) beneficially owns such stock, directly or indirectly; or

(i) has (A) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person’s affiliates or associates until such tendered stock is accepted for purchase or exchange; or (B) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person’s right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(ii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subsection (i) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(h) “person” means any individual, corporation, partnership, unincorporated association or other entity.

(i) “stock” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(j) “voting stock” means stock of any class or series entitled to vote generally in the election of directors. Every reference to a percentage of voting stock shall refer to such percentages of the votes of such voting stock.

ARTICLE XIV

If any provision or provisions of this Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate (including, without limitation, each portion of any Article (or section or subsection thereof) of this Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Certificate (including, without limitation, each such portion of any Article (or any section or subsection thereof) of this Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

ARTICLE XV

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate, in the manner now or hereafter prescribed by this Certificate and the DGCL, and all rights, preferences and privileges herein conferred upon stockholders by and pursuant to this Certificate in its current form or as hereafter amended are granted subject to the right reserved in this Article XV. Notwithstanding the foregoing, from and after the occurrence of the Trigger Event, notwithstanding any other provisions of this Certificate or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to greater or additional vote or consent required hereunder (including any vote of the holders of any particular class or classes or series of stock required by law or by this Certificate), the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of stock entitled to vote thereon, voting together as a single class, shall be required to alter, amend or repeal Section 4.03 of Article IV, Articles V, VI, VII, VIII, IX, X, XI, XII and XIII, and this Article XV.

From and after the occurrence of the Trigger Event, notwithstanding any other provisions of this Certificate or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any additional or greater vote or consent required hereunder (including any vote of the holders of any particular class or classes or series of stock required by law or by this Certificate), the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of stock entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend or repeal, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by a duly authorized officer as of this []th date of [], 2021.

MEMBERSHIP COLLECTIVE GROUP INC.

By: _____
Name:
Title:

MEMBERSHIP COLLECTIVE GROUP INC. — CERTIFICATE OF INCORPORATION

**BYLAWS
OF
MEMBERSHIP COLLECTIVE GROUP INC.**

A Delaware Corporation

Date of Adoption:

February 10, 2021

**BYLAWS
OF
MEMBERSHIP COLLECTIVE GROUP INC.**

**ARTICLE I
OFFICES AND RECORDS**

SECTION 1.1 Registered Office. The registered office of Membership Collective Group Inc. (the “**Corporation**”) in the State of Delaware shall be as set forth in the Certificate of Incorporation of the Corporation, as it may be amended, restated, supplemented and otherwise modified from time to time (the “**Certificate of Incorporation**”), and the name of the Corporation’s registered agent at such address is as set forth in the Certificate of Incorporation. The registered office and registered agent of the Corporation may be changed from time to time by the board of directors of the Corporation (the “**Board**”) in the manner provided by applicable law.

SECTION 1.2 Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board may designate or as the business of the Corporation may from time to time require.

SECTION 1.3 Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board.

**ARTICLE II
STOCKHOLDERS**

SECTION 2.1 Annual Meetings. If required by applicable law, an annual meeting of the stockholders for the election of directors of the Corporation shall be held at such date, time and place, if any, either within or outside of the State of Delaware, as may be fixed by resolution of the Board. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board. Any other proper business may be transacted at the annual meeting.

SECTION 2.2 Special Meetings. Unless otherwise provided in the Certificate of Incorporation, special meetings of the stockholders for any purpose or purposes may be called at any time by the Chairman of the Board, the Chief Executive Officer, or by a majority of the Board, and shall be called by the Chairman of the Board, the Chief Executive Officer or the Secretary upon the written request therefor signed by the holder(s) of at least twenty-five percent (25%) of the issued and outstanding stock entitled to vote at such meeting.

SECTION 2.3 Record Date. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a date as the record date for any such determination of stockholders, which date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

SECTION 2.4 Place of Meeting. The Board may designate the place of meeting for any annual meeting or for any special meeting of the stockholders. If no designation is so made, the place of meeting shall be the principal executive offices of the Corporation. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the General Corporation Law of the State of Delaware (the “**DGCL**”) and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

SECTION 2.5 Notice of Meetings. Written notice of the place, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chairman of the Board, the Chief Executive Officer, the Secretary or the other person(s) calling the meeting to each stockholder entitled to vote thereat and shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, personally, by electronic transmission or by mail. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation. The Corporation may provide stockholders with notice of a meeting by electronic transmission provided such stockholders have consented to receiving electronic notice.

SECTION 2.6 Quorum and Adjournment of Meetings. Except as otherwise required by applicable law or by the Certificate of Incorporation, or these bylaws of the Corporation (the “**Bylaws**”), the holders of a majority of the voting power of all of the issued and outstanding shares of stock of the Corporation entitled to vote at the meeting, represented in person or by proxy, shall constitute a quorum for the transaction of business at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of all of the issued and outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Notwithstanding the other provisions of the Certificate of Incorporation or these Bylaws, the chairman of the meeting or the holders of shares of stock with a majority of the voting power present in person or represented by proxy at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than announcement at the meeting of the time, the place of the holding of the adjourned meeting (if any) and the means of remote communications (if any) by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting; provided, however, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting. At any such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 2.7 Required Vote. Unless otherwise required by applicable law or provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock entitled to vote which is registered in his or her name on the record date for the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the Board (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by his or her executor or administrator, either in person or by proxy.

Unless otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes cast by the holders of shares of stock entitled to vote in the election of directors at a meeting of stockholders at which a quorum is present. All other elections and questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the vote of the majority of the votes cast on the matter affirmatively or negatively.

SECTION 2.8 Written Consent of Stockholders Without a Meeting. Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, by consent in writing of such stockholders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book or books in which meetings of stockholders are recorded; *provided, however*, that delivery made to the Corporation's registered office in the State of Delaware shall be by hand or by certified or registered mail, return receipt requested.

ARTICLE III BOARD OF DIRECTORS

SECTION 3.1 Number. The number of directors that shall constitute the whole Board initially shall be one (1) and thereafter shall be determined from time to time by resolution of the Board, unless the Certificate of Incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the Certificate of Incorporation. Each director shall hold office for the term for which he or she is elected, and until his or her successor shall have been elected and qualified or until his or her earlier death, resignation or removal.

SECTION 3.2 Powers. Subject to any limitations set forth in the Certificate of Incorporation and to any provision of the DGCL relating to powers or rights conferred upon or reserved to the stockholders or the holders of any class or series of the Corporation's issued and outstanding stock, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

SECTION 3.3 Place of Meetings; Order of Business. The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board may from time to time determine by resolution. At all meetings of the Board business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board (if any), or in his or her absence by the Chief Executive Officer, or by resolution of the Board.

SECTION 3.4 Regular Meetings. Regular meetings of the Board shall be held on such dates, and at such times and places, within or without the State of Delaware, as are determined from time to time by resolution of the Board, such determination to constitute the only notice of such regular meetings to which any director shall be entitled. In the absence of any such determination, such meetings shall be held, upon notice to each director in accordance with this Section 3.4.

SECTION 3.5 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, the Chief Executive Officer or, upon the written request of at least a majority of the directors then in office, by the Secretary, in each case on at least twenty-four (24) hours personal or written notice or on at least twenty-four (24) hours' notice by electronic transmission to each director. The person or persons authorized to call special meetings of the Board may fix the place, if any, date and time of the meetings.

SECTION 3.6 Notice. Notice of any regular (if required) or special meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, first-class or overnight mail, courier service or facsimile or electronic transmission or orally by telephone. If mailed by first class mail, such notice shall be deemed adequately delivered if deposited in the United States mails so addressed, with postage thereon prepaid, at least five days before such meeting. If by overnight mail or courier service, such notice shall be deemed adequately delivered if the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile or electronic transmission, such notice shall be deemed adequately delivered if the notice is transmitted at least 24 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 24 hours prior to the time set for the meeting and shall be confirmed by facsimile or electronic transmission that is sent promptly thereafter. In the case of a special meeting called by the Chairman of the Board where exigent circumstances are deemed by the Chairman of the Board to exist, notice of such meeting may be given by any of the means described above less than 24 hours before such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, except for amendments to these Bylaws, as provided under Section 9.1.

SECTION 3.7 Action by Consent of Board. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, including by electronic transmission. After the action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the Board, or the committee thereof, in the same paper or electronic form as the minutes are maintained. Such consent or consents shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of the State of Delaware.

SECTION 3.8 Conference Telephone Meetings. Members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.9 Quorum. Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

SECTION 3.10 Vacancies. Unless otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or a sole remaining director; and any director so chosen shall hold office until the next annual election and until his or her successor shall be duly elected and shall qualify, unless sooner displaced.

ARTICLE IV COMMITTEES

SECTION 4.1 Designation; Powers. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent permitted by applicable law and to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

SECTION 4.2 Procedure; Meetings; Quorum. Any committee designated pursuant to Section 4.1 shall choose its own chairman in the event the chairman has not been selected by the Board by a majority vote of the members then in attendance at a meeting of the committee so long as a quorum is present and shall meet at such times and at such place or places as may be provided by the charter of such committee or by resolution of such committee or resolution of the Board. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting where a quorum is present shall be necessary for the adoption by it of any resolution.

ARTICLE V
OFFICERS

SECTION 5.1 Officers. The officers of the Corporation shall be a Chief Executive Officer and a Secretary and, if the Board of Directors so elects, a Chairman of the Board, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his or her successor shall be duly elected and shall qualify or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officer need be a director.

SECTION 5.2 Election and Term of Office. Each officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified or until his or her death or until he or she shall resign, but any officer may be removed from office at any time by the affirmative vote of a majority of the Board or, except in the case of an officer or agent elected by the Board, by the Chairman of the Board, Chief Executive Officer or President, if any. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor, his or her death, his or her resignation or his or her removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 5.3 Chairman of the Board. Unless otherwise determined by the Board, the Chairman of the Board shall preside at all meetings of the Board. The Chairman of the Board shall perform all duties incidental to his or her office that may be required by law and all such other duties as are properly required of him by the Board. He or she shall make reports to the Board and shall see that all orders and resolutions of the Board and of any committee thereof are carried into effect. The Chairman of the Board may also serve as Chief Executive Officer, if so elected by the Board.

SECTION 5.4 Chief Executive Officer. The Chief Executive Officer shall be responsible for the general management of the affairs of the Corporation and shall act in a general executive capacity subject to the oversight of the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The Chief Executive Officer shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation.

SECTION 5.5 President. The President, if any, shall have such powers and shall perform such duties as shall be assigned to him by the Board. In the absence (or inability or refusal to act) of the Chairman of the Board and Chief Executive Officer, the President (if any and if he or she shall be a director) shall preside when present at all meetings of the Board.

SECTION 5.6 Executive Vice Presidents and Senior Vice Presidents. Each Executive Vice President and Senior Vice President, if any, shall have such powers and shall perform such duties as shall be assigned to him by the Board or the Chairman of the Board, the Chief Executive Officer or the President, if any.

SECTION 5.7 Treasurer. The Treasurer, if any, shall exercise general supervision over the receipt, custody and disbursement of corporate funds. He or she shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him from time to time by the Board, the Chairman of the Board, the Chief Executive Officer or the President, if any.

SECTION 5.8 Secretary. The Secretary, if any, shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he or she shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by applicable law; he or she shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer or the President, if any.

SECTION 5.9 Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation or removal may be filled by the Board for the unexpired portion of the term at any meeting of the Board. Any vacancy in an office appointed by the Chairman of the Board, the Chief Executive Officer or the President, if any, because of death, resignation or removal may be filled by the Chairman of the Board, the Chief Executive Officer or the President, if any.

SECTION 5.10 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board, the Chief Executive Officer or any officer authorized by the Chairman of the Board, the Chief Executive Officer or the President, shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation or entity in which the Corporation may hold securities and otherwise to exercise any and all rights and powers that the Corporation may possess by reason of its ownership of securities in such other corporation.

SECTION 5.11 Delegation. The Board may from time to time delegate the powers and duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE VI STOCK CERTIFICATES AND TRANSFERS

SECTION 6.1 Stock Certificates and Transfers. The interest of each stockholder of the Corporation evidenced by certificates for shares of stock shall be in such form as the appropriate officers of the Corporation may from time to time prescribe, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock may be uncertificated shares. The shares of the stock of the Corporation shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares. Subject to the provisions of the Certificate of Incorporation, the shares of the stock of the Corporation shall be transferred on the books of the Corporation, which may be maintained by a third-party registrar or transfer agent, by the holder thereof in person or by his or her attorney, upon surrender for cancellation of certificates for at least the same number of shares, with an

assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require or upon receipt of proper transfer instructions from the registered holder of uncertificated shares and upon compliance with appropriate procedures for transferring shares in uncertificated form, at which time the Corporation shall issue a new certificate to the person entitled thereto (if the stock is then represented by certificates), cancel the old certificate and record the transaction upon its books.

Each certificated share of stock shall be signed, countersigned and registered in the manner required by law. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

SECTION 6.2 Lost, Stolen or Destroyed Certificates. No certificate for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board or any financial officer may in its or his or her discretion require.

SECTION 6.3 Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by the laws of the State of Delaware.

SECTION 6.4 Regulations Regarding Certificates. The Board shall have the power and authority to make all such rules and regulations concerning the issue, transfer and registration or the replacement of certificates for shares of stock of the Corporation. The Corporation may enter into additional agreements with stockholders to restrict the transfer of stock of the Corporation in any manner not prohibited by the DGCL. The Board may appoint and remove transfer agents and registrars of transfers, and may require all stock certificates to bear the signature of any such transfer agent and/or any such registrar of transfers.

ARTICLE VII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

SECTION 7.1 The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made a party or is threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "*proceeding*") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, trustee, or officer of the Corporation or, while a director, trustee, or officer of the Corporation, is or was serving at the request of the Corporation as a director, trustee, officer, employee or agent of another corporation or of a trust, partnership, joint venture, other enterprise or nonprofit entity, including service with

respect to an employee benefit plan (a “**Covered Person**”), whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent, or in any other capacity while serving as a director, trustee, officer, employee or agent, against all expenses (including attorneys’ fees), judgments, fines (including, without limitation, ERISA excise taxes and penalties) and amounts paid in settlement actually and reasonably incurred or suffered by such Covered Person in connection with such proceeding if he or she acted in good faith and in a manner he or she reasonable believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

SECTION 7.2 The Corporation shall, to the fullest extent not prohibited by applicable law as it presently exists or may hereafter be amended, pay the expenses (including, without limitation, attorneys’ fees) incurred by a Covered Person in defending or otherwise participating in or appearing at any proceeding in advance of its final disposition (including in connection with a proceeding brought to establish or enforce a right to indemnification under this Article VII); *provided, however*, that to the extent required by applicable law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it shall be ultimately determined by final judicial decision from which there is no further right to appeal (hereinafter, a “**final adjudication**”) that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

SECTION 7.3 To the extent that a current or former director, trustee or officer of the Corporation has been successful on the merits or otherwise in defense of any threatened, pending, or completed Proceeding referred to in Section 145(a) or (b) of the DGCL, or in defense of any claim, issue, or matter thereof, he or she shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by him or her in connection therewith.

SECTION 7.4 The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 7.5 The rights to indemnification and advancement of expenses conferred upon any current or former director, trustee or officer of the Corporation under this Article VII (whether by reason of the fact that such person is or was a director, trustee or officer of the Corporation, or while serving as a director, trustee or officer of the Corporation, is or was serving at the request of the Corporation as a director, trustee, officer, trustee, employee or agent of another corporation or of a trust, partnership, joint venture, other enterprise or nonprofit entity, including service with respect to an employee benefit plan) shall be contract rights, shall vest when such person becomes a director, trustee or officer of the Corporation and such rights shall continue as to a Covered Person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. Notwithstanding the foregoing provisions of this Article VII, except for proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify and advance expenses to a Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

SECTION 7.6 If a claim for indemnification under this Article VII (following the final disposition of such proceeding) is not paid in full by the Corporation within 60 days after the Corporation has received a written claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article VII is not paid in full by the Corporation within 30 days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim, or a claim brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, to the fullest extent permitted by applicable law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law. In any suit brought by a Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by a Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met any applicable standard for indemnification set forth in the DGCL. With respect to any suit brought by a Covered Person seeking to enforce a right to indemnification or right to advancement of expenses hereunder or any suit brought by the Corporation to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), neither (i) the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the DGCL, nor (ii) an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

SECTION 7.7 The rights conferred on any Covered Person by this Article VII shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under applicable law, the Certificate of Incorporation, these Bylaws, an agreement or vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

SECTION 7.8 This Article VII shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of Covered Persons under this Article VII.

SECTION 7.9 The Corporation may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, trustee, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, employee or agent of another corporation, trust, partnership, joint venture, or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL, these Bylaws or otherwise.

SECTION 7.10 Any repeal, modification or amendment of this Article VII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Covered Persons on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision. Any amendment, repeal, modification or adoption that would adversely affect such person's rights to indemnification or advancement of expenses hereunder shall be ineffective as to such Covered Person, except with respect to any threatened, pending or completed proceeding that relates to or arises from (and only to the extent such proceeding relates to or arises from) any act or omission of such Covered Person occurring after the effective time of such amendment, repeal, modification or adoption.

SECTION 7.11 If any provision or provisions of this Article VII shall be held to be invalid, illegal, or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law (a) the validity, legality, and enforceability of such provision in any other circumstance and of the remaining provisions of this Section 7.11 (including, without limitation, all portions of any paragraph of this Section 7.11 containing any such provision held to be invalid, illegal, or unenforceable, that are not by themselves invalid, illegal, or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VII (including, without limitation, all portions of any paragraph of this Article VII containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent of the parties that the Corporation provide protection to the indemnitee to the fullest extent set forth in this Article VII.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.1 Fiscal Year. The fiscal year of the Corporation shall be fixed by a resolution of the Board.

SECTION 8.2 Dividends. Except as otherwise provided by law or the Certificate of Incorporation, the Board may from time to time declare, and the Corporation may pay, dividends on its outstanding shares of stock, which dividends may be paid in either cash, property or shares of stock of the Corporation. A member of the Board, or a member of any committee designated by the Board, shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

SECTION 8.3 Seal. If the Board determines that the Corporation shall have a corporate seal, the corporate seal shall have such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or otherwise reproduced.

SECTION 8.4 Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, including by electronic transmission, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board or committee thereof need be specified in any waiver of notice of such meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8.5 Facsimile and Electronic Signatures. In addition to the provisions for use of facsimile or electronic signatures elsewhere specifically authorized in these Bylaws, facsimile or electronic signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof, the Chairman of the Board, the Chief Executive Officer or President (if any).

SECTION 8.6 Reliance upon Books, Reports and Records. Each director and each member of any committee designated by the Board shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board or by any such committee, or in relying in good faith upon other records of the Corporation.

**ARTICLE IX
AMENDMENTS**

SECTION 9.1 Amendments. If provided in the Certificate of Incorporation of the Corporation, the Board shall have the power to adopt, amend and repeal from time to time bylaws of the Corporation, subject to the right of the stockholders entitled to vote with respect thereto to amend or repeal such bylaws as adopted or amended by the Board.

AMENDED AND RESTATED BYLAWS
OF
MEMBERSHIP COLLECTIVE GROUP INC.

(Adopted as of [], 2021)

ARTICLE I

OFFICES

Section 1.01 Registered Office. The address of the registered office of Membership Collective Group Inc. (hereinafter the “Corporation”) in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Amended and Restated Certificate of Incorporation of the Corporation, as the same may be amended and/or restated from time to time (the “Certificate of Incorporation”).

Section 1.02 Other Offices. The Corporation may have a principal or other office or offices at such other place or places, either within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be necessary or appropriate for the conduct of the business of the Corporation.

ARTICLE II

STOCKHOLDERS

Section 2.01 Place of Meetings. All meetings of stockholders shall be held at the principal office of the Corporation or at such other place, if any, within or without the State of Delaware, or solely by means of remote communication in accordance with Section 2.13 of these Bylaws and applicable law, as may be designated by the Board of Directors and stated in the notice of the meeting.

Section 2.02 Annual Meetings. If required by applicable law, an annual meeting of stockholders for the election of directors and the transaction of such other business as may properly be brought before the meeting in accordance with Section 2.07 of these Bylaws shall be held on such day and at such hour, as shall be fixed by the Board of Directors and designated in the notice of meeting. The Corporation may postpone, adjourn, reschedule or cancel any previously scheduled annual meeting of stockholders.

Section 2.03 Special Meetings. Special meetings of stockholders may only be called in the manner provided in the Certificate of Incorporation. Special meetings of stockholders shall be held on such day and at such hour, as shall be designated in the notice of meeting. Business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice of meeting. Except in the case of a special meeting of stockholders called at the request of the stockholders pursuant to the express terms of the Certificate of Incorporation, the Corporation may postpone, adjourn, reschedule or cancel any previously scheduled special meeting of stockholders.

Section 2.04 Notice of Meetings. Except as otherwise provided by the Certificate of Incorporation or applicable law, notice, stating the place, if any, date and time of the meeting, the means of remote communication, if any, by which stockholders and proxyholders not physically present may be deemed to be present and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) days nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notice may be given either personally, by courier service, by electronic mail, by other form of electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such stockholder's address as it appears on the stock transfer books of the Corporation. If delivered by courier service, such notice shall be deemed to be given at the earlier of when the notice is received or left at such stockholder's address. If notice is given by electronic mail or other electronic transmission, such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware. Such further notice shall be given as may be required by law.

Section 2.05 Quorum; Adjournment of Meetings. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority in voting power of the outstanding capital stock entitled to vote at the meeting, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series or classes or series of stock voting as a separate class, the holders of a majority in voting power of the shares of such class or series or classes or series shall constitute a quorum of such class or series or classes or series with respect to the vote on such business. The chairperson of the meeting may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of an adjourned meeting need be given except as required by law. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.06 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided by applicable law, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or a new proxy bearing a later date.

(a) Annual Meeting of Stockholders.

(i) At any annual meeting of the stockholders, only such nominations of persons for election to the Board of Directors and only other business shall be considered or conducted, as shall have been properly brought before the meeting. For nominations to be properly made at an annual meeting, and proposals of other business to be properly brought before an annual meeting, nominations and proposals of other business must be: (A) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 of these Bylaws, (B) by or at the direction of the Board of Directors or any duly authorized committee thereof, (C) by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in this Bylaw and at the time of the annual meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this Bylaw as to such business or nomination or (D) as provided in the Stockholders Agreement (as defined in the Certificate of Incorporation). Subject to the Stockholders Agreement, paragraph (C) of this Section 2.07(a)(i) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(ii) Without qualification or limitation, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to paragraph (a)(i)(C) of this Bylaw, the stockholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded, be deemed to have occurred on [], 2021); provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. In addition, to be timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for determining the stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices

of the Corporation not later than five (5) business days after such record date for the meeting in the case of the update and supplement required to be made as of such record date, and not later than eight (8) business days prior to the date for the meeting, any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof. To be in proper form, a stockholder's notice (whether given pursuant to this paragraph (a)(ii) or paragraph (b)) to the Secretary must: (a) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith, (ii) (A) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner, and of their respective affiliates or associates or others acting in concert therewith, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, through the delivery of cash or other property, or otherwise, and without regard of whether the stockholder of record, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or beneficial owner has a right to vote any shares of any security of the Corporation, (D) any contract, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such stockholder or beneficial owner, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder or beneficial owner with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any security of the Corporation (any of the foregoing, a "Short Interest"), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or beneficial owner that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such

stockholder or beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (G) any performance-related fees (other than an asset-based fee) that such stockholder or beneficial owner is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's or beneficial owner's immediate family sharing the same household, (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder or beneficial owner, and (I) any direct or indirect interest of such stockholder or beneficial owner in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; (b) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, on whose behalf such proposal is made in such business, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration, and, in the event that such business includes a proposal to amend the Bylaws, the text of such proposed amendment) and (iii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; (c) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (ii) such person's written consent to being named in the Corporation's proxy statement as a nominee and to serving as a director if elected and (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (d) with respect to each nominee for election or reelection to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 2.08 of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may be required by the Corporation, including, without limitation, such

information as may be requested to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased effective after the time period for which nominations would otherwise be due under paragraph (a)(ii) of this Bylaw and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new directorships created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (A) by or at the direction of the Board of Directors or any duly authorized committee thereof, (B) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record at the time of giving of notice provided for in this Bylaw and at the time of the special meeting, (ii) is entitled to vote at the meeting, and (iii) complies with the notice procedures set forth in this Bylaw as to such nomination, or (C) as provided in the Stockholders' Agreement. The immediately preceding sentence shall be the exclusive means for a stockholder to make nominations before a special meeting of stockholders at which directors are to be elected or appointed. In the event that the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, other than with respect to any nomination made in the manner provided in the Stockholders' Agreement, any stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting only if the stockholder's notice required by paragraph (a)(ii) of this Bylaw with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by Section 2.08 of these Bylaws) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to the date of such special meeting and not later than the close of business on the later of the 90th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in the immediately preceding sentence.

(c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in this Bylaw or in the Stockholders' Agreement shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded; provided, that nothing herein shall limit the power and authority of the Board of Directors to make any such determinations in advance of any meeting of stockholders. Notwithstanding anything herein to the contrary, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to make a nomination or present a proposal of other business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Bylaw, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(ii) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw; provided, however, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to paragraph (a)(i)(C) or paragraph (b) of this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors or any other business proposal.

(iv) Notwithstanding the foregoing, the nomination of any Voting Group Designee (as defined in the Stockholders' Agreement) shall not be subject to the provisions of this Section 2.07.

Section 2.08 Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation and qualified to serve as a director, a person must deliver (such delivery to be made, in the case of a person nominated for election as a director of the Corporation pursuant to paragraph (a)(i)(C) or paragraph (b) of Section 2.07 of these Bylaws, in accordance with the time periods prescribed for delivery of notice under Section 2.07 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other persons or entities on whose behalf the nomination is being made pursuant to paragraph (a)(i)(C) or paragraph (b) of Section 2.07 of these Bylaws (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

Section 2.09 Required Vote. At all meetings of the stockholders at which directors are to be elected and a quorum is present, a plurality of the votes cast by stockholders entitled to vote for the election of such directors shall be sufficient to elect such directors. Except as otherwise provided by applicable law, the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any regulation applicable to the Corporation, its stockholders or its securities (in which case such vote as prescribed by applicable law shall be the applicable vote on the matter), in all matters other than the election of directors, the affirmative vote of the holders of a majority in voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

Section 2.10 Inspectors of Elections. The Corporation may, and to the extent required by applicable law, in advance of any meeting of stockholders, appoint one or more inspectors of election, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons

may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

Section 2.11 Action Without a Meeting. Unless prohibited by the Certificate of Incorporation, any action permitted or required to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by or on behalf of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with applicable law. Prompt notice of the taking of corporate action without a meeting by less than a unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of the holders to take the action were delivered to the Corporation.

Section 2.12 Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.13 Remote Meetings. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

- (a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided, that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 General Powers. Except as otherwise provided in the General Corporation Law of the State of Delaware or the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 3.02 Number of Directors. The total number of directors shall be fixed from time to time in the manner provided by the Certificate of Incorporation. No decrease in the total number of directors shall shorten the term of any incumbent director.

Section 3.03 Quorum; Required Vote. Except as otherwise provided by law or the Certificate of Incorporation, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but in no event shall less than one-third of the total number of directors (including any vacancies or unfilled newly created directorships) constitute a quorum. Except as otherwise provided by law or the Certificate of Incorporation, the vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.04 Telephonic Participation. All or any one or more directors may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to such communications equipment shall constitute presence in person at such meeting.

Section 3.05 Place of Meetings. The Board of Directors may hold its meetings at such place or places, if any, within or without the State of Delaware, as the Board of Directors may from time to time determine.

Section 3.06 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place, if any, within or without the State of Delaware, as shall from time to time be determined by the Board of Directors. After there has been such determination, and notice thereof has been given to each member of the Board of Directors, regular meetings may be held without further notice being given.

Section 3.07 Special Meetings. Subject to the notice requirements of Section 3.08, special meetings of the Board of Directors shall be held whenever called by the chairperson of the Board, if any, the Chief Executive Officer or by a majority of the directors.

Section 3.08 Notice. Notice of any special meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, overnight mail or courier service, electronic mail or other electronic transmission, or orally in person or by telephone. If by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by electronic mail or other electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. If given orally in person or by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 3.09 Resignation. Any director of the Corporation may resign at any time by giving notice in writing or by electronic transmission thereof to the Corporation. The resignation of any director shall be effective when the resignation is delivered, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.10 Vacancies on Board of Directors; Newly Created Directorships. Except as otherwise provided in the Certificate of Incorporation, and subject to the terms of the Stockholders' Agreement, any vacancy resulting from the death, resignation, removal or disqualification of any director or other cause, or any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by an affirmative vote of a majority of the directors then in office, although less than a quorum, or by the sole remaining director, and shall not be filled by the stockholders of the Corporation; provided, that, (i) for so long as the Voting Group (as defined in the Stockholders Agreement) owns, beneficially or of record, at least 9% of the outstanding Common Stock of the Corporation, any vacancy resulting from the death, resignation, removal, disqualification or other cause in respect of any Voting Group Designee, including the failure of any Voting Group Designee to be elected, shall be filled only by the Voting Group and (ii) for so long as any member of the Voting Group owns at least 5% of the outstanding Common Stock of the Corporation and has the right to nominate a director pursuant to Section 3.1(b) of the Stockholders Agreement, any vacancy resulting from the death, resignation, removal, disqualification or other cause in respect of any Member Designee, including the failure of any Member Designee to be elected, shall be filled only by such member of the Voting Group. Except as otherwise provided by this Bylaw, a director elected to fill a vacancy or newly created directorship shall hold office until the annual meeting of stockholders for the election of directors of the class to which he or she has been appointed and until his or her successor has been duly elected and qualified, subject, however, to such director's earlier death, resignation, retirement, removal or disqualification.

Section 3.11 Executive and Other Committees. The Board of Directors may designate one or more committees of the Board of Directors, including an Executive Committee to

exercise, subject to applicable provisions of law, all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation when the Board of Directors is not in session. The Executive Committee and each such other committee shall consist of two (2) or more directors of the Corporation and, subject to applicable law and any other law, rule or regulation applicable to the Corporation (including the rules and regulations of any securities exchange on which the Corporation's shares are listed). The Board of Directors may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by law, the Certificate of Incorporation or these Bylaws, any such committee, to the extent provided by the General Corporation Law of the State of Delaware, these Bylaws or the designating resolution, shall have and may exercise all the powers and authority of the Board of Directors. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors when required.

Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by in these Bylaws or by resolution of the Board of Directors designating such committee. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.08 of these Bylaws. Each committee shall serve at the pleasure of the Board of Directors and the Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Unless otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee. Except as otherwise expressly provided in these Bylaws or the by resolution of the Board of Directors designating such committee, every reference to a committee or to a member of a committee in these Bylaws shall apply to any subcommittee or member of a subcommittee *mutatis mutandis*.

Section 3.12 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes or proceedings of the Board of Directors or committee in the same paper or electronic form as the minutes are maintained.

Section 3.13 Fees and Compensation. The Board of Directors shall have the authority to fix the compensation, including fees, reimbursement of expenses and equity compensation, of directors for services to the Corporation in any capacity, including for attendance of meetings of the Board of Directors or participation on any committees. Directors who are officers or employees of the Corporation may receive, if the Board of Directors desires, compensation for service as directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

OFFICERS

Section 4.01 Officers. The elected officers of the Corporation shall be chosen by the Board of Directors and may include a chairperson of the Board, a Chief Executive Officer, one or more Presidents, a Chief Financial Officer, and a Secretary, all of whom shall be elected by the Board of Directors. The chairperson of the Board, if any, shall be chosen from among the directors. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. In addition, the Board of Directors or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Assistant Secretaries, Treasurers and Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Any number of offices may be held by the same person. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board of Directors or such committee or by the Chief Executive Officer, as the case may be.

Section 4.02 Term of Office. The principal officers of the Corporation shall hold office until his or her successor shall have been duly chosen and shall qualify, or until his or her earlier death, resignation, retirement, removal or disqualification.

Section 4.03 Removal. Any officer may be removed, either with or without cause, at any time, by the Board of Directors. Any officer or agent appointed by the Chief Executive Officer may also be removed by him or her whenever, in his or her judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor or his or her earlier death, resignation, removal or disqualification, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

Section 4.04 Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission thereof to the Corporation. The resignation of any officer shall be effective when the resignation is delivered, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05 Vacancies. A vacancy in any office may be filled in the manner prescribed in these Bylaws for appointment to such office.

Section 4.06 Powers and Duties. Subject to the control of the Board of Directors, the officers shall each have such authority and perform such duties in the management of the Corporation as from time to time may be prescribed by the Board of Directors and as may be delegated by the Chief Executive Officer without limiting the foregoing:

(a) Chairperson of the Board. The chairperson of the Board, if any, shall preside at all meetings of the Board of Directors and he or she shall have and perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

(b) Chief Executive Officer. The Chief Executive Officer of the Corporation shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The Chief Executive Officer shall preside at all meetings of the stockholders and, in the absence of a chairperson of the Board, at all meetings of the Board of Directors. Unless there shall have been elected one or more Presidents of the Corporation, the Chief Executive Officer shall be the President of the Corporation.

(c) President. Each President shall have such general powers and duties of supervision and management as shall be assigned to him or her by the Board of Directors.

(d) Chief Financial Officer. The Chief Financial Officer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He or she shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, the chairperson of the Board, Chief Executive Officer or a President, taking proper vouchers for such disbursements. He or she shall render to the chairperson of the Board, Chief Executive Officer, each President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Corporation. If required by the Board of Directors, he or she shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board of Directors shall prescribe. The Chief Executive Officer may direct the Treasurer or any assistant Treasurer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and the Treasurer or any assistant Treasurer shall perform other duties commonly incident to his or her office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(e) Secretary. The Secretary, if present, shall act as secretary at all meetings of the Board of Directors or any committee thereof and of the stockholders and keep the minutes thereof in a book or books to be provided for that purpose. He or she shall see that all notices required to be given by the Corporation are duly given and served; he or she shall have charge of the stock records of the Corporation; he or she shall see that all reports, statements and other documents required by law are properly kept and filed; and in general, he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chief Executive Officer or the Board of Directors.

Section 4.07 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or a committee thereof appointed for such purpose, and the salaries of any other officers may be fixed by the Chief Executive Officer.

ARTICLE V

CAPITAL STOCK

Section 5.01 Certificated and Uncertificated Stock; Transfers.

(a) Subject to paragraph (d) below, the shares of stock of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation.

(b) The shares of the stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. In the case of certificated shares of stock, transfers shall be made on the books of the Corporation only by the holder thereof or by such holder's attorney duly authorized in writing, upon surrender for cancellation of certificate(s) for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. In the case of uncertificated shares of stock, transfers shall be made on the books of the Corporation only upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

(c) Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers certifying the number and class of shares of stock of the Corporation owned by such holder. Unless the Board of Directors by resolution directs otherwise, the chairperson of the Board, the Chief Executive Officer, any President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary of the Corporation shall be authorized to sign stock certificates. Any or all of the signatures on such certificates may be an electronic signature. In case any officer, transfer agent or registrar who has signed or whose electronic signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

(d) Notwithstanding anything to the contrary in these Bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in uncertificated or book-entry form. All issuances and transfers of shares of the Corporation's

stock shall be entered on the books of the Corporation with all information necessary to comply with such direct registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated and uncertificated form.

Section 5.02 Lost, Stolen, Mutilated or Destroyed Certificates. As a condition to the issue of a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued and alleged to have been lost, stolen, mutilated or destroyed, the Corporation may require the owner of any such certificate, or such owner's legal representatives, to give the Corporation a bond in such sum and in such form as it may direct or to otherwise indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft, mutilation or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. Proper evidence of such loss, theft, mutilation or destruction shall be procured for the Corporation, if required. The Corporation may authorize the issuance of such new certificate without any bond when in its judgment it is proper to do so.

Section 5.03 Record Owners. The stock ledger shall be the only evidence as to who are the stockholders of the Corporation and the Corporation shall be entitled to recognize the exclusive right of a person registered on its stock ledger as the owner of shares to receive dividends, to vote and to receive notice, and otherwise to exercise all of the rights and powers of an owner of such shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 5.04 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

Section 5.05 Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of and to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date, unless otherwise required by law, shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of meeting shall be the date for making such determination. If no such record date is fixed by the Board of Directors, then the record date shall, unless otherwise required by law, be at the close of business on the day next preceding the day on which notice of such meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the

stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall not be more than 60 days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) In order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting has been fixed by the Board of Directors (i) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

ARTICLE VI

AMENDMENTS

Section 6.01 Amendments by Stockholders. These Bylaws may be altered, amended or repealed and new Bylaws may be added by the stockholders (i) prior to the Trigger Event (as defined in the Certificate of Incorporation), by the affirmative vote of the holders of a majority in voting power of the stock entitled to vote thereon and (ii) after the Trigger Event, by the affirmative vote of the holders of at least 66 2/3% of the voting power of the stock entitled to vote thereon at any annual meeting of the stockholders or at any special meeting thereof if notice of the proposed alteration, amendment, repeal or addition is contained in the notice of such special meeting.

Section 6.02 Amendments by the Board of Directors. The Board of Directors may adopt, amend or repeal these Bylaws as provided in the Certificate of Incorporation.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 7.02 Voting of Securities Owned by the Corporation. The Board of Directors may authorize any person on behalf of the Corporation to attend and vote at any meeting of

security holders of any entity in which the Corporation holds securities and to exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities, including the authority to execute and deliver proxies, powers of attorney and consents on behalf of the Corporation. Unless the Board of Directors directs otherwise, each of the Chairman, the Chief Executive Officer and any President shall have the powers specified in the preceding provisions of this Section 7.02.

Section 7.03 Dividends. Subject to the provisions of the Certificate of Incorporation, the Board of Directors may, out of funds legally available therefor, declare dividends upon the capital stock of the Corporation as and when they deem expedient, in accordance with law. Before declaring any dividend there may be set apart out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time in their discretion may deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the directors may deem conducive to the interests of the Corporation. The Board of Directors may abolish any such reserve at any time.

Section 7.04 Waiver of Notice. Whenever any notice is required to be given under the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

Section 7.05 Contracts. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The chairperson of the Board, the Chief Executive Officer, each President, the Chief Financial Officer or any Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the chairperson of the Board, the Chief Executive Officer, each President, the Chief Financial Officer or any Vice President of the Corporation may delegate contractual powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SOHO HOUSE HOLDINGS LIMITED

THIRD AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

[], 2021

THIRD AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT, dated as of [], 2021 (this “**Agreement**”), among SOHO HOUSE HOLDINGS LIMITED, a private limited company organized under the laws of Jersey, and its successors, if any (including any subsidiary or parent company that is the issuer in an IPO (as defined below), including any corporation holding all of the voting rights in the Company but with respect to which the Ordinary Shares become exchangeable for such corporation’s share of common stock) (the “**Company**”) and the shareholders of the Company, as listed in **Schedule 1**.

PREAMBLE

WHEREAS, the Company and certain Shareholders (as defined herein) previously entered into the Prior Registration Rights Agreement (as defined herein).

WHEREAS, in connection with the issuance of additional equity securities of the Company to certain Shareholders, the parties hereto desire to enter into this Agreement which shall supersede the Prior Registration Rights Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants and obligations hereinafter set forth, the Company and the Shareholder hereby agree as follows:

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

“**Affiliate**” means, with respect to any Person, any (a) director, officer, limited or general partner, member or shareholder holding 5% or more of the outstanding capital stock or other equity interests of such Person, (b) any spouse, parent, sibling or descendant of such Person (or a spouse, parent, sibling or descendant of a Person specified in clause (a) above relating to such Person), (c) other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, (d) a pooled investment vehicle organized by such Person (or an Affiliate thereof) the investments of which are controlled by such Person; (e) an investment fund organized by such Person for the benefit of such Person’s (or its Affiliates’) partners, officers or employees or their dependents; (f) a successor trustee or nominee for, or a successor by re-organization of, a trust the direct or indirect principal beneficiary/ies of which is any of such Person, its Affiliates or any of their respective partners, officers or employees or their dependents; and (f) in the case of the MBD Investors only, shall include (i) Goldman Sachs & Co. LLC (“**GS**”), each Affiliated investment entity and/or other Affiliate of GS, (ii) each fund, investor, entity or account that is managed, sponsored or advised by GS or its Affiliates and (iii) each limited partner or investor in any MBD Investors or in any of the foregoing persons described in clauses (i) and (ii), in each case of clause (i), (ii) and (iii), that becomes a beneficial owner of the Senior Preference Shares, in which case such person shall also be an MBD Investor. The term “control” includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Board**” means the Board of Directors of the Company.

“Commission” means the Securities and Exchange Commission or any other agency at the time administering the Securities Act.

“Competitive Business” means any business engaged in the ownership or management of any hospitality related properties or businesses anywhere in the world.

“Demand Registration” has the meaning ascribed to such term in Section 3(a).

“Demanding Holders” has the meaning ascribed to such term in Section 3(a).

“Effective Shares” means the Senior Preference Shares, the Ordinary Shares and any other capital stock of the Company to which such securities may be converted into or exchanged for.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect from time to time.

“FINRA” means the Financial Industry Regulatory Authority.

“Free Writing Prospectus” means a free writing prospectus as defined in Rule 405 under the Securities Act.

“GJVIP Investor” means Global Joint Venture Investment Partners LP, an exempted limited partnership registered in the Cayman Islands.

“Information” has the meaning ascribed to such term in Section 8(a)(ix).

“Inspectors” has the meaning ascribed to such term in Section 8(a)(ix).

“IPO” means the consummation of the sale by one or more Persons in an public offering of ordinary equity of the Company effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise that (a) is led by a nationally recognized financial institution reasonably acceptable to the Board, (b) is registered on a Form S-1 or Form S-4 registration statement (or a comparable form of registration statement) under the Securities Act (or applicable UK securities law) and (c) following which such publicly-offered common equity is listed on the New York Stock Exchange, The Nasdaq Stock Market or the London Stock Exchange’s Main Market.

“Initiating MBD Investors” shall mean any MBD Investor or MBD Investors who in the aggregate hold not less than ten percent (10%) of the outstanding MBD Registrable Shares.

“Issuer Free Writing Prospectus” means an issuer free writing prospectus as defined in Rule 133 under the Securities Act.

“Lockup Period” has the meaning ascribed to such term in Section 6.

“Majority Demanding Holders” means, with respect to a particular Demand Registration, the holders of more than 50% of the Registrable Shares proposed to be included in such registration.

“Majority Holders” means, both of (i) holders holding 51% of the Registrable Shares held by all holders of Registrable Shares and (ii) holders holding 51% of the MBD Registrable Shares.

“Material Transaction” means any material transaction or event in which the Company or any of its subsidiaries proposes to engage or is engaged or is subject to, including a purchase or sale of assets or securities, financing, merger, tender offer or any other transaction that would require disclosure pursuant to the Exchange Act, and with respect to which the Board reasonably has determined in good faith that compliance with this Agreement may reasonably be expected to either materially interfere with the Company’s or such subsidiary’s ability to consummate such transaction in a timely fashion or require the Company to disclose material, non-public information prior to such time as it would otherwise be required to be disclosed.

“MBD Investors” means any Shareholder set out in Schedule 2 who holds Registrable Shares. For purposes of this Agreement, the term MBD Investor shall be deemed to include any Transferee of an MBD Investor pursuant to a Transfer, provided such Transfer is conducted in accordance with Section 18 hereof and such Transferee signs a joinder to this Agreement as an MBD Investor as contemplated in Section 18 hereof.

“MBD Registrable Shares” means the Registrable Shares held by MBD Investors and their permitted successors and assigns under this Agreement.

“NJ” means Nicholas Keith Arthur Jones or any member of his immediate family and any trust, partnership or other entity controlled by him or any member of his immediate family.

“NJ Registration” has the meaning ascribed to such term in Section 3(a).

“Ordinary Shares” means each class of ordinary shares of the Company or equivalent class of common stock of a successor entity (including any subsidiary or parent company that is the issuer in an IPO (as defined below), including any corporation holding all of the voting rights in the Company but with respect to which the Ordinary Shares become exchangeable for such corporation’s share of common stock).

“Other Shares” means at any time those Ordinary Shares which do not constitute Primary Shares or Registrable Shares hereunder.

“Person” shall be construed in the broadest sense and means and includes a natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and any other entity and any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

“Primary Shares” means at any time authorized but unissued ordinary equity of the Company, including, but not limited to, the Ordinary Shares.

“Prior Registration Rights Agreement” means the Second Amended and Restated Registration Rights Agreement dated as of 31 March 2021 previously entered into between the Company and certain Shareholders.

“Raycliff Investors” means Raycliff SH Holdings, LLC, a Delaware limited liability company, and Raycliff Soho Works, LLC, a Delaware limited liability company.

“Records” has the meaning ascribed to such term in Section 8(a)(ix).

“Registrable Shares” means (i) Ordinary Shares (including any other securities which by their terms are exercisable or exchangeable for or convertible into Ordinary Shares), (ii) Senior Preference Shares (including any other securities which by their terms are exercisable or exchangeable for or convertible into Ordinary Shares) issued pursuant to the Second Supplemental Shareholders’ Agreement, (iii) any other class or classes of common equity or other securities of the Company into which such Ordinary Shares or Senior Preference Shares have been converted or are convertible, or (iv) any Ordinary Shares or other class or classes of common equity or other securities of the Company that are issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the securities referenced in clauses (i) through (iii), including, for the avoidance of doubt, any such Ordinary Shares, Senior Preference Shares or other securities acquired after the date of this Agreement. As to any particular Registrable Shares, once issued, such Registrable Shares shall cease to be Registrable Shares when (A) they have been registered under the Securities Act, the registration statement in connection therewith has been declared effective and they have been disposed of pursuant to such effective registration statement (unless the Transferee is an Affiliate of the Company or would become one immediately following such Transfer), (B) they are eligible to be sold or distributed pursuant to Rule 144 in a single transaction by such party to this Agreement without limitation or current public reporting condition, (C) they shall have ceased to be outstanding, (D) they are sold in a private transaction in which the transferor’s rights under this Agreement are not validly assigned in accordance with this Agreement or (E) they are no longer subject to the registration rights hereunder, as a result of the termination of this Agreement with respect to the holder thereof pursuant to Section 16.

“Registration Date” means the date upon which the registration statement pursuant to an IPO shall have been declared effective.

“Rule 144” means Rule 144 promulgated under the Securities Act or any successor rule thereto or any complementary rule thereto (such as Rule 144A).

“Second Supplemental Shareholders’ Agreement” means the second supplemental shareholders’ agreement relating to the Company, dated as of 23 March 2021, as may be amended and restated from time to time.

“Securities Act” means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

“Senior Preference Shares” has the meaning given to such term in the Second Supplemental Shareholders’ Agreement.

“Share Capital Change” has the meaning given to it in Section 3(a).

“Shareholder” means each holder of Ordinary Shares or Senior Preference Shares of the Company as set out in Schedule 1, including the MBD Investors. For purposes of this Agreement, the term Shareholder shall be deemed to include any Transferee of the Shareholder pursuant to a Transfer, provided such Transfer is conducted in accordance with Section 18 hereof and such Transferee signs a joinder to this Agreement as contemplated in Section 18 hereof.

“Subsequent Offering” means any registration of ordinary equity of the Company subsequent to an IPO.

“Subsequent Lockup Period” has the meaning ascribed to such term in Section 6.

“Subsequent Registration Date” means the date upon which the registration statement relating to the registration of any Subsequent Offering becomes effective.

“Suspension Period” has the meaning ascribed to such term in Section 9.

“Transfer” means, to sell, transfer, assign, pledge, hypothecate, encumber in any way or otherwise dispose of Registrable Shares (including any economic or voting interests with respect to such Registrable Shares and including by way of hedging and other derivative transaction that limits or eliminates economic risk), either voluntarily or involuntarily and with or without consideration.

“Transferee” means any Person (other than the Company) who acquires, by way of Transfer, Registrable Shares from the Shareholder.

Section 2. Amendment and Restatement

With effect from the date of this Agreement, the Prior Registration Rights Agreement shall terminate and be superseded by this Agreement.

Section 3. Demand Registration.

(a) Subject to Section 3(b), at any time after an IPO, certain Demanding Holders (as defined below), as set forth below, may request that the Company effect the registration of Registrable Shares under the Securities Act, and the Company shall promptly use its reasonable best efforts to effect the registration under the Securities Act of such shares (a “Demand Registration”). Each of (i) the holders of Registrable Shares (other than the MBD Investors) (A) holding (together with its Affiliates) greater than twenty five percent (25%) of the Company’s then-issued and outstanding Effective Shares shall have the right to request unlimited Demand Registrations at the Company’s expense and (B) (1) holding (together with its Affiliates) between five percent (5%) and twenty five (25%) of the Company’s then-issued and outstanding Effective Shares, or (2) in the case of the Raycliff Investor, provided that the Raycliff Investor continues to hold at least 4,751,497 ‘C’ Ordinary shares from time to time in the capital of the Company; or (3) in the case of the GJVIP Investor, provided that the GJVIP Investor continues to hold at least 4,751,497 ‘C’ Ordinary shares from time to time in the capital of the Company (or in the event of any reorganization, bonus issue or other amendment to the share capital (a “Share Capital

Change”) which affects the number of ‘C’ Ordinary Shares held by the Raycliff Investor and/or the GJVIP Investor, as applicable, such number resulting from such Share Capital Change) will be entitled to request one (1) Demand Registration at the Company’s expense, (ii) the Initiating MBD Investors will be entitled to request one (1) Demand Registration at the Company’s expense and a second Demand Registration at the expense of the participating MBD Investors and (iii) NJ will be entitled to request one (1) Demand Registration (the “NJ Registration”) for up to 1,710,546 Registrable Shares at the Company’s expense (each of the holders set forth in this Section 3(a), the “Demanding Holders”).

(b) Notwithstanding anything contained in this Section 3 to the contrary, the Company shall not be obligated to effect any registration under the Securities Act except in accordance with the following provisions:

(i) No Demanding Holder may request more than two (2) Demand Registrations in any one hundred eighty (180)-day period and, in no event shall (A) the Company be required to effect more than four (4) Demand Registrations in any twelve (12) month period, (B) the MBD Investors have the right to request more than one (1) Demand Registration in the aggregate at the Company’s expense pursuant to this Section 3 or (C) NJ have the right to request more than one (1) Demand Registration in the aggregate at the Company’s expense pursuant to this Section 3; provided, however, if the Demanding Holders are unable to sell at least a majority of the Registrable Shares to be included in any registration pursuant to Section 3 as a result of an underwriter’s cutback pursuant to Section 3(b)(iii), then such registration shall not count as a requested registration for purposes of this Section 3(b)(i).

(ii) The Company may delay the filing or effectiveness of any registration statement for a period of up to ninety (90) days after the date of a request for registration pursuant to Section 3(a) if at the time of such request: (W) the Company is engaged, or has fixed plans to engage within ninety (90) days of the time of such request, in a firm commitment underwritten public offering of Primary Shares in which the holders of Registrable Shares have been or will be permitted to include all the Registrable Shares so requested to be registered pursuant to Section 4, (X) the Board reasonably determines that such registration and offering would interfere with any Material Transaction, (Y) such registration would require the public disclosure of material non-public information, which the Company, in the good faith judgment of the Board, has a bona fide business purpose for not disclosing publicly and the Board determines, as a result, that it is in the best interest of the Company to defer the filing or initial effectiveness, or suspend us of such registration statement at such time, or (Z) within the last forty-five (45) days the Company has completed a firm commitment underwritten public offering of Primary Shares in which the holders of Registrable Shares have been permitted to include all Registrable Shares so requested to be registered; provided, that the Company shall not initiate any delay within one hundred eighty (180) days after the end of any other delay.

(iii) With respect to any registration pursuant to this Section 3, (A) upon the receipt of the written request for registration of Registrable Shares under the Securities Act by any Demanding Holder, the Company shall reasonably promptly give notice of such registration request, in accordance with the provisions of Section 4 hereunder, to each Shareholder and shall offer to and shall include in such proposed registration any Registrable Shares requested to be included in such proposed registration by each Shareholder, provided that such Shareholder

responds in writing to the Company's notice within fifteen (15) days after delivery by the Company of such notice (which response shall specify the number of Registrable Shares such Shareholder is requesting to include in such registration), and (B) the Company may include in such registration any Primary Shares or Other Shares; provided, however, that if the managing underwriter advises the Company that the inclusion of all Registrable Shares, Primary Shares and/or Other Shares proposed to be included in such registration would interfere with the successful marketing (including pricing) of the Registrable Shares proposed to be included in such registration, then, the number of Registrable Shares, Primary Shares and/or Other Shares proposed to be included in such registration shall be included in the following order:

(A) first the Registrable Shares (or, if necessary, such Registrable Shares pro rata among the Shareholders thereof based upon the number of Registrable Shares requested to be registered by each such Shareholder);

(C) second, the Primary Shares; and

(D) third, the Other Shares (or, if necessary, such Other Shares pro rata among the Shareholders thereof based upon the number of Other Shares requested to be registered by each Shareholder thereof or otherwise being registered);

provided, that at the election of the Company, (i) following good faith consultation with the Demanding Holders, any registration pursuant to this Section 3 may be converted into a registration pursuant to Section 4 (in which event, such registration shall not be deemed to be a Demand Registration requested under Section 3) or (ii) with the consent of all the Demanding Holders, the Primary Shares may be set at the same priority level as the Registrable Shares thereby being cutback on a pro rata basis based upon the number of Registrable Shares and Primary Shares requested to be included in such registration statement by the Shareholders and the Company.

(iv) Except in the case of an NJ Registration, the Company shall not be obligated to effect any registration under the Securities Act requested by any Demanding Holder if the anticipated gross offering price of all Registrable Shares to be included therein would be less than \$20,000,000.

(v) If any holders of the Registrable Shares requesting to be included in a registration pursuant to Section 3(a) so elect, the offering of such Registrable Shares pursuant to such registration shall be in the form of an underwritten offering. The Company shall select one or more nationally recognized firms of investment bankers reasonably acceptable to the Majority Demanding Holders to act as the lead managing underwriter or underwriters in connection with such offering.

(vi) At any time before the registration statement covering such Registrable Shares becomes effective, the Demanding Holder may request the Company to withdraw or to not file the registration statement. Upon delivery of a notice by the Demanding Holder to such effect, the Company shall cease all efforts to secure effectiveness of the applicable registration statement and the Demanding Holder shall be deemed to have used one of their registration rights under Section 3(a), unless such request of withdrawal was caused by, or made in response to, (A) a

material adverse effect or a similar event related to the business, properties, condition, or operations of the Company not known (without imputing the knowledge of any other Person to such holders) by the Demanding Holders at the time their request was made, or other material facts not known to such Demanding Holders at the time their request was made, or (B) a material adverse change in the financial markets; provided, however, that such withdrawn registration shall not count as a requested registration pursuant to Section 3(a) for purposes of Section 3(b)(i) above if the Company shall have been reimbursed (in the absence of any agreement to the contrary, pro rata by the Demanding Holders) for all out-of-pocket expenses incurred by the Company in connection with such withdrawn registration

Section 4. Piggyback Registration.

(a) If the Company at any time proposes for any reason to register Primary Shares or Other Shares under the Securities Act (other than on Form S-4 or Form S-8 promulgated under the Securities Act (or any successor forms thereto)), it shall give written notice to each Shareholder of Registrable Shares of its intention to so register such Primary Shares or Other Shares at least 15 days before the initial filing of the registration statement related thereto and, upon the request, delivered to the Company within 7 days after delivery of any such notice by the Company, of the Shareholders to include in such registration Registrable Shares (which request shall specify the number of Registrable Shares proposed to be included in such registration), the Company shall include all such Registrable Shares that are requested by such Shareholders to be included in such registration on the same terms and conditions as the securities otherwise being sold in such registration; provided, however, that (x) with respect to the IPO, the Board, in its discretion, shall have the right to exclude all Shareholders from participating in such IPO or limit the participation by such Shareholders pro rata to a specified percentage of their respective Registrable Shares and (y) with respect to any registration (including the IPO), if the managing underwriter advises the Company that the inclusion of all Registrable Shares requested to be included in such registration would interfere with the successful marketing (including pricing) of the Primary Shares or Other Shares proposed to be registered by the Company, then the number of Primary Shares, Registrable Shares and Other Shares proposed to be included in such registration shall be included in the following order:

(i) first, the Primary Shares;

(ii) second, the Registrable Shares (or, if necessary, such Registrable Shares pro rata among the Shareholders thereof based upon the number of Registrable Shares requested to be registered by each such Shareholder); and

(iii) third, the Other Shares (or, if necessary, such Other Shares pro rata among the Shareholders thereof based upon the number of Other Shares requested to be registered by each Shareholder thereof or otherwise being registered).

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 4 prior to the effectiveness of such registration, whether or not any Shareholder has elected to include securities in such registration.

Section 5. Registrations on Form S-3.

If the Company is entitled to file a registration statement on Form S-3 (or any successor form to Form S-3 regardless of its designation) to register Registrable Shares, then the Company shall be entitled to use such form to register any Registrable Shares.

Section 6. “Market Standoff” Agreement.

In connection with the IPO or Subsequent Offering (as applicable), each Shareholder agrees and each executive officer of the Company and directors of the Company at the time shall agree that, he or it shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of, any Effective Shares (other than as may be disposed of through a trading plan adopted by any executive officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act, which plan has been established and is in effect prior to the commencement of the relevant Lockup Period (as defined below)) without the prior written consent of the Company, (i) with respect to an IPO, for a period (the “Lockup Period”) designated by the Company in writing to the holders of Effective Shares, which period shall begin not more than seven (7) days prior to the Registration Date and shall not last more than 180 days after the Registration Date (or if the relevant Shareholder holds less than 10% of the Effective Shares at such time, the lesser of such period and any shorter period requested by the managing underwriter), and to execute an agreement reflecting the foregoing as may be reasonably requested by the Company at the time of the IPO and (ii) with respect to a Subsequent Offering that such Shareholder participates in, for a period (the “Subsequent Lockup Period” together with the Lockup Period, the “Lockup Periods”) designated by the Company in writing to the holders of Effective Shares, which period shall begin not more than seven (7) days prior to the Subsequent Registration Date and shall not last more than 90 days after the Subsequent Registration Date (or if any Shareholder holds less than 10% of the Effective Shares at such time, the lesser of such period and any shorter period requested by the managing underwriter), and to execute an agreement reflecting the foregoing as may be reasonably requested by the Company at the time of the Subsequent Offering. No Person subject to this Section 6 shall be released from all or any of its obligations under this Section 6 or any other agreement, arrangement or understanding entered into pursuant to this Section 6 unless all other Persons subject to the same obligation are also similarly released on a pro rata basis based on the number of Registrable Shares then held. This Section 6 will cease to apply to a Shareholder once such Shareholder no longer holds any Registrable Shares. The underwriters in connection with an IPO or Subsequent Offering are intended third-party beneficiaries of this Section 6 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Shareholder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with an IPO or Subsequent Offering that are consistent with this Section 6 or that are necessary to give further effect thereto.

Section 7. Transfer Restrictions.

(a) No holder of Registrable Shares may knowingly Transfer, in one transaction or a series of related transactions, Effective Shares to a Person engaged in a Competitive Business or an Affiliate of such Person, without the prior consent of the Board; provided, however, that the foregoing restriction shall not apply to (a) the MBD Investors or (b) any Transfer in an underwritten offering or on-market through a broker/dealer.

(b) No holder of Registrable Shares other than the MBD Investors may Transfer Registrable Shares to an Affiliate of the Company or to a Person who would become an Affiliate after such Transfer unless such Affiliate signs a joinder to this Agreement or the Company agrees to such Transfer.

Section 8. Preparation and Filing.

(a) If and whenever the Company is under an obligation pursuant to the provisions of this Agreement to effect the registration of any Registrable Shares, the Company shall, as expeditiously as practicable:

(i) use its reasonable best efforts to cause a registration statement that registers such Registrable Shares to become and remain effective until the earlier of (x) one hundred and twenty (120) days following the date such registration statement became effective and (y) the date on which all of such Registrable Shares have been disposed of;

(ii) furnish, at least five business days before filing a registration statement that registers such Registrable Shares, a prospectus relating thereto or any amendments or supplements relating to such a registration statement or prospectus, to one counsel selected by the Majority Demanding Holders ("Shareholders' Counsel"), copies of all such documents proposed to be filed (it being understood that such five-business-day period need not apply to successive drafts of the same document proposed to be filed so long as such successive drafts are supplied to the Shareholders' Counsel in advance of the proposed filing by a period of time that is customary and reasonable under the circumstances);

(iii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the period required under Section 8(a)(i) and to comply with the provisions of the Securities Act with respect to the sale or other disposition of such Registrable Shares;

(iv) notify the Shareholders' Counsel (and with respect to clause (b) or (c) below, the holders of Registrable Shares included in such registration) in writing (a) of the receipt by the Company of any notification with respect to any comments by the Commission with respect to such registration statement or prospectus or any amendment or supplement thereto or any request by the Commission for the amending or supplementing thereof or for additional information with respect thereto, (b) of the receipt by the Company of any notification with respect to the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or prospectus or any amendment or supplement thereto or the initiation or threatening of any proceeding for that purpose and (c) of the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes;

(v) use its reasonable best efforts to register or qualify such Registrable Shares under such other securities or blue sky laws of such jurisdictions as the Majority Demanding Holders reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable the Shareholders to consummate the disposition in such jurisdictions of the Registrable Shares included in a registration; provided, however, that the Company will not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this clause (v);

(vi) furnish to the holders of Registrable Shares such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as such holders may reasonably request in order to facilitate the public sale or other disposition of such Registrable Shares;

(vii) without limiting subsection (v) above, use its best efforts to cause such Registrable Shares to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the holders of such Registrable Shares to consummate the disposition of such Registrable Shares;

(viii) notify the holders of Registrable Shares included in a registration on a timely basis at any time when a prospectus relating to such Registrable Shares or any document related thereto includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing and prepare and furnish to the holders of Registrable Shares included in such registration a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the offerees of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing;

(ix) make available upon reasonable notice and during normal business hours, for inspection by the Majority Demanding Holders, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by the Majority Demanding Holders or underwriter (collectively, the “Inspectors”), all pertinent financial and other records, pertinent documents and properties of the Company (collectively, the “Records”), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information (together with the Records, the “Information”) reasonably requested by any such Inspector in connection with such registration statement. Any of the Information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, shall not be disclosed by the Inspectors unless (A) the disclosure of such Information is necessary to avoid or correct a material misstatement or omission in the registration statement, (B) the release of such Information is ordered pursuant to a subpoena or other order from a court or governmental agency or authority of competent jurisdiction, (C) such Information has been made generally available to the public through no breach of the nondisclosure obligations of the Inspectors or their Affiliates or (D) such disclosure is required to be made under applicable law;

(x) use its reasonable best efforts to prevent the issuance of an order suspending the effectiveness of a registration statement, and if one is issued, use its best efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement at the earliest possible moment;

(xi) use its reasonable best efforts to obtain from its independent certified public accountants “comfort letters” in customary form and at customary times and covering matters of the type customarily covered by comfort letters;

(xii) use its reasonable best efforts to obtain from its counsel an opinion or opinions in customary form (which shall also be addressed to the holders selling Registrable Shares);

(xiii) enter into such customary agreements (including, if applicable, an underwriting agreement in customary form, including customary representations, warranties, covenants and indemnities) and take such customary action as the underwriters may reasonably request in order to expedite or facilitate the disposition of Registrable Shares;

(xiv) not later than the effective date of the applicable registration statement, provide a CUSIP number for all Registrable Shares and as applicable provide the applicable transfer agent with printed certificates for the Registrable Shares which are in a form eligible for deposit with The Depository Trust Company;

(xv) provide a transfer agent and registrar (which may be the same entity and which may be the Company) for such Registrable Shares;

(xvi) promptly issue to any underwriter to which the holders of Registrable Shares may sell shares in such offering certificates evidencing such Registrable Shares;

(xvii) in connection with an underwritten offering, participate, to the extent reasonably requested by the managing underwriter for the offering, in customary efforts to sell Registrable Shares being offered, and cause such steps to be taken to ensure good faith participation of senior management officers of the Company in “road shows” as is customary;

(xviii) use its reasonable best efforts to list such Registrable Shares on any national securities exchange on which any Common Shares are listed;

(xix) cooperate with each holder and each underwriter, if any, participating in the disposition of such Registrable Shares and their respective counsel in connection with any filings required to be made with FINRA;

(xx) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission and make available to its securityholders, as soon as reasonably practicable, earnings statements covering a period of 12 months beginning with the first day of the Company’s first full calendar quarter after the effective date of the subject registration statement; and

(xxi) otherwise use its reasonable best efforts to take all other steps necessary to effect the registration of such Registrable Shares contemplated hereby.

(b) Each holder of the Registrable Shares, upon receipt of any notice from the Company of any event of the kind described in Section 8(a)(viii) hereof, shall forthwith discontinue disposition of the Registrable Shares pursuant to the registration statement covering such Registrable Shares until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 8(a)(viii) hereof, and, if so directed by the Company, such holder shall deliver to the Company all copies, other than permanent file copies then in such holder's possession, of the prospectus covering such Registrable Shares at the time of receipt of such notice. For the avoidance of doubt, the period during which the disposition of the Registrable Shares is discontinued pursuant to the foregoing sentence or pursuant to Section 9 hereof shall not count towards the period set forth in Section 8(a)(i) hereof.

(c) The Company shall not permit any officer, director, underwriter, broker or any other Person acting on behalf of the Company to use any Free Writing Prospectus in connection with the registration statement covering Registrable Shares, without the prior written consent of the Majority Demanding Holders which consent shall not be unreasonably withheld or delayed. Any consent to the use of a Free Writing Prospectus included in an underwriting agreement to which the Majority Demanding Holders are parties shall be deemed to satisfy the requirement of such consent.

Section 9. Suspension.

Notwithstanding anything in this Agreement to the contrary, the Company may, by notice in writing to each holder of Registrable Shares to which a prospectus relates, require each such holder of Registrable Shares to suspend, for up to ninety (90) days (the "Suspension Period"), the use of any prospectus included in a registration statement filed under this Agreement if (i) a Material Transaction or (ii) an event or circumstance that would require the public disclosure of material non-public information, which the Company, in the good faith judgment of the Board, has a bona fide business purpose for not disclosing publicly, exists that would require an amendment to such registration statement or supplement to such prospectus (including any such amendment or supplement made through incorporation by reference to a report filed under Section 13 of the Exchange Act); provided, that the Company shall not initiate any suspension within one hundred eighty (180) days after the end of any other suspension. The period during which such prospectus must remain effective shall be extended by a period equal to the Suspension Period. The Company may (but shall not be obligated to) withdraw the effectiveness of any registration statement subject to this provision.

Section 10. Expenses.

Except with respect to the second Demand Registration by the Initiating MBD Investors pursuant to Section 3(a), all expenses incurred by the Company pursuant to this Agreement, all reasonable fees and disbursements of one lead counsel (and special and local counsel as required), not to exceed Fifty Thousand Dollars (\$50,000) in the aggregate to the holders of Registrable Shares to represent such Persons in connection with such registration, which counsel shall be selected by the Majority Demanding Holders, will be borne by the Company, regardless of whether a registration statement becomes effective.

Section 11. Indemnification.

(a) In connection with any registration of any Registrable Shares under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless the holders of Registrable Shares, each of such holder's officers, directors, employees, members, partners, and advisors and their respective Affiliates, and, in the case of the MBD Investors (other than any third-party limited partner or investor that is permitted transferee of an MBD Investor as a result of clause (iii) of the definition of Affiliate), GS, each underwriter, broker or any other person acting on behalf of the holders of Registrable Shares and each other Person, if any, who controls any of the foregoing Persons within the meaning of the Securities Act against any losses, claims, damages, liabilities, expenses (including reasonable costs of investigation and legal expenses) or actions joint or several (or actions in respect thereof), to which any of the foregoing persons may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or allegedly untrue statement of a material fact contained in the registration statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus, Issuer Free Writing Prospectus, or final prospectus contained therein or otherwise filed with the Commission, any amendment or supplement thereto or any document incident to registration or qualification of any Registrable Shares, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or, with respect to any prospectus, necessary to make the statements therein in light of the circumstances under which they were made not misleading, or any violation by the Company of the Securities Act or state securities or blue sky laws applicable to the Company or relating to action or inaction required of the Company in connection with such registration or qualification under such state securities or blue sky laws; and shall promptly reimburse such Persons for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to any holder of Registrable Shares to the extent that any such loss, claim, damage, liability or action (including any legal or other expenses incurred) arises out of or is based upon a materially untrue statement or omission made in said registration statement, preliminary prospectus, Issuer Free Writing Prospectus, final prospectus, amendment, supplement or document incident to registration or qualification of any Registrable Shares in reliance upon and in conformity with written information furnished to the Company by such holder of Registrable Shares specifically for use in the preparation thereof; provided, further, that the indemnification shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed); provided, further, the Company shall not be liable to any underwriter to the extent that any such loss, claim, damage, liability or action (including any legal or other expenses incurred) arises out of or is based upon an untrue statement or omission made in said preliminary prospectus if the final prospectus shall correct such untrue statement or alleged untrue statement, or such omission or alleged omission, and a copy of the final prospectus has not been sent or given to the relevant person at or prior to the confirmation of sale to such person if such underwriter was under an obligation to deliver such final prospectus and failed to do so.

(b) In connection with any registration of Registrable Shares under the Securities Act pursuant to this Agreement, to the extent permitted by applicable law, each holder of Registrable Shares shall severally (based on the percentage of the securities included in such registration that were owned by such holder) and not jointly indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 11(a)) the Company, each director of the Company, each officer of the Company who shall sign such registration statement, each underwriter, broker or other person acting on behalf of the holders of Registrable Shares and each person who controls any of the foregoing persons within the meaning of the Securities Act with respect to any violation thereof, in each case, to the extent (and only to the extent) that such violation occurs in reliance upon and in conformity with written information furnished to the Company or such underwriter by such holder of Registrable Shares specifically for use in connection with the preparation of such registration statement, preliminary prospectus, Issuer Free Writing Prospectus, final prospectus, amendment, supplement or document; provided, however, that the maximum amount of liability in respect of such indemnification shall be limited, in the case of each holder of Registrable Shares, to an amount equal to the gross proceeds actually received by such holder from the sale of Registrable Shares effected pursuant to such registration.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action, suit, proceeding, investigation or threat thereof made in writing involving a claim referred to in this Section 11, such indemnified party will, if a claim in respect thereof is made against an indemnifying party, give written notice to the latter of the commencement of such action, suit, proceeding, investigation or threat. The failure of any indemnified party to notify an indemnifying party of any such action shall not (unless and to the extent that such failure shall have a material adverse effect on the indemnifying party) relieve the indemnifying party from any liability in respect of such action that it may have to such indemnified party hereunder. In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if representation of the indemnified party by the counsel retained by the indemnifying party would be inappropriate due to an actual or potential conflict of interest between such indemnified party and any other party represented by such counsel in such proceeding, the indemnified party shall have the right to retain its own counsel and the indemnifying party shall reimburse such indemnified party and any Person controlling such indemnified party for that portion of the fees and expenses of any counsel retained by the indemnified party which is reasonably related to the matters covered by the indemnity agreement provided hereunder. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one lead counsel (plus appropriate local and special counsel) to represent the indemnified party with respect to such claim.

(d) If the indemnification provided for hereunder is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate

to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant hereto were determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to herein. The parties agree that the maximum amount of contribution by any holder of Registrable Shares shall not, in any event, exceed an amount equal to the gross proceeds actually received by such holder from the sale of Registrable Shares effected pursuant to the applicable registration statement. No person guilty or liable of fraudulent misrepresentation shall be entitled to contribution from any person.

Section 12. Underwriting Agreement.

(a) Notwithstanding any provisions of this Agreement, to the extent that in connection with a proposed sale of Registrable Shares which have been registered with the Commission pursuant to this Agreement, the holders of Registrable Shares shall enter into an underwriting agreement or similar agreement that contains customary provisions covering one or more issues addressed in such Sections of this Agreement, the provisions contained in such Sections of this Agreement addressing such issue or issues shall be of no force or effect with respect to such registration, but this provision shall not apply to the Company if the Company is not a party to the underwriting agreement or similar agreement.

(b) In connection with any proposed sale through an underwritten offering of Registrable Shares which have been registered with the Commission pursuant to this Agreement through an underwritten offering, the Company shall negotiate in good faith and enter into a reasonable and customary underwriting agreement with the underwriters thereof. The Company shall be entitled to receive customary indemnities from lead underwriters, selling brokers, dealer managers and similar security industry professionals participating in the distribution, to the same extent as provided above with respect to the information so furnished in writing by such Persons specifically for inclusion in any prospectus or registration statement.

(c) No underwriting agreement (or other agreement in connection with a proposed sale of Registrable Shares) shall require any holder of Registrable Shares to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder, the ownership of such holder's Registrable Shares and such holder's intended method or methods of disposition and any other representation required by law or to furnish any indemnity to any Person which is broader than the indemnity furnished by such holder hereunder unless, in each case and to the extent a holder is allowed by applicable law, the Majority Demanding Holders have agreed to such representations, warranties or other agreements, in which case, such additional representations, warranties and other agreements shall be limited in scope to the additional representations, warranties and other agreements that the Majority Demanding Holders agree to provide.

Section 13. Information by Holder.

Each Shareholder shall furnish to the Company such written information regarding such Person and the distribution proposed by any holder of Registrable Shares as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration referred to in this Agreement.

Section 14. Exchange Act Compliance.

From the Registration Date or such earlier date as a registration statement filed by the Company pursuant to the Exchange Act relating to any class of the Company's securities shall have become effective, the Company shall comply with all of the reporting requirements of the Exchange Act applicable to it and shall comply with all other public information reporting requirements of the Commission which are conditions to the availability of Rule 144. The Company shall cooperate with the parties to this Agreement in supplying such information as may be necessary such Persons to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of Rule 144.

Section 15. No Conflict of Rights; Future Rights.

Unless otherwise consented to by the Majority Holders, the Company shall not, after the date hereof, grant any registration rights which conflict with or impair the rights granted to each Shareholder hereby. If at any time following the date hereof, the Company grants to any present or future shareholder of the Company rights which in any manner cause or participate in any registration statement of the Company that, in the reasonable judgment of any other Shareholder, are superior to or conflict with the rights granted to the Shareholders hereby, such grant shall be null, void and ultra vires.

Section 16. Termination.

This Agreement shall terminate and be of no further force or effect when there shall no longer be any Registrable Shares outstanding; provided that the right of any Initiating MBD Investor to initiate a Demand Registration shall terminate on the date that is the five-year anniversary of the closing of an IPO; provided, further, that the rights of any MBD Investor under Section 3 or Section 4 shall terminate on the date that is the seven-year anniversary of the closing of an IPO.

Section 17. Benefits of Agreement; Third Party Beneficiaries.

Except as provided herein, this Agreement shall bind and inure to the benefit of the Company, each Shareholder, and subject to Section 18, the respective successors and assigns of the Company and its Shareholders.

Section 18. Assignment.

Each Shareholder may assign its rights hereunder to any permitted purchaser or transferee of Registrable Shares; provided, however, that such purchaser or transferee shall, as a condition to the effectiveness of such assignment, be required to execute a counterpart to this

Agreement agreeing to be treated as a holder of Registrable Shares (and as an MBD Investor, if, and to the extent that, the transferor is an MBD Investor) whereupon such purchaser or transferee shall have the benefits of, and shall be subject to the restrictions contained in, this Agreement as if such purchaser or transferee was originally been a party hereto. The Company may not assign any rights hereunder without the consent of the holders of a majority of the Registrable Shares, except to the issuer of the Public Issuer Ordinary Shares (as defined in the Second Supplemental Shareholders' Agreement).

Section 19. Entire Agreement.

This Agreement, and the other writings referred to herein or delivered pursuant hereto, contain the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or understandings with respect thereto.

Section 20. Notices.

All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by telecopy, nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by such party to the other parties:

(i) if to the Company, to:

Soho House Holdings Limited
180 The Strand
London WC2R 1EA
United Kingdom
Attention: Humera Afzal, Chief Financial Officer

With a copy to: legal@sohohouse.com

(ii) if to any Shareholder, to its address as set forth in the register of the Company.

All such notices, requests, consents and other communications shall be deemed to have been delivered (a) in the case of personal delivery or delivery by telecopy, on the date of such delivery, (b) in the case of dispatch by nationally-recognized overnight courier, on the second business day following such dispatch and (c) in the case of mailing, on the five business day after the posting thereof.

Section 21. Modifications; Amendments; Waivers.

The terms and provisions of this Agreement may not be modified or amended except pursuant to a writing signed by the Company and each Shareholder; provided, however, that the Majority Holders may approve any modification or amendment solely to add a party to this Agreement. Any waiver of any provision of this Agreement requested by any party hereto must be granted in advance, in writing by the party granting such waiver.

Section 22. Counterparts; Facsimile Signatures.

This Agreement may be executed in any number of original or facsimile counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Each party hereto understands and agrees that any portable document format (PDF) file or other reproduction of its signature on any counterpart shall be equal to and enforceable as its original signature and that any such reproduction shall be a counterpart hereof that is fully enforceable in any court or arbitral panel of competent jurisdiction.

Section 23. Headings.

The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

Section 24. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.

This Agreement (and all non-contractual obligations arising from or in connection with it) shall be governed by and construed in accordance with Delaware law and each of the parties irrevocably submits to the exclusive jurisdiction of the federal or state courts located in Delaware as regards any claim, dispute or matter (including any non-contractual claim, dispute or matter) arising out of or relating to this Agreement or any of the documents to be executed pursuant to this Agreement.

Section 25. Severability.

It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement on the date first written above.

COMPANY:

SOHO HOUSE HOLDINGS LIMITED

By: _____

Name: Nick Jones

Title: Director

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement on the date first written above.

SHAREHOLDER:

Raycliff SH Holdings, LLC

By: Raycliff Whitechapel Management, LLC, its Manager

By: Raycliff Whitechapel Management, LLC,
Its Manager:

By: _____

Name: Bippy Siegal

Title: Manager

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SHAREHOLDER:

YUCAIPA AMERICAN ALLIANCE FUND II, LP

By: Yucaipa American Alliance Fund II, LLC
Its General Partner:

By: _____
Name: Robert P. Bermingham
Title: Vice President

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SHAREHOLDER:

**YUCAIPA AMERICAN ALLIANCE (PARALLEL)
FUND II, LP**

By: Yucaipa American Alliance Fund II, LLC
Its General Partner:

By: _____
Name: Robert P. Bermingham
Title: Vice President

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SHAREHOLDER:

RICHARD ALLAN CARING

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SHAREHOLDER:

NICHOLAS KEITH ARTHUR JONES

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SHAREHOLDER:

**GLOBAL JOINT VENTURE INVESTMENT
PARTNERS LP**

By: **GLOBAL JOINT VENTURE INVESTMENT
PARTNERS LLC**, its general partner

By: _____

Name:

Title:

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

HOLDERS OF SENIOR PREFERENCE SHARES

[Signature blocks to come]

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SCHEDULE 1**Shareholders**

<u>Share Class</u>	<u>Holders</u>	<u>Number of Shares</u>
Class A Ordinary Shares	Mr Richard Caring	53,581,086
Class A Ordinary Shares	Mr Nicholas Jones	10,986,850
Class A Ordinary Shares	Yucaipa American Alliance (Parallel) Fund II, LP	40,512,868
Class A Ordinary Shares	Yucaipa American Alliance Fund II, LP	61,495,187
Class B Ordinary Shares	Mr Nicholas Jones	4,469,417
Class C Ordinary Shares	Raycliff SH Holdings, LLC	6,933,004
Class C Ordinary Shares	Global Joint Venture Investment Partners LP	14,254,290
Class C2 Ordinary Shares	Yucaipa American Alliance III, LP	1,472,919
Class C2 Ordinary Shares	Yucaipa Soho Works, Inc.	463,859
Class C2 Ordinary Shares	Richard Caring	721,352
Class C2 Ordinary Shares	Raycliff Soho Works, LLC	663,279
Class D Ordinary Shares	Mr Nicholas Jones	950,299
Senior Preference Shares	West Street Strategic Solutions Fund I, L.P.	4,746,684
Senior Preference Shares	West Street Strategic Solutions Fund I-(C), L.P.	466,403
Senior Preference Shares	WSSS Investments W, LLC	5,843,367
Senior Preference Shares	WSSS Investments X, LLC	220,058
Senior Preference Shares	WSSS Investments I, LLC	247,361
Senior Preference Shares	WSSS Investments U, LLC	264,406
Senior Preference Shares	Broad Street Principal Investments, L.L.C.	952,602
Senior Preference Shares	West Street CT Private Credit Partnership, L.P.	229,885

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

SCHEDULE 2

MBD Investors

West Street Strategic Solutions Fund I, L.P.

West Street Strategic Solutions Fund I-(C), L.P.

WSSS Investments W, LLC

WSSS Investments X, LLC

WSSS Investments I, LLC

WSSS Investments U, LLC

Broad Street Principal Investments, L.L.C.

West Street CT Private Credit Partnership, L.P.

SOHO HOUSE HOLDINGS LIMITED REGISTRATION RIGHTS AGREEMENT

**DIRECTOR AND OFFICER
INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) is entered into as of the [] day of [], 2021, by and between Membership Collective Group Inc., a Delaware corporation (the “**Company**”), and [] (“**Indemnitee**”).

RECITALS

A. The Company is aware that competent and experienced persons are increasingly reluctant to serve or continue serving as directors or officers of companies unless they are protected by comprehensive liability insurance and adequate indemnification due to the increased exposure to litigation costs and risks resulting from service to such companies that often bear no relationship to the compensation of such directors or officers.

B. The statutes and judicial decisions regarding the duties of directors and officers are often insufficient to provide directors and officers with adequate, reliable knowledge of the legal risks to which they are exposed or the manner in which they are expected to execute their fiduciary duties and responsibilities.

C. The Company and the Indemnitee recognize that plaintiffs often seek damages in such large amounts, and the costs of litigation may be so great (whether or not the claims are meritorious), that the defense and/or settlement of such litigation can create an extraordinary burden on the personal resources of directors and officers.

D. The board of directors of the Company has concluded that, to attract and retain competent and experienced persons to serve as directors and officers of the Company, it is not only reasonable and prudent but necessary to promote the best interests of the Company and its stockholders for the Company to contractually indemnify its directors and certain of its officers in the manner set forth herein, and to assume for itself liability for expenses and damages in connection with claims against such directors and officers in connection with their service to the Company as provided herein.

E. Section 145 of the General Corporation Law of Delaware (the “**DGCL**”) permits the Company to indemnify and advance defense costs to its officers and directors and to indemnify and advance expenses to persons who serve at the request of the Company as directors, officers, employees, or agents of other corporations or enterprises.

F. The Company desires and has requested the Indemnitee to serve or continue to serve as a director and/or officer of the Company, and the Indemnitee is willing to serve, or to continue to serve, as a director and/or officer of the Company if the Indemnitee is furnished the indemnity provided for herein by the Company.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the corresponding meanings set forth below.

“Claim” means a claim or action asserted by a Person in a Proceeding or any other written demand for relief in connection with or arising from an Indemnification Event.

“Covered Entity” means (i) the Company, (ii) any subsidiary of the Company or (iii) any other Person for which Indemnitee is or was or may be deemed to be serving, at the request of the Company or any subsidiary of the Company, as a director, officer, employee, controlling person, agent or fiduciary.

“Disinterested Director” means, with respect to any determination contemplated by this Agreement, any Person who, as of the time of such determination, is a member of the Company’s board of directors but is not a party to any Proceeding then pending with respect to any Indemnification Event.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Expenses” means any and all direct and indirect fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating, printing and binding costs, telephone charges, postage and delivery service fees and all other disbursements or expenses of any type or nature whatsoever reasonably incurred by Indemnitee (including, subject to the limitations set forth in **Section 3(c)** below, reasonable attorneys’ fees) in connection with or arising from an Indemnification Event, including, without limitation: (i) the investigation or defense of a Claim; (ii) being, or preparing to be, a witness or otherwise participating, or preparing to participate, in any Proceeding; (iii) furnishing, or preparing to furnish, documents in response to a subpoena or otherwise in connection with any Proceeding; (iv) any appeal of any judgment, outcome or determination in any Proceeding (including, without limitation, any premium, security for and other costs relating to any cost bond, supersedeas bond or any other appeal bond or its equivalent); (v) establishing or enforcing any right to indemnification under this Agreement (including, without limitation, pursuant to **Section 2(c)** below), the DGCL or otherwise, regardless of whether Indemnitee is ultimately successful in such action, unless as a part of such action, a court of competent jurisdiction over such action determines that each of the material assertions made by Indemnitee as a basis for such action was not made in good faith or was frivolous; (vi) Indemnitee’s defense of any Proceeding instituted by or in the name of the Company under this Agreement to enforce, interpret or defend any of the terms of this Agreement or the Indemnitee’s rights under this Agreement or under any directors’ or officers’ liability insurance policies maintained by the Company (including, without limitation, costs and expenses reasonably and properly incurred with respect to Indemnitee’s counterclaims and cross-claims made in

such action); and (vii) any Federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including all interest, assessments and other charges paid or payable with respect to such payments. For purposes of clarification, Expenses shall not include Losses.

An **“Indemnification Event”** shall be deemed to have occurred if Indemnitee was or is or becomes, or is threatened to be made, a party to or witness or other participant in, or was or is or becomes obligated to furnish or furnishes documents in response to a subpoena or otherwise in connection with, any Proceeding by reason of the fact that Indemnitee is or was or may be deemed a director, officer, employee, controlling person, agent or fiduciary of any Covered Entity, or by reason of any action or inaction on the part of Indemnitee in any such capacity.

“Independent Legal Counsel” means an attorney or firm of attorneys that is experienced in matters of corporate law and neither presently is, nor in the thirty-six (36) months prior to such designation has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

“Losses” means any and all losses, claims, damages, liabilities, judgments, fines, penalties, settlement payments, awards and amounts of any type whatsoever incurred by Indemnitee in connection with or arising from an Indemnification Event. For purposes of clarification, Losses shall not include Expenses.

“Organizational Documents” means any and all organizational documents, charters or similar agreements or governing documents, including, without limitation, (i) with respect to a corporation, its certificate of incorporation and bylaws, (ii) with respect to a limited liability company, its operating agreement, and (iii) with respect to a limited partnership, its partnership agreement.

“Proceeding” means any threatened, pending or completed claim, action, suit, proceeding, arbitration or alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or appeal, whether brought in the right of a Covered Entity or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, internal or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee’s part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or other entity or government or agency or political subdivision thereof.

“**Reviewing Party**” means, with respect to any determination contemplated by this Agreement, any one of the following: (i) a majority of the Disinterested Directors, even if such Persons would not constitute a quorum of the Company’s board of directors; (ii) a committee consisting solely of Disinterested Directors, even if such Persons would not constitute a quorum of the Company’s board of directors, so long as such committee was designated by a majority of the Disinterested Directors; (iii) Independent Legal Counsel designated by the Disinterested Directors (or, if there are no Disinterested Directors, the Company’s board of directors) (in which case, any determination shall be evidenced by the rendering of a written opinion); or (iv) in the absence of any Disinterested Directors, the Company’s stockholders; provided, that, in the event that a Change in Control has occurred, the Reviewing Party shall be Independent Legal Counsel (selected by Indemnitee) in a written opinion to the board of directors of the Company, a copy of which shall be delivered to the Indemnitee.

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended.

2. Indemnification.

(a) Indemnification of Losses and Expenses. If an Indemnification Event has occurred, then, subject to **Section 9** below, the Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by the DGCL, as such law may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than were permitted prior thereto), against any and all Losses and Expenses; provided that the Company’s commitment set forth in this **Section 2(a)** to indemnify the Indemnitee shall be subject to the limitations and procedural requirements set forth in this Agreement. The parties hereto intend that this Agreement, to the fullest extent permitted by applicable law, shall provide for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the certificate of incorporation, the bylaws, vote of its stockholders or disinterested directors or applicable law.

(b) Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Losses or Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) Indemnification for Expenses of a Witness. To the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his or her corporate status, a witness, is or was made (or asked) to respond to discovery requests in any Proceeding or otherwise asked to participate in any respect of a Proceeding to which Indemnitee is not a party,

Indemnatee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith.

(d) Advancement of Expenses. The Company shall advance any undisputed Expenses incurred by or on behalf of Indemnatee to the fullest extent permitted by the DGCL, as such law may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than were permitted prior thereto), prior to its final disposition and as soon as practicable, but in any event not later than 30 days after written request therefor by Indemnatee, which request shall be accompanied by vouchers, invoices or similar evidence documenting in reasonable detail the Expenses incurred or to be incurred by Indemnatee; provided, however, that Indemnatee need not submit to the Company any information that counsel for Indemnatee reasonably deems is privileged and exempt from compulsory disclosure in any Proceeding. Execution and delivery of this Agreement by the Indemnatee constitutes an undertaking to repay such amounts advanced only if, and to the extent that, it shall finally be determined that Indemnatee is not entitled to be indemnified by the Company as authorized by this Agreement in accordance with the provisions of **Section 4**. No other form of undertaking shall be required other than the execution of this Agreement. Advancement shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed.

(e) Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, the Company, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for Losses or Expenses, in connection with any Proceeding relating to an Indemnification Event under this Agreement, in such proportion as is deemed fair and reasonable by the Reviewing Party in light of all of the circumstances of such Proceeding in order to reflect (1) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and (2) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

3. Indemnification Procedures.

(a) Notice of Indemnification Event. Indemnatee shall give the Company notice as soon as reasonably practicable of any Indemnification Event of which Indemnatee becomes aware and of any request for indemnification hereunder, provided that any failure to so notify the Company shall not relieve the Company of any of its obligations under this Agreement, except if, and then only to the extent that, such failure materially prejudices the Company under this Agreement.

(b) Notice to Insurers. The Company shall give prompt written notice of any Indemnification Event which may be covered by the Company's liability insurance to the insurers in accordance with the procedures set forth in each of the applicable policies of insurance. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnatee, all amounts payable as a result of such Indemnification

Event in accordance with the terms of such policies; provided that nothing in this **Section 3(b)** shall affect the Company's obligations under this Agreement or the Company's obligations to comply with the provisions of this Agreement in a timely manner as provided. For the avoidance of doubt, nothing in this **Section 3(b)** or elsewhere in this Agreement shall be deemed to prohibit Indemnitee from giving notice of claims directly to the insurers.

(c) Selection of Counsel. If the Company shall be obligated hereunder to pay or advance Expenses or indemnify Indemnitee with respect to any Losses, the Company shall be entitled to assume the defense of any related Claims, with counsel selected by the Company. After the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the defense of such Claims; provided that: (i) Indemnitee shall have the right to employ counsel in connection with any such Claim at Indemnitee's expense; and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) counsel for Indemnitee shall have provided the Company with written advice that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company shall not continue to retain such counsel to defend such Claim, then the reasonably and properly incurred fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

4. Determination of Right to Indemnification

(a) Successful Proceeding. To the extent Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding referred to in **Section 2(a)**, the Company shall indemnify Indemnitee against Losses and Expenses incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise, as to one or more but less than all Claims in such Proceeding, the Company shall indemnify Indemnitee against all Losses and Expenses actually or reasonably incurred by Indemnitee in connection with each successfully resolved Claim to the fullest extent permitted by applicable law. For purposes of this section, the termination of any Claim in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Claim.

(b) Other Proceedings. In the event that **Section 4(a)** is inapplicable, the Company shall nevertheless indemnify Indemnitee as provided in **Section 2(a)**, **2(b)** or **2(c)**, as applicable, or provide a contribution payment to the Indemnitee as provided in **Section 2(e)**, to the extent determined by the Reviewing Party.

(c) Reviewing Party Determination. A Reviewing Party chosen by the Company's board of directors shall determine whether Indemnitee is entitled to indemnification, subject to the following:

(i) A Reviewing Party so chosen shall act in the utmost good faith to assure Indemnitee a complete opportunity to present to such Reviewing Party Indemnitee's case that Indemnitee has met the applicable standard of conduct.

(ii) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of a Covered Entity, including, without limitation, its financial statements, or on information supplied to Indemnitee by the officers or employees of a Covered Entity in the course of their duties, or on the advice of legal counsel for a Covered Entity or on information or records given, or reports made, to a Covered Entity by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by a Covered Entity. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of a Covered Entity shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this **Section 4(c)(ii)** are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Any Person seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(iii) If a Reviewing Party chosen pursuant to this **Section 4(c)** shall not have made a determination whether Indemnitee is entitled to indemnification within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (A) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (B) a prohibition of such indemnification under applicable law; provided, however, that such 30 day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the Reviewing Party in good faith requires such additional time for obtaining or evaluating documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this **Section 4(c)(iii)** shall not apply if (I) the determination of entitlement to indemnification is to be made by the stockholders of the Company, (II) a special meeting of stockholders is called by the board of directors of the Company for such purpose within thirty (30) days after the stockholders are chosen as the Reviewing Party, (III) such meeting is held for such purpose within sixty (60) days after having been so called, and (IV) such determination is made thereat.

(d) Appeal to Court. Notwithstanding a determination by a Reviewing Party chosen pursuant to **Section 4(c)** that Indemnitee is not entitled to indemnification with respect to a specific Claim or Proceeding (an "**Adverse Determination**"), Indemnitee shall have the right to apply to the court in which that Claim or Proceeding is or was pending or any other court of competent jurisdiction for the purpose of enforcing Indemnitee's right to indemnification pursuant to this Agreement, provided that Indemnitee shall commence any such Proceeding seeking to enforce Indemnitee's right to indemnification within one (1) year following the date upon which Indemnitee is notified in writing by the Company of the Adverse Determination. In the event of any dispute between the parties concerning their respective rights and obligations hereunder, the Company shall have the burden of proving that the Company is not obligated to make the payment or advance claimed by Indemnitee.

(e) Presumption of Success. The Company acknowledges that a settlement or other disposition short of final judgment shall be deemed a successful resolution for purposes of **Section 4(a)** if it permits a party to avoid expense, delay, distraction, disruption or uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration), it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(f) Settlement and Termination of Claims. The Company shall not be liable to indemnify Indemnitee under this Agreement or otherwise for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's prior written consent. Neither the Company nor the Indemnitee will unreasonably withhold, delay or refuse their consent to any proposed settlement. The Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial award if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action; the Company's liability hereunder shall not be excused if participation in the Proceeding by the Company was barred by this Agreement. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

5. Additional Indemnification Rights; Non-exclusivity

(a) Scope. The Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, even if such indemnification is not specifically authorized by the other provisions of this Agreement or any other agreement, the Organizational Documents of any Covered Entity or by applicable law. In the event of any change after the date of this Agreement in any applicable law, statute or rule that expands the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, controlling person, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule that narrows the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, controlling person, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties rights and obligations hereunder.

(b) Non-exclusivity. The rights to indemnification, contribution and advancement of Expenses provided in this Agreement shall not be deemed exclusive of, but shall be in addition to, any other rights to which Indemnitee may at any time be entitled under the Organizational Documents of any Covered Entity, any other agreement, any vote of stockholders

or Disinterested Directors, the laws of the State of Delaware or otherwise and shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. Furthermore, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder or otherwise shall not prevent the concurrent assertion of any other right or remedy. The rights to indemnification, contribution and advancement of Expenses provided in this Agreement shall continue as to Indemnitee for any action Indemnitee took or did not take while serving in an indemnified capacity even though Indemnitee may have ceased to serve in such capacity.

(c) **Primary Responsibility.** The Company acknowledges that Indemnitee has certain rights to indemnification and advancement of expenses provided by [] and certain of its affiliates (collectively, the "Secondary Indemnitors"). The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's Organizational Documents or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. The Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this **Section 5(c)**. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's Organizational Documents or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's Organizational Documents or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid. The Secondary Indemnitors are express third-party beneficiaries of the terms of this **Section 5(c)**.¹

6. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment of any amount otherwise indemnifiable hereunder, or for which advancement is provided hereunder, if and to the extent Indemnitee has otherwise actually received such payment, whether pursuant to any insurance policy, the Organizational Documents of any Covered Entity or otherwise.

7. Mutual Acknowledgment. Both the Company and Indemnitee acknowledge that, in certain instances, Federal law or public policy may override applicable state law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. For example, the Company and Indemnitee acknowledge that the SEC has taken the position that indemnification is not permissible for liabilities arising under certain Federal securities laws, and Federal legislation prohibits indemnification for certain violations of the Employee Retirement Income Security Act of 1979, as amended. Indemnitee understands and acknowledges that the Company has undertaken, or may be required in the future to undertake, with the SEC to submit the question of indemnification to a court in certain circumstances for a

¹ [NTD: Only to be included for directors who are designees of a fund.]

determination of the Company's right under public policy to indemnify Indemnitee, and any right to indemnification hereunder shall be subject to, and conditioned upon, any such required court determination.

8. Liability Insurance. The Company shall maintain liability insurance applicable to directors and officers of the Company and shall cause Indemnitee to be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's officers and directors (other than in the case of an independent director liability insurance policy if Indemnitee is not an independent or outside director). Upon request by the Indemnitee, the Company shall advise Indemnitee as to the general terms of, and the amounts of coverage provided by, any liability insurance policy described in this **Section 8** and shall promptly notify Indemnitee if, at any time, any such insurance policy is terminated or expired without renewal or if the amount of coverage under any such insurance policy will be materially decreased.

9. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee:

- (a) against any Losses or Expenses, or advance Expenses to Indemnitee, with respect to Claims initiated or brought voluntarily by Indemnitee, and not by way of defense (including, without limitation, affirmative defenses and counter-claims), except (i) Claims to establish or enforce a right to indemnification, contribution or advancement with respect to an Indemnification Event, whether under this Agreement, any other agreement or insurance policy, the Company's Organizational Documents of any Covered Entity, the laws of the State of Delaware or otherwise, or (ii) if the Company's board of directors has approved specifically the initiation or bringing of such Claim;
- (b) against any Losses or Expenses, or advance Expenses to Indemnitee, with respect to Claims arising (i) with respect to an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or (ii) pursuant to Section 304 or 306 of the Sarbanes-Oxley Act of 2002, as amended, or any rule or regulation promulgated pursuant thereto; provided that the Company shall be obligated to advance Expenses to Indemnitee for the purpose of defending of such Claims; or
- (c) if, and to the extent, that a court of competent jurisdiction renders a final, unappealable decision that such indemnification is not lawful.

10. Miscellaneous.

- (a) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.
- (b) Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including with respect to the Company, any direct or indirect successor

by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and with respect to Indemnitee, his or her spouse, heirs, and personal and legal representatives. The Company shall require and cause any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnification Events regardless of whether Indemnitee continues to serve as a director, officer, employee, controlling person, agent or fiduciary of any Covered Entity.

(c) Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, or (c) one (1) business day after the business day of deposit with Federal Express or similar, nationally recognized overnight courier, freight prepaid, if to Indemnitee, to the Indemnitee's address as set forth beneath the Indemnitee's signature to this Agreement, or, if to the Company, at the address of its principal corporate offices (attention: Secretary), or at such other address as such party may designate to the other party hereto.

(d) Enforceability. This Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(e) Consent to Jurisdiction. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction and venue of the courts of the State of Delaware for all purposes in connection with any Proceeding which arises out of or relates to this Agreement and agree that any Proceeding instituted under this Agreement shall be commenced, prosecuted and continued only in the courts of the State of Delaware.

(f) Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the extent manifested by the provision held invalid, illegal or unenforceable.

(g) Choice of Law. This Agreement shall be governed by and its provisions shall be construed and enforced in accordance with, the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

(h) Subrogation. [Except as set forth in Section 5(c) herein,] in the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

(i) Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in a writing signed by the party to be bound thereby. Notice of same shall be provided to the other party hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(j) No Construction as Employment Agreement. This Agreement is not an employment agreement between the Company and the Indemnitee and nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained or continue in the employ or service of any Covered Entity.

(k) Supersedes Previous Agreements. This Agreement supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MEMBERSHIP COLLECTIVE GROUP INC.:

a Delaware corporation

By: _____

Name: _____

Title: _____

INDEMNITEE:

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTY|RUN#|TRANS#

Membership Collective Group Inc.
PO BOX 80996, Louisville, KY 40233-0996
MEM A STAMP E
DESIGNATION (if ANY)
A00 1
A00 2
A00 3
A00 4

CUSIP IDENTIFIER
Holder ID XXXXXX XX X
Insurance Value 1,000,000.00
Number of Shares 123456
DTC
Certificate Numbers
12345678901234567890
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Total Transaction 7

CLASS A COMMON STOCK	CLASS A COMMON STOCK
Certificate Number ZQ00000000	Shares *****000000***** *****000000***** *****000000***** *****000000***** *****000000*****
MEMBERSHIP COLLECTIVE GROUP INC. INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE	
THIS CERTIFIES THAT	
MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE	
is the owner of	
ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO	
FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF	
Membership Collective Group Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.	
Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.	
FACSIMILE SIGNATURE TO COME President	DATED 00-00-00 COUNTERSIGNED AND REGISTERED: COMPUTERSHARE TRUST COMPANY, N.A. TRANSFER AGENT AND REGISTRAR
FACSIMILE SIGNATURE TO COME Secretary	By _____ AUTHORIZED SIGNATURE

1234567

MEMBERSHIP COLLECTIVE GROUP INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIFT MIN ACT

.....Custodian.....

TEN ENT - as tenants by the entireties

.....(Minor).....

JT TEN - as joint tenants with right of survivorship
and not as tenants in common

UNIF TRF MIN ACT

.....Custodian (until age.....)

.....(Cust).....
.....(Minor)..... under Uniform Transfers to Minors Act.....
.....(State).....

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____ Shares
of the Class A Common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney
to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING
WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.



The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

1534201

FORM OF NOTES CERTIFICATE

Serial Number: []

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED (DIRECTLY OR INDIRECTLY) IN OR INTO THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR SUCH OTHER SECURITIES LAW OF ANY OTHER JURISDICTION OF THE UNITED STATES.

I. BY ITS ACQUISITION HEREOF, THE HOLDER OF THIS SECURITY (1) REPRESENTS THAT IT IS ACQUIRING THIS SECURITY IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST IN THIS SECURITY ONLY

(A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE

II. U.S. SECURITIES ACT, OR (C) PURSUANT TO ANY TRANSACTION THAT IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER’S AND THE AGENT’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) TO REQUIRE THE DELIVERY OF A CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO IT, INCLUDING A TRANSFER CERTIFICATE IN SUBSTANTIALLY THE FORM SET OUT IN THE NOTES PURCHASE AGREEMENT (AS DEFINED HEREIN); AND (3) AGREES THAT IT WILL TRANSFER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN ADDITION TO THE RESTRICTIONS SET FORTH ABOVE, THERE ARE ADDITIONAL CONTRACTUAL RESTRICTIONS ON TRANSFER SET FORTH IN CLAUSE 27 (*CHANGES TO THE NOTEHOLDERS*) OF THE NOTES PURCHASE AGREEMENT.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER AND TRANSFEREE WILL DELIVER TO THE AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS THE AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

III. [THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(C) OF THE CODE. THE ISSUER AGREES TO PROMPTLY MAKE AVAILABLE TO THE HOLDER OF THIS NOTE, UPON WRITTEN REQUEST, THE ISSUE PRICE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE DATE AND THE YIELD TO MATURITY WITH RESPECT TO THE NOTE. ANY SUCH REQUEST SHOULD BE SENT TO ISSUER AT THE FOLLOWING ADDRESS: [__].]

5 December 2019

SOHO HOUSE & CO LIMITED
(as Parent)

SOHO HOUSE BOND LIMITED
(as Company)

**THE COMPANIES LISTED IN
PART 1 OF SCHEDULE 1**
(as Original Obligors)

HSBC UK BANK PLC
(as Arranger)

**THE FINANCIAL INSTITUTIONS LISTED IN
PART 2 OF SCHEDULE 1**
(as Original Lenders)

GLOBAL LOAN AGENCY SERVICES LIMITED
(as Agent) and

GLAS TRUST CORPORATION LIMITED
(as Collateral Agent)

REVOLVING FACILITY AGREEMENT

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THIS AGREEMENT is dated 5 December 2019 and made BETWEEN:

- (1) **SOHO HOUSE & CO LIMITED**, a company incorporated in Jersey with registered number 109634 (the “**Parent**”);
- (2) **SOHO HOUSE BOND LIMITED**, a company incorporated in Jersey with registered number 112133 (the “**Company**”);
- (3) **THE COMPANIES** listed in Part 1 (*The Original Obligors*) of Schedule 1 (*The Original Parties*) as original borrowers (the “**Original Borrowers**”);
- (4) **THE COMPANIES** listed in Part 1 (*The Original Obligors*) of Schedule 1 (*The Original Parties*) as original guarantors (the “**Original Guarantors**”);
- (5) **HSBC UK BANK PLC** as mandated lead arranger (the “**Arranger**”);
- (6) **THE FINANCIAL INSTITUTIONS** listed in Part 2 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) as lenders (the “**Original Lenders**”);
- (7) **GLOBAL LOAN AGENCY SERVICES LIMITED** as agent of the other Finance Parties (the “**Agent**”); and
- (8) **GLAS TRUST CORPORATION LIMITED** as security trustee for the Secured Parties (the “**Collateral Agent**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceding Lender**” has the meaning given to the term in paragraph (m) of Clause 2.3 (*Additional Facility*).

“**Acceptable Bank**” means:

- (a) each Finance Party or any Affiliate of a Finance Party (**provided that** such person is a bank or financial institution);
- (b) a bank or financial institution which has a long-term unsecured rating of BBB or higher by S&P or Fitch or Baa2 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (c) any other bank or financial institution approved by the Agent (acting on the instructions of the Majority Lenders); or
- (d) any other bank or financial institution providing banking services to a business or entity acquired by a member of the Group, **provided that** such services are terminated and moved to a bank or financial institution falling under another limb of this definition within three (3) months of completion of the relevant acquisition.

“**Accession Deed**” means a document substantially in the form set out in Schedule 6 (*Form of Accession Deed*).

“**Accounting Principles**” means generally accepted accounting principles in the United Kingdom, including IFRS.

“**Accounting Reference Date**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Additional Borrower**” means a company which becomes an Additional Borrower in accordance with Clause 29.2 (*Additional Borrowers*).

“**Additional Facility**” has the meaning given to that term in paragraph (a) of Clause 2.3 (*Additional Facility*).

“**Additional Facility Borrower**” has the meaning given to that term in Clause 2.3 (*Additional Facility*).

“**Additional Facility Commitment**” means:

- (a) in relation to an original Additional Facility Lender, the Base Currency Amount set opposite its name in any Additional Facility Notice and the amount of any other Additional Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the Base Currency Amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent:

- (i) not cancelled, reduced or transferred by it under this Agreement; or
- (ii) not deemed to be zero pursuant to Clause 28.2 (Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates).

“**Additional Facility Lender**” means a Lender in respect of an Additional Facility.

“**Additional Facility Lender Accession Deed**” means an agreement substantially in the form set out in Schedule 15 (*Form of Additional Facility Lender Accession Deed*).

“**Additional Facility Loan**” means a loan made or to be made under the Additional Facility or the principal amount outstanding for the time being of that loan.

“**Additional Facility Notice**” has the meaning given to that term in Clause 2.3 (*Additional Facility*).

“**Additional Guarantor**” means a company which becomes an Additional Guarantor in accordance with Clause 29.4 (*Additional Guarantors*).

“**Additional Obligor**” means an Additional Borrower or an Additional Guarantor.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agent’s Spot Rate of Exchange**” means

- (a) the Agent’s spot rate of exchange; or
- (b) (if the Agent does not have an available spot rate of exchange), the spot rate (or derived spot rate, as the case may be) for the purchase of the relevant currency with the Base Currency reported by Bloomberg L.P. which appears on Bloomberg Screen BFIX under caption “MID” at or about 11:00 a.m. on a particular day or, if such rate is not available, any other publicly available spot rate of exchange selected by the Agent (acting reasonably), for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Agreed Security Principles**” means the principles set out in Schedule 11 (*Agreed Security Principles*).

“**Amended and Restated Existing Ancillary Facility Letter**” means an amended and restated Existing Ancillary Facility Letter in form and substance satisfactory to the Company (acting reasonably).

“**Ancillary Commencement Date**” means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Facility.

“**Ancillary Commitment**” means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised (or deemed authorised) as such under Clause 7 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

“**Ancillary Document**” means each document relating to or evidencing the terms of an Ancillary Facility.

“**Ancillary Facility**” means any ancillary facility made available by an Ancillary Lender in accordance with Clause 7 (*Ancillary Facilities*), including the Existing Ancillary Facility.

“**Ancillary Lender**” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 7 (*Ancillary Facilities*).

“**Ancillary Outstandings**” means, at any time in relation to an Ancillary Lender and an Ancillary Facility then in force, the aggregate of the equivalents in the Base Currency (as calculated by that Ancillary Lender) of the following amounts outstanding under that Ancillary Facility:

- (a) the principal amount under each overdraft facility and on-demand short-term loan facility (net of any credit balances on any account of any Borrower of an Ancillary Facility with the relevant Ancillary Lender making available that Ancillary Facility to the extent that the credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility);
- (b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and
- (c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

“**Annual Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Anti-Bribery Laws**” means any applicable anti-bribery law, anti-corruption law, conflict of interest law, or any other applicable law, rule, regulation or other legally binding measure of any applicable jurisdiction of similar purpose and effect, including, where applicable:

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- (a) the US Foreign Corrupt Practices Act, 15 U.S.C. §78-dd-1, *et seq.*, as amended (the “FCPA”);
 - (b) the UK Bribery Act 2010; and
 - (c) any law, rule, regulation or other legally binding measure that implements the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or that otherwise prohibits bribery or corruption.

“**Asset Cover Value**” has the meaning given to that term in Schedule 17 (*Asset Cover Definitions*).

“**Assignment Agreement**” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee **provided that** if that other form does not contain the undertaking set out in the form set out in Schedule 5 (*Form of Assignment Agreement*) it shall not be a Creditor/Agent Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means:

- (a) in relation to the Original Revolving Facility, the period from and including the date of this Agreement to and including the date falling one (1) Month before the Termination Date applicable to the Original Revolving Facility; and
- (b) in relation to any Additional Facility, the period specified as such in the Additional Facility Notice relating to that Additional Facility, which shall not extend beyond the Termination Date for the Original Revolving Facility.

“**Available Commitment**” means, in relation to a Facility, a Lender’s Commitment minus (subject to Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*)) and as set out below):

- (a) the Base Currency Amount of its participation in any outstanding Utilisations and the Base Currency Amount of the aggregate of its (and its Affiliates’) Ancillary Commitments; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made on or before the proposed Utilisation Date and the Base Currency Amount of its and its Affiliates’ Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender’s Available Commitment in relation to any proposed Utilisation, the following amounts shall not be deducted from that Lender’s Commitment:

- (i) that Lender’s participation in any Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date; and
- (ii) that Lender’s (or its Affiliates’) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

For the avoidance of doubt, references in this definition to the Ancillary Commitments of a Lender's Affiliate shall be limited to that Affiliate acting as an Ancillary Lender in place of the relevant Lender in accordance with Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*) and, for the avoidance of doubt, such Ancillary Commitments shall not be taken into account when calculating the Available Commitment of any other Lender of which the relevant Ancillary Lender is an Affiliate.

"Available Facility" means the aggregate for the time being of each Lender's Available Commitment.

"Babington House" means Babington House, Babington, Frome, BA11 3RW with title number ST147998.

"Base Currency" means Sterling. **"Base Currency Amount"** means:

- (a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three (3) Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement); and
- (b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Company pursuant to Clause 7.2 (*Availability*) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three (3) Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, on the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this Agreement),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation, or (as the case may be) cancellation or reduction of an Ancillary Facility.

"Borrower" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 29.2 (*Additional Borrowers*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to the provisions of Clause 7.9 (*Affiliates of Borrowers*).

"Break Costs" means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Brexit" means the withdrawal (or any governmental decision to withdraw or any vote or referendum electing to withdraw) of the United Kingdom from the European Union and any law, regulation, treaty or agreement (or change in, or change in the interpretation, administration, implementation or application of, any law, regulation, treaty or agreement) in connection therewith.

“**Budget**” means in relation to any period, any budget delivered by the Company to the Agent in respect of that period pursuant to Clause 23.4 (*Budget*).

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and (in relation to any date for payment or purchase of a currency) the principal financial centre of the country of that currency.

“**Cash**” means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Restricted Group with an Acceptable Bank and to which a member of the Restricted Group is alone (or together with other members of the Restricted Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand or within 30 days after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Restricted Group or of any other person whatsoever or on the satisfaction of any other condition (other than the giving of any notice);
- (c) there is no Security over that cash except for Transaction Security or any Permitted Lien (i) constituted by a netting or set-off arrangement entered into by members of the Restricted Group in the ordinary course of their banking arrangements, or (ii) in relation to credit balances on bank accounts of the Restricted Group arising under the relevant account bank’s standard terms in the ordinary course or by law; and
- (d) the cash is capable of being applied and (except as mentioned in paragraph (a) above) immediately made available to be applied in repayment or prepayment of the Facility.

“**Cash Equivalents**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**CEO**” means the chief executive officer of the Group, or, if no chief executive officer is appointed, such other person fulfilling the functions of the chief executive officer of the Group.

“**CFC**” has the meaning give to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

“**CFC Debt**” has the meaning give to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

“**CFO**” means the chief financial officer of the Group or, if no chief financial officer is appointed, such other person fulfilling the functions of the chief financial officer of the Group.

“**Change of Control**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Charged Property**” means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Closing Date**” means earlier of:

- (a) the date of first Utilisation of the Original Revolving Facility; and
- (b) 4 January 2019, **provided that** the Available Facility in relation to the Original Revolving Facility has not been cancelled in full by such date.

“**Code**” means the U.S. Internal Revenue Code of 1986 (or any successor legislation thereto) as amended from time to time, and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

“**Commitment**” means an Original Revolving Facility Commitment or an Additional Facility Commitment.

“**Commitment Fee**” means the fees payable pursuant to paragraph (a) of Clause 15.1 (*Commitment fee*).

“**Commodity Exchange Act**” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successors statute.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

“**Confidential Information**” means all information relating to the Company, any Obligor, the Group, the Finance Documents or the Facilities of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facilities from either:

- (a) any member of the Group or its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 40 (*Confidentiality*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate.

“**Confidentiality Undertaking**” means a confidentiality undertaking which is capable of being relied upon by the Company substantially in a recommended form of the LMA or in any other form agreed between the Company and the relevant Lender.

“**Consolidated EBITDA**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Coverage Test**” has the meaning given to that term in Clause 25.17 (*Guarantors*). “**CTA**” means the Corporation Tax Act 2009.

“**Debenture**” means the debenture granting fixed and floating charges over all or substantially all of the business, assets, property and undertaking of the Obligors incorporated in England and Wales that are to be a party thereto in the agreed form delivered under Schedule 2 (*Conditions precedent*).

“**Debt**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Debt Purchase Transaction**” means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Commitment or amount outstanding under this Agreement.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing, in each case as specified in Clause 26 (*Events of Default*)) be an Event of Default, **provided that** any such event or circumstance which expressly requires the satisfaction of any condition as to materiality before it becomes an Event of Default shall not be a Default unless and until that condition is satisfied.

“**Defaulting Lender**” means any Lender (other than a Lender which is an Investor Affiliate):

- (a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
- payment is made within three (3) Business Days of its due date; or

- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question and the Agent has notified the Company and the Lenders that this is the case.

“Delegate” means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent.

“Designated Gross Amount” has the meaning given to that term in Clause 7.2 (*Availability*).

“Designated Net Amount” has the meaning given to that term in Clause 7.2 (*Availability*).

“Designated Person” means a person or entity:

- (a) designated on the OFAC list of “Specially Designated Nationals and Blocked Persons” or list of “Foreign Sanctions Evaders”, the Consolidated List of Financial Sanctions Targets in the UK administered by HM Treasury, or on any list of targeted persons issued under the Economic Sanctions Law of any other country;
- (b) that is, or is part of, a government of a Sanctioned Territory;
- (c) owned or controlled by, or acting on behalf of, any of the foregoing;
- (d) located within or operating from a Sanctioned Territory;
- (e) otherwise targeted under any Economic Sanctions Law; or
- (f) which a Finance Party has informed the Company in writing that it is prohibited from dealing with or otherwise engaging in any transaction by any Economic Sanctions Law.

“Disposal” means any sale, lease, transfer or other disposal of any assets, whether in a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“EBITDA” means aggregate earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA).

“Economic Sanctions Laws” means: (a) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*), the Trading with the Enemy Act (50 U.S.C. App. §§ 1 *et seq.*), Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 or the Iran Sanctions Act, any similar law or regulation promulgated thereunder from time to time or any similar law enacted in the United States of America after the date of this Agreement and any other sanctions or trade embargo imposed, administered or enforced by OFAC or the US State Department or the US Department of Commerce; (b) any economic sanctions law or regulation promulgated by the United Nations or by any government authority of the UK or any other member state of the European Union, including (without limitation) any of the foregoing relating to restrictive measures against specific countries; and (c) any applicable economic sanctions law or regulation promulgated by any government authority of any other applicable jurisdiction in which the Group operates.

“Employee Plan” means an employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV or Section 302 of ERISA, or Section 412 of the Code, and in respect of which an Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Environment” means humans, animals, plants and all other living organisms, including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

“Environmental Claim” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

“Environmental Law” means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

“Environmental Permits” means any permit and other Authorisation and the filing of any notification, report or assessment required under Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by a member of the Group.

“ERISA” means, at any date, the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

“ERISA Affiliate” means any person that for the purposes of Title I and Title IV of ERISA and Section 412 of the Code would be deemed at any relevant time to be a single employer with an Obligor, pursuant to Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“ERISA Event” means:

- (a) any reportable event, as defined in Section 4043 of ERISA, with respect to an Employee Plan, as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified of such event;
- (b) the filing of a notice of intent to terminate any Employee Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan or the termination of any Employee Plan under Section 4041(c) of ERISA;
- (c) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;
- (d) any failure by any Employee Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Employee Plan, in each case whether or not waived;
- (e) the failure to make a required contribution to any Employee Plan that would reasonably be expected to result in the imposition of an encumbrance under Section 412 of the Code, or a filing under Section 412(c) of the Code or Section 302(c) of ERISA of any request for a minimum funding variance, with respect to any Employee Plan or Multiemployer Plan;
- (f) an engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA;
- (g) the complete or partial withdrawal of any Obligor or any ERISA Affiliate from any Employee Plan or a Multiemployer Plan;
- (h) an Obligor or an ERISA Affiliate incurring any liability under Title IV of ERISA with respect to any Employee Plan or Multiemployer Plan (other than premiums due and not delinquent under Section 4007 of ERISA);
- (i) a determination that any Employee Plan is, or is expected to be, in “at risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); and
- (j) the receipt by an Obligor or any of its ERISA Affiliates of any notice of the imposition of withdrawal liability or of a determination that a Multiemployer Plan is, or is expected to be, “insolvent” within the meaning of Section 4245 of ERISA or in “endangered” or “critical” status within the meaning of Section 432 of the Code or Section 305 of ERISA.

“Establishment Date” means, in relation to an Additional Facility, the later of:

- (a) the proposed Establishment Date specified in the Additional Facility Notice; and
- (b) the date on which the Agent executes the Additional Facility Notice.

“EURIBOR” means, in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan,

as of, in the case of paragraphs (a) and (b) above, the Specified Time on the Quotation Day for Euro and a period equal in length to the Interest Period of that Loan, and, in each case, if that rate is less than zero per cent., EURIBOR shall be deemed to be zero per cent.

“**Euro**” or “**EUR**” means the lawful single currency of the Participating Member States.

“**Event of Default**” means any event or circumstance specified as such in Clause 26 (*Events of Default*).

“**Excluded SPV**” means each Miami SPV, each Los Angeles SPV, each Soho Works SPV, each Scorpios SPV and each SPV Entity, as each such term is defined in Schedule 14 (*Restrictive Covenants*).

“**Excluded Swap Obligations**” means, with respect to any Guarantor, any obligation (a “**Swap Obligation**”) to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“**Existing Ancillary Facility**” means the GBP 4,200,000 guarantee facility made available by HSBC UK Bank plc as lender to SHG Acquisition (UK) Limited as borrower pursuant to the Existing Ancillary Facility Letter.

“**Existing Ancillary Facility Letter**” means the guarantee facility letter dated 13 April 2018 between HSBC Bank plc as lender and SHG Acquisition (UK) Limited as borrower, as amended from time to time, including pursuant to an amendment letter dated 16 October 2018 and as further amended and/or amended and restated from time to time.

“**Existing Debt**” means the revolving credit facility agreement originally dated 27 September 2013 between, amongst others, Soho House & Co Limited (formerly known as Soho House Group Limited) as parent, Soho House Bond Limited as company and Barclays Bank PLC as agent, as amended and/or restated from time to time (including most recently on 9 April 2019).

“**Existing Indebtedness Schedule**” means a list of Indebtedness (other than the Existing Debt) incurred and outstanding or committed for incurrence by the Company and its Restricted Subsidiaries, in each case on the date of this Agreement.

“**Facility**” means the Original Revolving Facility or an Additional Facility.

“**Facility Office**” means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Federal Reserve” means the Board of Governors of the Federal Reserve System of the United States.

“Fee Letter” means:

- (a) any letter or letters dated on or about the date of this Agreement or subsequently entered into between the Arranger and the Company (or the Agent and the Company or the Collateral Agent and the Company) setting out any of the fees referred to in Clause 15 (*Fees*);
- (b) any agreement setting out fees payable to a Finance Party referred to in paragraph (e) of Clause 2.2 (*Increase*) or Clause 15.5 (*Interest, commission and fees on Ancillary Facilities*) of this Agreement or under any other Finance Document; and
- (c) any agreement setting out fees payable in respect of an Additional Facility.

“Finance Document” means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, the Intercreditor Agreement, any Resignation Letter, any Additional Facility Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a “Finance Document” by the Agent and the Company.

“Finance Party” means the Agent, the Arranger, the Collateral Agent, a Lender or an Ancillary Lender.

“Financial Due Diligence Report” means the report prepared by BDO LLP dated 7 April 2017 and entitled “Project Highball – Limited scope financial due diligence report”.

“Financial Indebtedness” means (without double counting) the outstanding principal or capital amount of any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (but not Trade Instruments);
- (d) the amount of any liability in respect of Capital Lease Obligations;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity which is not a member of the Restricted Group which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Termination Date;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) the primary reason behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply to it;
- (j) any amount raised under any other transaction having the commercial effect of a borrowing (excluding, for the avoidance of doubt, trade credit in the ordinary course of trading); and
- (k) (without double counting) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above,

but excluding Financial Indebtedness owed by a Restricted Subsidiary to another Restricted Subsidiary.

“Financial Information” means the documents contained in the electronic file entitled “Financial Information.zip” made available to the Arranger on 23 November 2019.

“Financial Quarter” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Financial Year” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Fitch” means Fitch Ratings Ltd or any successor to its rating business.

“**Funding Rate**” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 14.1 (*Market disruption*).

“**German Resident**” means each Obligor that qualifies as a German resident (*Inländer*) within the meaning of section 2 paragraph 15 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*).

“**Government Authority**” means (a) a national government, political subdivision thereof, or local jurisdiction therein; (b) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the aforementioned, however constituted; (c) a government-owned/government-controlled association, organisation, business or enterprise; or (d) a political party.

“**Government Official**” means (a) an employee, officer or representative of, or any person otherwise acting in an official capacity for or on behalf of a Government Authority; (b) a legislative, administrative or judicial official, regardless of whether elected or appointed; (c) an officer of, or individual who holds a position in, a political party; (d) a candidate for political office; (e) an individual who holds any other official, ceremonial, or other appointed or inherited position with a government or any of its agencies; or (f) an officer or employee of a supra-national or public international organization (e.g., World Bank, United Nations, International Monetary Fund, OECD).

“**Gross Outstandings**” means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft but calculated on the basis that the words “(net of any credit balances on any account of any Borrower of an Ancillary Facility with the relevant Ancillary Lender making available that Ancillary Facility to the extent that the credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility)” in paragraph (a) of the definition of “Ancillary Outstandings” were deleted.

“**Group**” means the Company and its Subsidiaries from time to time.

“**Group Structure Chart**” means the group structure chart in the agreed form.

“**Guarantor**” means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 29.4 (*Additional Guarantors*).

“**HIBOR**” means, in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan,

as of, in the case of paragraphs (a) and (b) above, the Specified Time on the Quotation Day for Hong Kong dollars and a period equal in length to the Interest Period of that Loan, and, in each case, if that rate is less than zero per cent., HIBOR shall be deemed to be zero per cent.

“**High Road House**” means:

- (a) 162 & 164 Chiswick High Road, London, W4 1PR with title number NGL317735;
- (b) 166 Chiswick High Road, London, W4 1PR with title number NGL330524;
- (c) 168 Chiswick High Road, London, W4 1PR with title number MX398338;

- (d) Land at the Back of 168 Chiswick High Road, London, W4 1PR with title number AGL147982; and
- (e) 170 Chiswick High Road, London, W4 1PR with title number AGL66171. “

HKS” or “**Hong Kong dollars**” means the lawful currency of Hong Kong.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**Holding Structure Group**” means each of:

- (a) the Parent;
- (b) the Company;
- (c) BN Midco Limited;
- (d) BN AcquireCo Limited;
- (e) Abertarff Limited;
- (f) SHG Acquisition (UK) Limited;
- (g) Soho House Limited;
- (h) US AcquireCo, Inc.;
- (i) Soho House U.S. Corp.; and
- (j) Soho House, LLC.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Impaired Agent**” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
- payment is made within three (3) Business Days of its due date; or

- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question and the Agent has notified the Parent and the Lenders that this is the case.

“Increase Confirmation” means a confirmation substantially in the form set out in Schedule 12 (*Form of Increase Confirmation*).

“Increase Lender” has the meaning given to that term in Clause 2.2 (*Increase*).

“Industry Competitor” means any person or entity (or any of its Affiliates) which is a competitor of a member of the Group who engages in a business substantially similar to any material business of the Group and any controlling shareholder of any such person, **provided that**, for the avoidance of doubt, this shall not include any person or entity (or any of its Affiliates or Related Funds) which is a bank, financial institution or trust, fund or other entity whose principal business or a material activity of whom is arranging, underwriting or investing in debt.

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Intellectual Property” means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

“Intercreditor Agreement” means the intercreditor agreement dated 27 September 2013 and made between, among others, the Company, the Parent, the Debtors (as defined in the Intercreditor Agreement), the Collateral Agent, the Agent, the Lenders, the Arranger, and the Intra-Group Lenders (as defined in the Intercreditor Agreement), as amended and/or amended and restated from time to time (including on 22 April 2017 and on or about the Closing Date).

“Interest Period” means, in relation to a Loan, each period determined in accordance with Clause 13 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 12.3 (*Default interest*).

“Interpolated Screen Rate” means, for any Loan, the rate rounded to the same number of decimal places as the two relevant Screen Rates which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

“Investment” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Investor Affiliate” means each of Yucaipa American Alliance (Parallel) Fund II, LP, Yucaipa American Alliance Fund II, LP, Richard Caring, Nick Jones and each of their Affiliates (together, the **“Investors”**), any trust of which an Investor is a trustee, any partnership of which an Investor is a partner and any trust, fund or other entity which is managed by, or is under the control of an Investor.

“IRS” means the U.S. Internal Revenue Service or any successor thereto.

“ITA” means the Income Tax Act 2007.

“Legal Due Diligence Report” means the report prepared by Withers LLP dated 17 April 2017 and entitled Legal Due Diligence Report – Prepared for Permira Credit Solutions III G.P. Limited in respect of the Soho House group”.

“**Legal Opinion**” means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 29 (*Changes to the Obligors*).

“**Legal Reservations**” means:

- (a) the principle that equitable remedies (or remedies that are analogous to equitable remedies in other jurisdictions) may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration, examinership, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts and other applicable statutes of limitation, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

“**Lender**” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.2 (*Increase*), Clause 2.3 (*Additional Facility*) or Clause 27 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

“**LIBOR**” means, in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan,

as of, in the case of paragraphs (a) and (b) above, the Specified Time on the Quotation Day for the currency of that Loan and a period equal in length to the Interest Period of that Loan and, in each case, if that rate is less than zero per cent., LIBOR shall be deemed to be zero per cent.

“**Limitation Acts**” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“**Listing**” means the listing or the admission to trading of all or any part of the share capital of the Parent or any Parent Entity on any recognised investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any other exchange or market in any jurisdiction or country or any other sale or issue by way of listing, flotation or public offering or any equivalent circumstances in relation to the Parent or any Parent Entity in any jurisdiction or country.

“**LMA**” means the Loan Market Association.

“**Loan**” means an Original Revolving Facility Loan or an Additional Facility Loan, collectively, the “**Loans**”.

“**Loan to Own/Distressed Investor**” means any person (or any Affiliate or Related Fund of such person or any person acting on behalf of such person) whose principal business is in investment strategies that include the purchase of loans or other debt securities with the intention of (or view to) owning the equity or gaining control of a business (directly or indirectly).

“**LTM**” means last twelve Months.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than $\frac{66\frac{2}{3}}$ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $\frac{66\frac{2}{3}}$ per cent. of the Total Commitments immediately prior to that reduction).

“**Margin**” means:

- (a) in relation to any Additional Facility Loan, the percentage rate per annum specified as such in the Additional Facility Notice relating to the Additional Facility under which that Additional Facility Loan is made or is to be made; and
- (b) in relation to the Original Revolving Facility, 3.00% per annum, **provided that** if:
 - (i) no Material Event of Default is continuing; and
 - (ii) on and following delivery of the first Compliance Certificate, the Total Net Leverage Ratio in respect of the most recently completed Relevant Period (by reference to the most recently delivered Compliance Certificate) is within a range set out below,

then the Margin for each Loan will be the percentage per annum set out below in the column opposite that range:

Total Net Leverage Ratio	Margin % p.a.
Greater than or equal to 4.00:1	3.00%
Less than 4.00:1 but greater than or equal to 3.50:1	2.75%
Less than 3.50:1 but greater than or equal to 3.00:1	2.50%
Less than 3.00:1 but greater than or equal to 2.50:1	2.00%
Less than 2.50:1 but greater than or equal to 2.00:1	1.75%
Less than 2.00:1 but greater than or equal to 1.50:1	1.50%
Less than 1.50:1	1.25%

However:

- (A) any increase or decrease in the Margin for a Loan shall take effect on the date (the “**reset date**”) which is the date five (5) Business Days after receipt by the Agent of the Compliance Certificate for the Relevant Period pursuant to Clause 23.2 (*Provision and contents of Compliance Certificate*);

- (B) if, following receipt by the Agent of the Compliance Certificate related to the relevant Annual Financial Statements, that Compliance Certificate does not confirm the basis for a reduced or increased Margin, then paragraph (b) of Clause 12.2 (*Payment of interest*) shall apply and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised ratio of interest calculated using the figures in that Compliance Certificate; and
- (C) while a Material Event of Default is continuing, the Margin for each Loan shall be the highest percentage per annum set out above (**provided that** if such Material Event of Default is subsequently remedied or waived, the Margin shall, if relevant, be reduced to the level otherwise applicable from the date of that remedy, waiver or delivery).

“**Margin Stock**” means “margin stock” within the meaning of Regulation U or “margin security” within the meaning of Regulation T of the Federal Reserve (or any successor).

“**Market Disruption Event**” has the meaning given to that term in Clause 14.1 (*Market disruption*).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Group taken as a whole; or
- (b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents or of the Company to perform its obligations under Clause 24.2 (*Financial condition*) (taking into account the financial resources available to the Obligors from other members of the Group); or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents in a manner or to an extent materially adverse to the interests of the Lenders taken as a whole under the Finance Documents.

“**Material Company**” means, at any time:

- (a) an Obligor;
- (b) a wholly-owned member of the Restricted Group which is a Holding Company of an Obligor; or
- (c) a member of the Restricted Group (other than an Excluded SPV):
 - (i) listed in Schedule 10 (*Material Companies*); or
 - (ii) which has EBITDA, representing 5 per cent. or more of Consolidated EBITDA or has gross assets representing 5 per cent. or more of the gross assets of the Restricted Group **provided that** any contribution by any Excluded SPV to the Consolidated EBITDA or gross assets of the Restricted Group shall be excluded for such purposes.

Compliance with the conditions set out in paragraph (c) above shall be determined by reference to:

- (i) the most recent Annual Financial Statements of the Group, supplied under paragraph (a)(i) of Clause 23.1 (Financial statements) and the Compliance Certificate relating thereto; and

- (ii) the latest annual financial statements of that Subsidiary (audited to the extent required by law). However, if a Subsidiary has been acquired or disposed of since the date to which the most recent such Annual Financial Statements were prepared such financial statements shall be deemed to be adjusted in order to take into account such acquisition or disposal (that adjustment being certified by a director or officer of the Company as representing an accurate reflection of the revised Consolidated EBITDA).

A report by the auditors of the Company that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

“**Material Event of Default**” means an Event of Default under Clause 26.1 (*Non-payment*) (insofar as it relates to the non-payment of principal or interest under this Agreement), Clause 26.2 (*Financial covenant and Compliance Certificate*), Clause 26.6 (*Insolvency*), Clause 26.7 (*Insolvency proceedings*), Clause 26.8 (*U.S. insolvency proceedings*) or Clause 26.9 (*Creditors' process*).

“**Miami Loans**” means (each as amended and/or amended and restated and/or replaced or refinanced from time to time):

- (a) the mezzanine loan agreement dated on or about 27 February 2019 and made between Beach House Holdco., LLC, as borrower, and Citi Real Estate Funding Inc. as lender; and
- (b) the loan agreement dated on or about 27 February 2019 and made between Beach House Owner, LLC, as borrower, and Nonghyup Bank, acting in its capacity as the trustee of Kim Miami Hotel Private Placement Real Estate Investment Trust No. 2 as lender.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. “**Monthly**” shall be construed accordingly.

“**Monthly Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Moody's**” means Moody's Investor Services Limited or any successor to its rating business.

“**Multi-account Overdraft**” means an Ancillary Facility which is an overdraft facility comprising more than one account.

“**Multiemployer Plan**” means a “multiemployer plan” (as defined in Section (3)(37) of ERISA) that is subject to Title IV of ERISA that is contributed to for any employees of an Obligor or any ERISA Affiliate.

“**Net Outstandings**” means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft.

“**Net Proceeds**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**New Lender**” has the meaning given to that term in Clause 27.1 (*Assignments and transfers by the Lenders*).

“**Non-Consenting Lender**” has the meaning given to that term in Clause 39.5 (*Replacement of Lender*).

“**Notifiable Debt Purchase Transaction**” has the meaning given to that term in paragraph (b) of Clause 28.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates*).

“**Obligor**” means:

- (a) a Borrower; or
- (b) a Guarantor.

“**Obligors’ Agent**” means the Company to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.5 (*Obligors’ Agent*).

“**OECD**” means the Organisation for Economic Co-operation and Development.

“**OMO**” means OMO Mykonos S.A. (OMO Mykonos Anonymi Etaireia Ekmatalleushs Horon Diaskedasis, Estiashs Kai Psychagogias), a company incorporated in Greece under general commercial register number 147168801000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“**Optional Currency**” means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

“**Original Financial Statements**” means the consolidated financial statements of the Parent for the financial year ended 31 December 2018.

“**Original Obligor**” means an Original Borrower or an Original Guarantor.

“**Original Revolving Facility**” means the revolving credit facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

“**Original Revolving Facility Commitment**” means:

- (a) in relation to an Original Lender, the Base Currency Amount set opposite its name under the heading “Commitment” in Part 2 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) and the amount of any other Original Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*) or Clause 2.3 (*Additional Facility*); and
- (b) in relation to any other Lender, the Base Currency Amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*) or Clause 2.3 (*Additional Facility*),

to the extent:

- (i) not cancelled, reduced or transferred by it under this Agreement; and
- (ii) not deemed to be zero pursuant to Clause 28.2 (Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates).

“Original Revolving Facility Loan” means a loan made or to be made under the Original Revolving Facility or the principal amount outstanding for the time being of that loan.

“Original UK Borrower” means SHG Acquisition (UK) Limited.

“Paraga” means Paraga Beach Catering And Entertainment Services Societe Anonyme S.A. (Paraga Beach Anonymi Etaireia Ekmatalleushs Horon Diaskedasis, Estiashs Kai Psychagogias), a company incorporated in Greece under general commercial register number 129775401000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“Parent Entity” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Participating Member State” means any Member State of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“PBGC” means the U.S. Pension Benefit Guaranty Corporation, or any entity succeeding to all or any of its functions under ERISA.

“Perfection Requirements” means the making or procuring of appropriate registrations, filings, endorsements, stampings, intimation in accordance with local laws and/or notifications of the Transaction Security Documents and/or the Transaction Security created thereunder.

“Permitted Acquisition” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Permitted Joint Venture” means any Joint Venture (as defined in Schedule 14 (*Restrictive Covenants*)) permitted or not prohibited by this Agreement.

“Permitted Lien” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Permitted Payment” means any payment permitted or not prohibited by paragraph 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*).

“Permitted Refinancing Indebtedness” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Permitted Reorganisation” means:

- (a) a solvent re-organisation (including, without limitation, pursuant to a solvent winding-up where the assets of the relevant company, after paying its liabilities, are distributed to its shareholders, as well as any amalgamation, demerger, merger, consolidation or other corporate reconstruction) involving the business or assets of, or shares of (or other interests in), any member of the Group (excluding the Company) where:

- (i) all of the business, assets and shares of (or other interests in) the relevant member of the Group continues to be owned directly or indirectly by the Company in the same or a greater percentage as prior to such reorganisation, save for:
 - (A) the shares of (or other interests in) any member of the Group which has been merged into another member of the Group or which has otherwise ceased to exist (including, for example, by way of the collapse of a solvent partnership or solvent winding up of a corporate entity) as a result of a such reorganisation; or
 - (B) any business, assets and shares of (or other interests in) relevant members of the Group which cease to be owned:
 - (1) as a result of a disposal or merger or other step permitted under, but subject always to the terms of, this Agreement; or
 - (2) as a result of a cessation of business or solvent winding up of a member of the Group in conjunction with a distribution of all or substantially all of its assets remaining after settlement of its liabilities to its immediate shareholder(s) or other persons directly holding partnership or other ownership interests in it; or
 - (3) as a result of a disposal of shares (or partnership or other ownership interests) in a member of the Group required to comply with applicable laws, provided that any such disposal is limited to the minimum amount required to comply with such applicable laws; and
- (ii) the Finance Parties (or the Collateral Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods and other than from any entity which has ceased to exist as contemplated in paragraph (i) above or is not or has ceased to be a member of the Group, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) guarantees and security over the same or substantially equivalent assets and over the shares (or other interests) in the transferee or the entity surviving as a result of such reorganisation save to the extent such assets or shares (or other interests) cease to exist or to be owned by members of the Group as contemplated in paragraph (i) above, in each case, to the extent such assets, shares or other interests are not disposed of as permitted under the terms of this Agreement,

provided that no Permitted Reorganisation pursuant to this paragraph (a) shall result in an Obligor which is incorporated in a member state of the European Union doing anything to change the location of its centre of main interests, for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, from the jurisdiction of its incorporation;

- (b) any reorganisation involving the business or assets of, or shares of (or other interests in) any member of the Group which is implemented to comply with any applicable law or regulation (including all intermediate steps or actions necessary to implement such reorganisation) **provided that** the Company shall use reasonable endeavours to ensure that the Finance Parties (or the Collateral Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security

Principles or hardening periods **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) guarantees and security over the same or substantially equivalent assets as immediately prior to any such reorganisation; or

- (c) any other reorganisation involving one or more members of the Group approved by the Majority Lenders.

“Permitted Transaction” means:

- (a) any Financial Indebtedness incurred, any guarantee, indemnity or Security or Quasi- Security given or arising under the Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group (other than any member of the Holding Structure Group) so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to (i) in the case of a member of the UK Group, the Original UK Borrower and its respective Restricted Subsidiaries within the UK Group; or (ii) in the case of a member of the U.S. Group, US AcquireCo, Inc. and its Restricted Subsidiaries within the U.S. Group, and where such liquidation or reorganisation is not materially prejudicial to the interests of the Finance Parties under the Finance Documents or the consolidation or merger of any Restricted Subsidiary where such consolidation or merger is permitted or not prohibited by the Finance Documents; or
- (c) any Permitted Reorganisation,

provided that, in all cases, following any Permitted Transaction pursuant to the above paragraphs, the Finance Parties (or the Collateral Agent on their behalf) continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) security over the shares (or other interests) in the Company thereafter, and **further provided that** no Permitted Transaction shall result in an Obligor which is incorporated in a member state of the European Union doing anything to change the location of its centre of main interests, for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, from the jurisdiction of its incorporation.

“Pro Forma” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Pro Forma Adjustment” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Q Hellas” means Q Hellas P.C. a company incorporated in Greece under general commercial register number 124627701000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an **“eligible contract participant”** at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualifying Lender” has the meaning given to that term in Clause 16 (*Tax Gross-up and Indemnities*).

“**Quarter Date**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Quarterly Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Quasi-Security**” means any transaction in which a member of the Restricted Group agrees to:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Restricted Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined:

- (a) if the currency is Sterling, the first day of that period; or
- (b) for any other currency, two (2) Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Regulations T, U and X**” means, respectively, Regulations T, U and X of the Federal Reserve (or any successor).

“**Related Fund**”, in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Interbank Market**” means, in relation to euro, the European interbank market and in relation to any currency, the London interbank market.

“**Relevant Jurisdiction**” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; and

(c) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Relevant Period” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Repeating Representations” means each of the representations set out in Clauses 22.2 (*Status*) to 22.7 (*Governing law and enforcement*), paragraph (a) of Clause 22.10 (*No default*), paragraph (b) of Clause 22.12 (*Financial statements*) (in respect of the most recent financial statements prepared and delivered only), Clause 22.30 (*Federal Reserve regulations*), Clause 22.32 (*Investment companies*) and paragraphs (a) and (b) of Clause 22.33 (*Sanctions*).

“Replacement Benchmark” means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:
 - (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Agent and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or
- (c) in the opinion of the Agent and the Company, an appropriate successor to a Screen Rate.

“Reports” means:

- (a) the Financial Due Diligence Report; and
- (b) the Legal Due Diligence Report.

“Representative” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“Resignation Letter” means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

“Restricted Group” means the Company and each Restricted Subsidiary.

“Restricted Subsidiary” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Rollover Loan” means one or more Loans:

- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Loan;
- (c) in the same currency as the maturing Loan (unless it arose as a result of the operation of Clause 6.2 (*Unavailability of a currency*)); and
- (d) made or to be made to the same Borrower for the purpose of refinancing that maturing Loan.

“S&P” means Standard & Poor’s Ratings Group or any successor to the rating agency business thereof.

“Sanctioned Territory” means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law, which countries and territories, as of the date of this Agreement, include Crimea, Cuba, Iran, North Korea and Syria.

“Screen Rate” means:

- (a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);
- (b) in relation to EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and
- (c) in relation to HIBOR, the Hong Kong interbank offered rate administered by the Hong Kong Association of Banks (or any other person which takes over the administration of that rate) for Hong Kong dollars for the relevant period displayed on page HKABHIBOR of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate),

or, in each case, the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page is replaced or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“Screen Rate Replacement Event” means, in relation to a Screen Rate:

- (a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Agent and the Company, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

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- provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
- (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or
- (c) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Agent and the Company) temporary; or
 - (ii) that Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than 10 days; or
- (d) in the opinion of the Agent and the Company, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“Screen Rate Successor Conforming Changes” means, with respect to any proposed Successor Rate, any conforming changes to the definition of Interest Period (including with respect to duration of Interest Periods), the timing and/or frequency of determining rates and making payments of interest and other administrative matters as may be appropriate (in the opinion of the Company (with the consent of the Agent, acting reasonably)), to reflect the adoption of such Successor Rate and to permit the administration thereof in a manner substantially consistent with market practice (or, if the Company determines that the adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Successor Rate exists, in such other manner of administration as the Company and the Agent determine) including, without limitation:

- (a) aligning any provision of a Finance Document to the use of that other benchmark rate;
- (b) making adjustments to such Successor Rate and this Agreement to preserve pricing in effect at the time of selection of such Successor Rate (including adjustments to the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Successor Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall (if the Company so elects in its sole and absolute discretion) be determined on the basis of that designation, nomination or recommendation));

(c) enabling that Successor Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Successor Rate to be used for the purposes of this Agreement); or

(d) providing appropriate fallback (and market disruption) provisions for that Successor Rate.

“**Scorpions SPVs**” has the meaning given to it in Schedule 14 (*Restrictive Covenants*).

“**SEC**” means the United States Securities and Exchange Commission or any successor thereto.

“**Secured Debt Documents**” has the meaning given to that term in the Intercreditor Agreement.

“**Secured Parties**” has the meaning given to that term in the Intercreditor Agreement.

“**Security**” means a mortgage, standard security, assignation, land charge (*Grundschild*), charge, pledge, lien assignment, transfer for securities purposes, extended retention of title arrangement (*verlängerter Eigentumsvorbehalt*) or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Senior Facilities Agreement**” means the senior facilities agreement dated 22 April 2017 entered into between, amongst others, Soho House Bond Limited, Global Loan Agency Services Limited as the Agent and Wells Fargo Trust Corporation Limited as the Collateral Agent, as amended and/or restated from time to time.

“**Senior Facility**” has the meaning given to the term “Facility” in the Senior Facilities Agreement.

“**Senior Lenders**” means the Lenders under (and as defined in) the Senior Facilities Agreement.

“**Separate Loans**” has the meaning given to that term in Clause 0 (*Repayment*).

“**Shareholder Funding**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**SIR**” means the security interests register maintained under Part 8 of the Security Interests (Jersey) Law 2012.

“**Specified Time**” means a time determined in accordance with Schedule 9 (*Timetables*).

“**Sterling**” or “**£**” or “**GBP**” means the lawful currency of the United Kingdom.

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

“**Super Majority Lenders**” means at any time a Lender or group of Lenders whose Commitments aggregate more than 80 per cent. of the Total Commitments (or, if the Total Commitments having been reduced to zero, aggregated more than 80 per cent. of the Total Commitments immediately prior to that reduction).

“**Tax**” or “**Taxes**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Deduction**” has the meaning given to that term in Clause 16 (*Tax Gross-up and Indemnities*).

“**Termination Date**” means:

- (a) in relation to the Original Revolving Facility, 25 January 2022; and
- (b) in relation to any Additional Facility, the date specified in the applicable Additional Facility Notice in accordance with paragraph (e)(iv) of Clause 2.3 (*Additional Facility*).

“**Test Date**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Total Additional Facility Commitments**” means the aggregate of the Additional Facility Commitments, being zero as at the date of this Agreement.

“**Total Commitments**” means the aggregate of the Total Original Revolving Facility Commitments and the Total Additional Facility Commitments.

“**Total Net Leverage Ratio**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Total Original Revolving Facility Commitments**” means the aggregate of the Original Revolving Facility Commitments, being an amount of £55,000,000 at the date of this Agreement.

“**Total Outstandings**” has the meaning given to that term in Clause 7.6 (*Adjustment for Ancillary Facilities upon acceleration*).

“**Trade Instruments**” means any performance bonds, advance payment bonds, bills of exchange or documentary letters of credit issued in respect of the obligations of any member of the Restricted Group arising in the ordinary course of business of that member of the Restricted Group.

“**Transaction Costs**” means all fees, breakage costs, redemption premia, commissions, costs and expenses, stamp, registration and other taxes of a non-recurring nature incurred by any member of the Group in connection with the negotiation, preparation, execution, notarisation and registration of the Finance Documents.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Collateral Agent and/or the Secured Parties (or any of them) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in Part 3 (*Transaction Security Documents*) of Schedule 2 (*Conditions precedent*), together with (i) the document listed at paragraph 25.31(b)(i) of Clause 25.31 (*Conditions subsequent*) and (ii) any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents or the Secured Debt Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**Trapped Cash**” means any cash required to be applied in mandatory prepayment of the Facilities where:

- (a) it is or would be unlawful for such a prepayment to be made and the proceeds so applied; or
- (b) it is or would be unlawful to make funds available to a member of the Group that could make such a prepayment from the proceeds of such cash; or
- (c) if any member of the Group made funds available to, or received funds from, another member of the Group to enable such a prepayment to be made it would incur a material cost or expense (including any material Tax liability) or it gives rise to a risk of liability for the entity concerned or its directors or officers; or
- (d) making such payment would give rise to a risk of criminal or civil liability for a member of the Group and/or its officers or directors (or gives rise to a risk of breach of fiduciary or statutory duties by any director or officer or a risk of personal liability).

“**Treasury Transactions**” means any derivative transaction (including, for the avoidance of doubt, a foreign exchange transaction) entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**UK Group**” means BN MidCo Limited and each of its direct or indirect Subsidiaries.

“**Unfunded Pension Liability**” means the excess of an Employee Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that plan’s assets, determined in accordance with the assumptions used for funding the Employee Plan pursuant to Section 412 of the Code for the applicable plan year.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**Unrestricted Subsidiary**” means a member of the Group (other than the Company or an Obligor) which is a limited liability company and which is designated as an “**Unrestricted Subsidiary**” pursuant to and in compliance with the provisions of paragraph 8 (*Designation of Restricted and Unrestricted Subsidiaries*) of Schedule 14 (*Restrictive Covenants*).

“**U.S.**” or “**United States**” means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“**U.S. Bankruptcy Law**” means the United States Bankruptcy Code of 1978 (Title 11 of the United States Code) and any other United States federal or state bankruptcy, insolvency or similar law.

“**U.S. Borrower**” means a Borrower that is a U.S. Person.

“**U.S. Exempt Lender**” shall mean a Lender that has provided a Withholding Tax Form (whether directly or attached to a W-8IMY, as appropriate) demonstrating a complete exemption from U.S. withholding tax and U.S. backup withholding with respect to payments under this Agreement.

“**U.S. Group**” means US AcquireCo, Inc. and each of its direct or indirect Subsidiaries.

“**U.S. Guarantor**” means a Guarantor whose jurisdiction of organisation is a state of the United States or the District of Columbia.

“**U.S. Obligor**” means any U.S. Borrower or U.S. Guarantor.

“**U.S. Person**” means a United States person (as defined in Section 7701(a)(30) of the Code).

“**U.S. Tax Obligor**” means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for U.S. federal income tax purposes.

“**USD**”, “**\$**” or “**US dollar**” means the lawful currency of the United States of America.

“**Utilisation**” means a Loan.

“**Utilisation Date**” means the date of a Utilisation, being the date on which the relevant Loan is to be made.

“**Utilisation Request**” means a notice substantially in the relevant form set out in Schedule 3 (*Form of Utilisation Request*).

“**VAT**” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, for the avoidance of doubt, any tax charged in accordance with the Value Added Tax Act 1994, as may be amended or substituted from time to time); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (i) the “**Agent**”, the “**Arranger**”, any “**Finance Party**”, any “**Lender**”, any “**Obligor**”, any “**Party**”, any “**Secured Party**”, the “**Collateral Agent**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Collateral Agent, any person for the time being appointed as Collateral Agent or Collateral Agents in accordance with the Finance Documents;
 - (ii) a document in “**agreed form**” is a document which is previously agreed in writing by or on behalf of the Company and the Agent;
 - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
 - (iv) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated however fundamentally and includes (without limiting the generality of the foregoing) any variation, increase, extension or addition of or to any facility made available under such document or any variation of the purposes for which such facility may be made available from time to time;

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- (v) “**guarantee**” means (other than in Clause 21 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (vi) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a “**regulation**” includes any regulation, rule, official directive, request, order or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (ix) any matter or circumstance being “**permitted**” is to be construed as a reference to any matter or circumstance which is not expressly prohibited;
 - (x) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xi) a time of day is a reference to London time.
- (b) The determination of the extent to which a rate is “for a period equal in length” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
 - (c) Section, Clause and Schedule headings are for ease of reference only.
 - (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (e) A Borrower providing “cash cover” for an Ancillary Facility means a Borrower paying an amount in the currency of the Ancillary Facility to an interest-bearing account in the name of the Borrower and the following conditions being met:
 - (i) the account is with the Collateral Agent or with the Ancillary Lender for which that cash cover is to be provided;
 - (ii) until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; and
 - (iii) the Borrower has executed a security document over that account, in form and substance satisfactory to the Collateral Agent or the Ancillary Lender with which that account is held, creating a first ranking security interest over that account.

- (f) A Default or an Event of Default is “**continuing**” if it has not been remedied or waived.
- (g) For the avoidance of doubt, it is agreed that any Default in the form of the failure to deliver a document or perform an act within a period of time or on or by a specified date shall be capable of remedy and shall cease to be continuing once that document has been delivered or act performed.
- (h) Any certificate provided by a person on behalf of the Borrower or any other member of the Group under the Finance Documents shall be provided without that person incurring any personal liability.
- (i) A Borrower “**repaying**” or “**prepaying**” Ancillary Outstandings means:
 - (i) that Borrower providing cash cover in respect of the Ancillary Outstandings;
 - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms;
 - (iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,and the amount by which Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover or reduction.
- (j) An amount borrowed includes any amount utilised under an Ancillary Facility.
- (k) A reference to “freehold property”, “heritable property” or “leasehold property” includes any equivalent type of property ownership.

1.3 German terms

In this Agreement, where it relates to a German entity or other applicable term, a reference to:

- (a) a “**compulsory manager, receiver or administrator**” includes an *Insolvenzverwalter*, a *Vorläufiger Insolvenzverwalter*, a *Zwangsverwalter* or a custodian or creditor’s trustee (*Sachverwalter*);
- (b) “**director**” includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including but not limited to, in relation to a person incorporated or established in Germany, a *managing director* (*Geschäftsführer*) or *member of the board of directors* (*Vorstand*); and
- (c) a “**disposal**” includes:
 - (i) a *Verfügung*;
 - (ii) the entry into an agreement upon a priority notice (*Auflassungsvormerkung*);
 - (iii) an agreement on the transfer of title to a property (*Auflassung*) in whole or part; and
 - (iv) the partition of a ownership in a property (*Grundstücksteilung*).

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Intercreditor Agreement

This Agreement is subject to the Intercreditor Agreement. In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1.6 Baskets and thresholds

- (a) Any amounts incurred or paid on the basis of any basket, test or permission set by reference to a percentage of Consolidated EBITDA shall (**provided that** such amounts are, at the time of incurrence or payment, duly and properly incurred or paid in accordance with the relevant basket, test or permission) continue to be treated as duly and properly incurred or paid and shall not trigger a Default notwithstanding any subsequent decrease in such basket, test or permission by operation of the calculation of such basket, test or permission.
- (b) In the event that any Permitted Debt, Permitted Payment, Permitted Lien, Permitted Investment or other investment meets the criteria of more than one of the baskets or exceptions set out in this Agreement, the Company, in its sole discretion, will classify and may from time to time reclassify that amount or transaction to a particular basket or exception and will only be required to include that amount or transaction in one of those baskets or exceptions (and, for the avoidance of doubt, an amount or transaction may at the option of the Company be split between different baskets or exceptions) **provided that** at the time of such reclassification, the relevant member of the Group would be permitted to incur such indebtedness, make such investor payment, grant such security or enter into such acquisition or other investment under such exception and **provided further that** the Company may only make any reclassification on up to two occasions per Financial Year (each, a “**Reclassification Event**”) (but, for the avoidance of doubt, the Company may reclassify between any number of baskets in its sole discretion at each Reclassification Event).
- (c) If any basket or threshold is exceeded as a result of fluctuations in such basket or threshold (including due to fluctuations in Consolidated EBITDA of the Group or the relevant target company) or fluctuations in exchange rates or currency values subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or thresholds will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether transactions are permitted hereunder.

2. THE FACILITIES

2.1 The Facilities

- (a) Subject to the terms of this Agreement, the Original Revolving Facility Lenders make available to the Borrowers a multicurrency revolving credit facility in an aggregate amount the Base Currency Amount of which is equal to the Total Original Revolving Facility Commitments.

- (b) Subject to the terms of this Agreement and the Ancillary Documents, an Ancillary Lender may make available an Ancillary Facility to any of the Borrowers in place of all or part of its Commitment under a Facility.
- (c) For the avoidance of doubt, each Borrower under this Agreement or any borrower under any other Finance Document becomes a Borrower pursuant to this Agreement or a borrower under any other Finance Document on a several (and not joint and several) basis.

2.2 Increase

- (a) The Company may by giving prior notice to the Agent by no later than the date falling twenty (20) Business Days after the effective date of a cancellation of:
 - (i) the Available Commitments of a Defaulting Lender in accordance with Clause 9.5 (*Right of cancellation in relation to a Defaulting Lender*); or
 - (ii) the Commitments of a Lender in accordance with Clause 9.1 (*Illegality*),request that the Total Commitments be increased (and the Total Commitments shall be so increased) in an aggregate Base Currency Amount of up to the amount of the Available Commitments or Commitments so cancelled as follows:
 - (iii) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an “**Increase Lender**”) selected by the Company (each of which shall not be an Investor Affiliate or a member of the Group) and which is further acceptable to the Agent (acting reasonably) and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
 - (iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
 - (v) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;
 - (vi) the Commitments of the other Lenders shall continue in full force and effect; and
 - (vii) any increase in the Total Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Total Commitments will only be effective on:
 - (i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender; and
 - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:

- (A) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (B) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to the Company and the Increase Lender.
- (c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (d) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, the Company shall, on the date upon which the increase takes effect, pay to the Agent and the Collateral Agent the amount of all reasonable and documented costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Collateral Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.2.
- (e) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a Fee Letter.
- (f) Clause 27.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
 - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “**New Lender**” were references to that “Increase Lender”; and
 - (iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “**transfer**” and “**assignment**”.

2.3 Additional Facility

- (a) At any time during the Availability Period of the Original Revolving Facility, the Company may request by notice to the Agent (such notice, an “**Additional Facility Notice**”) (which the Agent shall share with the existing Lenders) that one or more Lenders or non-Lenders make available an additional revolving credit facility, either as a new facility and/or as an additional tranche or commitment increase in respect of any existing facility (an “**Additional Facility**”), to be used for any purpose not prohibited by the Finance Documents, including working capital, capital expenditure, acquisitions, general corporate purposes and other transactions not prohibited by the Finance Documents.
- (b) The Additional Facility Notice will:
 - (i) invite each existing Lender to participate in the Additional Facility in a proportionate amount calculated by reference to the proportion that such Lender’s existing Commitments bear to the Total Commitments on the date of the notice;
 - (ii) set out the amount specified in the Base Currency (the “**Requested Additional Facility Amount**”) of the Additional Facility that is the subject of the notice (the “**Relevant Additional Facility**”) and the currency in which it is to be drawn;

- (iii) specify the Borrower for the Relevant Additional Facility (as such, the “**Additional Facility Borrower**”) and specify whether the relevant Borrower requires the Lenders in respect of the Relevant Additional Facility to demonstrate, as a condition to participating in the Relevant Additional Facility, their status as a U.S. Exempt Lender;
 - (iv) confirm that the Repeating Representations are true in all material respects as at the Establishment Date for the Relevant Additional Facility; and
 - (v) confirm that no Event of Default is continuing or would arise as a result of the Relevant Additional Facility being established.
- (c) If, within ten (10) Business Days of an Additional Facility Notice being delivered to the Agent:
- (i) the existing Lenders (or any of them) notify the Company that they agree to participate in and provide the full amount of the proposed Additional Facility Commitment (proportionate to their (or the relevant Lenders’) existing Commitments, as described at sub-paragraph (i) of paragraph (b) above), and, if required by the terms of the Additional Facility Notice, have demonstrated to the Borrower’s satisfaction their status as a U.S. Exempt Lender, and, **provided** it still wishes to proceed with the Additional Facility, the Company may do so in accordance with this Clause 2.3; or
 - (ii) the existing Lenders (or any of them) (A) do not respond to the Company, (B) notify the Company that they are not prepared to participate in the proposed Additional Facility, (C) are unable to demonstrate to the Borrower’s satisfaction their status as a U.S. Exempt Lender to the extent that the relevant Additional Facility Notice requires them to do so or (D) notify the Company that they are prepared to participate in a portion of the Additional Facility Commitment only, the Company may approach other banks, financial institutions, trusts, funds or other entities (in its sole discretion) to become new lenders in respect of the proposed Additional Facility Commitment in accordance with this Clause 2.3.

Nothing in this Clause 2.3 shall oblige any Lender to provide any Additional Facility Commitment at any time.

- (d) If one or more Extending Lenders or Acceding Lenders are willing to make available commitments in respect of an Additional Facility, then **provided** the Company still requires the Relevant Additional Facility, the Company will notify the Agent of:
- (i) the aggregate amount of the commitments that have been agreed to be made available by the Extending Lenders and/or Acceding Lenders in respect of the Relevant Additional Facility (such commitments being the “**Relevant Additional Facility Commitments**”);
 - (ii) the date on which the Relevant Additional Facility is to become committed and entered into; and
 - (iii) the identity and notice details of the Extending Lenders and Acceding Lenders that have agreed to provide the Relevant Additional Facility Commitments (together the “**Relevant Additional Facility Lenders**”),

which the Agent will then notify to all of the Lenders.

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- (e) Any Additional Facility shall:
- (i) be borrowed by a Borrower or any member of the Group (subject to Clause 29.2 (*Additional Borrower*));
 - (ii) (A) be a revolving credit facility which ranks *pari passu* in right of payment and security with the Original Revolving Facility, (B) subject to the Agreed Security Principles, be guaranteed and secured by the same Guarantors and the same Security which guarantee and secure the Original Revolving Facility and (C) be on the same terms as the Revolving Facility (other than as to amount, arrangement fee, commitment fee, Margin, maturity (**provided that** the final repayment date in respect of an Additional Facility shall be on or following the Termination Date in respect of the Original Revolving Facility), availability period and purpose); and
 - (iii) have the Margin, commitment fee and arrangement or upfront fee as the Company and the Additional Facility Lenders may agree.
- (f) If the Additional Facility Lenders in respect of any Additional Facility Commitment (acting reasonably) and the Company so agree, those Additional Facility Commitments shall be made available on a certain funds basis in connection with an acquisition not prohibited by this Agreement, for such period and on such terms as the Company and those Additional Facility Lenders (acting reasonably) shall agree.
- (g) The establishment of an Additional Facility will only be effective on:
- (i) the Company delivering to the Agent (which delivery shall not be less than three (3) Business Days prior to the first day of the Availability Period for that Additional Facility) a list of the Extending Lenders and/or Acceding Lenders, together with details of their Additional Facility Commitments;
 - (ii) receipt by the Agent of an Additional Facility Notice from each Extending Lender or Acceding Lender (as selected by the Company); and
 - (iii) in respect of each Acceding Lender:
 - (A) the Agent has satisfied all necessary “know your customer” or similar checks under all applicable laws and regulations; and
 - (B) that Acceding Lender enters into an Additional Facility Lender Accession Deed and at any time thereafter such Additional Facility Lender shall be treated as a Lender for the purposes of this Agreement.
- (h) On the Establishment Date:
- (i) subject to the terms of this Agreement, the Additional Facility Lenders make available a revolving credit facility in an aggregate amount equal to the Additional Facility Commitments specified in the Additional Facility Notice which will be available to the Additional Facility Borrower specified in the Additional Facility Notice;
 - (ii) each of the Obligors and each Additional Facility Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and that Additional Facility Lender would have assumed and/or acquired had that Additional Facility Lender been an Original Lender with respect to the Additional Facility Commitment specified opposite its name in the Additional Facility Notice;

- (iii) each Additional Facility Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Additional Facility Lender and those Finance Parties would have assumed and/or acquired had the Additional Facility Lender been an Original Lender with respect to the Additional Facility Commitment specified opposite its name in the Additional Facility Notice; and
 - (iv) each Additional Facility Lender shall become a Party as a “**Lender**”.
- (i) Each Obligor confirms:
 - (i) the authority of the Company to agree, implement and establish the Additional Facility in accordance with this Agreement; and
 - (ii) that its guarantee and indemnity recorded in Clause 21 (*Guarantee and Indemnity*) (or any applicable Accession Deed or other Finance Document), and all Transaction Security granted by it will, subject only to any applicable limitation on such guarantee and indemnity referred to in Clause 21 (*Guarantee and Indemnity*) and any Accession Deed pursuant to which it became an Obligor or the terms of the Transaction Security Documents, extend to include the relevant Additional Facility Loans and any other obligations arising under or in respect of the relevant Additional Facility Commitments.
- (j) Each Finance Party agrees and empowers the Agent and the Collateral Agent at the cost of the Obligors (**provided** such costs are reasonably incurred) to (and the relevant Obligor shall promptly upon request by the Agent or the Collateral Agent in accordance with the Agreed Security Principles) execute any necessary amendments to the Transaction Security Documents and other Finance Documents (including this Agreement and the Intercreditor Agreement) as may be required in order to ensure that any Additional Facility Commitments are made available on the terms contemplated in this Clause 2.3 (*Additional Facility*) *pari passu* with the Original Revolving Facility **provided that** the Additional Facility may not be (i) guaranteed by any person which is not an Obligor or (ii) secured by any assets other than the then existing Security granted under the terms of Transaction Security Documents on the Charged Property for the benefit of the Lenders, except where the same Security (to the extent permitted by law) is granted under the Facilities.
- (k) Each Additional Facility Lender by executing the Additional Facility Notice confirms, acknowledges, and agrees, that the Agent has authority to execute on its behalf any amendments or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the establishment of the Additional Facility becomes effective.
- (l) The Agent is authorised by the Group to disclose the terms of any Additional Facility Notice to any of the other Finance Parties and, upon request by the other Finance Parties, will promptly disclose such terms to the other Finance Parties.
- (m) For the purposes of this Clause 2.3, an existing Lender agreeing to assume an Additional Facility Commitment is an “**Extending Lender**” and any person not being a Lender agreeing to assume an Additional Facility Commitment is an “**Acceding Lender**”. Notwithstanding anything in this Clause 2.3 (*Additional Facility*), no party shall qualify as an Extending Lender or an Acceding Lender if it has not demonstrated to the relevant Borrower’s satisfaction its status as a U.S. Exempt Lender (if the requirement for each Relevant Additional Facility Lender to be a U.S. Exempt Lender was specified in the Additional Facility Notice).

2.4 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.5 Obligors' Agent

- (a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Deed irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to deliver any Additional Facility Notice, to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.
- (c) For this purpose each Obligor incorporated in Germany releases the Company to the fullest extent possible from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

3. PURPOSE

3.1 Purpose

- (a) Each Borrower shall apply all amounts borrowed by it under the Original Revolving Facility in or towards (directly or indirectly):
 - (i) refinancing the Existing Debt (together with any breakage costs, redemption premium, make-whole costs and other fees, commissions, costs and expenses related thereto and in connection with the discharge of such indebtedness and related security and guarantees);
 - (ii) financing the payment of Transaction Costs; and/or
 - (iii) general corporate purposes and/or working capital purposes of the Group.
- (b) Each Additional Facility Borrower shall apply all amounts borrowed by it under the Additional Facility in or towards the purposes specified in the Additional Facility Notice relating to the relevant Additional Facility Commitments.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation the Agent has received (or (acting on the instruction of the Majority Lenders) has waived receipt of or is satisfied that it will, on or before the first Utilisation Date, receive) all of the documents and other evidence listed in Part 1 (*Conditions precedent to initial Utilisation*) of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, in each case acting reasonably). The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 Further conditions precedent

Subject to Clause 4.1 (*Initial conditions precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation, if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) :
 - (i) other than in the case of a Rollover Loan no Default is continuing or would result from the proposed Utilisation; or
 - (ii) in the case of a Rollover Loan, no notice has been given under Clause 26.18 (*Acceleration*) and no event specified under Clause 26.19 (*U.S. insolvency acceleration*) has occurred; and
- (b) the Repeating Representations to be made by each Obligor (in the case of a Rollover Loan, excluding the representations set out in Clause 22.10 (*No default*)) are true and accurate in all respects (or, to the extent that the relevant representation does not include a materiality concept, are true and accurate in all material respects).

4.3 Conditions relating to Optional Currencies

- (a) A currency will constitute an Optional Currency in relation to a Utilisation if:
 - (i) it is Euro, USD or HK\$; or
 - (ii) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation; and
 - (iii) it has been approved by the Agent (acting on the instructions of all the Lenders participating in the relevant Utilisation under the Facility concerned (each acting reasonably) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.
- (b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company no later than the Specified Time:
 - (i) whether or not the Lenders have granted their approval; and
 - (ii) if approval has been granted, the minimum amount for any subsequent Utilisation in that currency.

4.4 Maximum number of Utilisations

- (a) A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation more than 10 Loans would be outstanding.
- (b) Any Loan made by a single Lender under Clause 6.2 (*Unavailability of a currency*) shall not be taken into account in this Clause 4.4.
- (c) Any Separate Loan shall not be taken into account in this Clause 4.4.

4.5 Maximum amount in respect of U.S. Borrowers

A Utilisation Request in respect of an Original Revolving Facility Loan to be made available to any U.S. Borrower may only be delivered if, as a result of the proposed Original Revolving Facility Loan and taking into account any Original Revolving Facility Loans to

U.S. Borrowers that are due to be repaid or prepaid on or before the proposed Utilisation Date, the total aggregate amount of Original Revolving Facility Loans outstanding to U.S. Borrowers would not exceed 50% of the Total Original Revolving Facility Commitments.

5. UTILISATION – LOANS

5.1 Delivery of a Utilisation Request

A Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time (or such later time as the Agent may agree acting on the instructions of all the Lenders).

5.2 Completion of a Utilisation Request for Loans

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;

- (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed Interest Period complies with Clause 13 (*Interest Periods*).
- (b) Only one Utilisation may be requested in each Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.
- (b) The amount of the proposed Utilisation must be a minimum of:
 - (i) if the currency selected is the Base Currency, £1,000,000 or, if less, the Available Facility; or
 - (ii) if the currency selected is USD, \$1,000,000 or, if less, the Available Facility; or
 - (iii) if the currency selected is EUR, €1,000,000 or, if less, the Available Facility; or
 - (iv) if the currency selected is HK\$, HK\$ 1,000,000 or, if less, the Available Facility; or
 - (v) if the currency selected is an Optional Currency other than USD, Euro or HK\$, the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 8.1 (*Repayment of Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan and, if different, the amount of that participation to be made available in cash by the Specified Time.

5.5 Cancellation of Commitment

At the end of the Availability Period for a Facility, the Commitments in respect of that Facility which, at that time, are unutilised shall be immediately cancelled in full.

6. OPTIONAL CURRENCIES

6.1 Selection of currency

A Borrower shall select the currency of a Utilisation in a Utilisation Request.

6.2 Unavailability of a currency

If before the Specified Time on any Quotation Day:

- (a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower (or the Company on its behalf) to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

7. ANCILLARY FACILITIES

7.1 Type of Facility

An Ancillary Facility may be by way of:

- (a) an overdraft facility;
- (b) a guarantee, bonding, documentary or stand-by letter of credit facility;
- (c) a short term loan facility;
- (d) a derivatives facility;
- (e) a foreign exchange facility; or
- (f) any other facility or accommodation in connection with the business of the Company and its Restricted Subsidiaries and which is agreed by the Company with an Ancillary Lender.

7.2 Availability

- (a) If the Company and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide an Ancillary Facility on a bilateral basis in place of all or part of that Lender's unutilised Commitment (which shall (except for the purposes of determining the Majority Lenders and Clause 39.5 (*Replacement of Lender*)) be reduced by the amount of the Ancillary Commitment under that Ancillary Facility).
- (b) An Ancillary Facility shall not be made available unless, not later than five (5) Business Days (or such shorter period as may be agreed by the Agent) prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Company:
 - (i) a notice in writing of the establishment of an Ancillary Facility and specifying:

- (A) the proposed Borrower(s) (or Affiliates(s) of a Borrower) which may use the Ancillary Facility;
 - (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
 - (C) the proposed type of Ancillary Facility to be provided;
 - (D) the proposed Ancillary Lender;
 - (E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility, and, if the Ancillary Facility is an overdraft facility comprising more than one account its maximum amount of Gross Outstandings (that amount being the “**Designated Gross Amount**”) and its maximum amount of Net Outstandings (that amount being the “**Designated Net Amount**”); and
 - (F) the proposed currency of the Ancillary Facility (if not denominated in the Base Currency); and
- (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.
 - (d) No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender, unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 7.2). In such a case, the provisions of this Agreement with regard to amendments and waivers will apply.
 - (e) Subject to compliance with paragraph (b) above:
 - (i) the Lender concerned will become an Ancillary Lender; and
 - (ii) the Ancillary Facility will be available,
 with effect from the date agreed by the Company and the Ancillary Lender.

7.3 Terms of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility, will be those agreed by the Ancillary Lender and the Company.
- (b) However, those terms:
 - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
 - (ii) may allow only Borrowers (or Affiliates of Borrowers nominated or, as applicable, deemed pursuant to Clause 7.9 (*Affiliates of Borrowers*)) to use the Ancillary Facility **provided that** a Borrower may draw upon an Ancillary Facility, a letter of credit, guarantee or other financial accommodation for the benefit of any member of the Group to the extent agreed with the relevant Ancillary Lender;
 - (iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;

- (iv) may not allow the Ancillary Commitment of a Lender to exceed the Available Commitment of that Lender (excluding for these purposes any reduction in the Available Commitments attributable to such Ancillary Commitment); and
- (v) must require that the Ancillary Commitment is reduced to zero, and that all Ancillary Outstandings are repaid (or cash cover provided in respect of all the Ancillary Outstandings) not later than the Termination Date (or such earlier date as the Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).
- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for (i) Clause 36.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility; (ii) an Ancillary Facility, comprising more than one account where the terms of the Ancillary Documents governing such Ancillary Facility shall prevail to the extent required to permit the netting of balances on those accounts; and (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document governing such Ancillary Facility in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 15.5 (*Interest, commission and fees on Ancillary Facilities*).

7.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility shall cease to be available under this Agreement on the Termination Date in relation to the Facility or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.
- (b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment, of the Ancillary Lender, shall be reduced to zero (and its Available Commitment shall be increased accordingly).
- (c) No Ancillary Lender may demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility unless:
 - (i) required to reduce the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings;
 - (ii) the Total Commitments have been cancelled in full, or all outstanding Utilisations have become due and payable in accordance with the terms of this Agreement, or the Agent has declared all outstanding Utilisations under the Facility immediately due and payable, or the expiry date of the Ancillary Facility occurs; or
 - (iii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility (or it becomes unlawful for any Affiliate of the Ancillary Lender for the Ancillary Lender to do so); or
 - (iv) the Ancillary Outstandings (if any) under that Ancillary Facility can be refinanced by a Utilisation and the Ancillary Lender gives sufficient notice to enable a Utilisation to be made to refinance those Ancillary Outstandings.

- (d) For the purposes of determining whether or not the Ancillary Outstandings under an Ancillary Facility mentioned in paragraph (c)(iv) above can be refinanced by a Utilisation:
 - (i) the Commitment of the Ancillary Lender will be increased by the amount of its Ancillary Commitment; and
 - (ii) the Utilisation may (so long as paragraph (c)(i) above does not apply) be made irrespective of whether a Default is outstanding or any other applicable condition precedent is not satisfied (but only to the extent that the proceeds are applied in refinancing those Ancillary Outstandings) and irrespective of whether Clause 4.4 (*Maximum number of Utilisations*) or paragraph (a)(ii) of Clause 5.2 (*Completion of a Utilisation Request for Loans*) applies.
- (e) On the making of a Utilisation of the Facility to refinance Ancillary Outstandings:
 - (i) each Lender will participate in that Utilisation in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Utilisations then outstanding bearing the same proportion to the aggregate amount of the Utilisations then outstanding as its Commitment bears to the Total Commitments; and
 - (ii) the relevant Ancillary Facility shall be cancelled.
- (f) In relation to an Ancillary Facility which comprises an overdraft facility where a Designated Net Amount has been established, the Ancillary Lender providing that Ancillary Facility shall only be obliged to take into account for the purposes of calculating compliance with the Designated Net Amount those credit balances which it is permitted to take into account by the then current law and regulations in relation to its reporting of exposures to the Financial Services Authority or any other applicable regulatory authorities as netted for capital adequacy purposes.

7.5 Ancillary Outstandings

Each Borrower and each Ancillary Lender agrees with and for the benefit of each Lender that:

- (a) the Ancillary Outstandings under any Ancillary Facility, provided by that Ancillary Lender shall not exceed the Ancillary Commitment of that Ancillary Lender applicable to that Ancillary Facility; and
- (b) in relation to a Multi-account Overdraft:
 - (i) the Ancillary Outstandings shall not exceed the Designated Net Amount applicable to that Multi-account Overdraft; and
 - (ii) the Gross Outstandings shall not exceed the Designated Gross Amount applicable to that Ancillary Facility.

7.6 Adjustment for Ancillary Facilities upon acceleration

In this Clause 7.6:

“**Outstandings**” means, in relation to a Lender, the aggregate of the equivalent in the Base Currency of (i) its participation in each Utilisation then outstanding (together with the aggregate amount of all accrued interest, fees and commission owed to it as a Lender under the Facility), and (ii) if the Lender is also an Ancillary Lender the Ancillary Outstandings in respect of Ancillary Facilities provided by that Ancillary Lender (or by its Affiliate)

(together with the aggregate amount of all accrued interest, fees and commission owed to it (or to its Affiliate) as an Ancillary Lender in respect of the Ancillary Facility).

“**Total Outstandings**” means the aggregate of all Outstandings.

- (a) If a notice is served under Clause 26.18 (*Acceleration*) or an event specified under Clause 26.19 (*U.S. insolvency acceleration*) has occurred (other than a notice declaring Utilisations to be due on demand), each Lender and each Ancillary Lender shall (subject to paragraph (f) below) promptly adjust by corresponding transfers (to the extent necessary) their claims in respect of amounts outstanding to them under the Facility to ensure that after such transfers the Outstandings of each Lender bear the same proportion to the Total Outstandings as such Lender’s Commitment bears to the Total Commitments, each as at the date the notice is served under Clause 26.18 (*Acceleration*).
- (b) If an amount outstanding under an Ancillary Facility is a contingent liability and that contingent liability becomes an actual liability or is reduced to zero after the original adjustment is made under paragraph (a) above, then each Lender and each Ancillary Lender will make a further adjustment by corresponding transfers (to the extent necessary) to put themselves in the position they would have been in had the original adjustment been determined by reference to the actual liability or, as the case may be, zero liability and not the contingent liability.
- (c) Any transfer of rights and obligations relating to Outstandings made pursuant to this Clause 7.6 shall be made for a purchase price in cash, payable at the time of transfer, in an amount equal to those Outstandings (less any accrued interest, fees and commission to which the transferor will remain entitled to receive notwithstanding that transfer, pursuant to Clause 27.10 (*Pro rata interest settlement*)).
- (d) Prior to the application of the provisions of paragraph (a) of this Clause 7.6, an Ancillary Lender that has provided a Multi-account Overdraft shall set-off any liabilities owing to it under such overdraft facility against credit balances on any account comprised in such Multi-account Overdraft.
- (e) All calculations to be made pursuant to this Clause 7.6 shall be made by the Agent based upon information provided to it by the Lenders and the Ancillary Lenders and the Agent’s Spot Rate of Exchange.
- (f) This Clause 7.6 shall not oblige any Lender to accept the transfer of a claim relating to an amount outstanding under an Ancillary Facility which is not denominated (pursuant to the relevant Finance Document) in either the Base Currency, a currency which has been an Optional Currency for the purpose of any Utilisation or in another currency which is acceptable to that Lender.

7.7 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

7.8 Affiliates of Lenders as Ancillary Lenders

- (a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender (but not for the purposes of Clause 16 (*Tax Gross-up and Indemnities*), which shall apply in respect of the relevant Affiliate (if at all) as if

such Affiliate were a Lender and had become a Lender on the day it acceded to the Intercreditor Agreement in accordance with paragraph (c) below and such Affiliate shall be treated as a UK Non-Bank Lender for the purposes of this Agreement if it gives a Tax Confirmation to the Agent (who shall without unreasonable delay then notify the Company of the same, though for the avoidance of doubt such Tax Confirmation shall be deemed given to the Company at the same time as it is given to the Agent)), whose Commitment is the amount set out opposite the relevant Lender's name in Part 2 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) and/or the amount of any Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement. For the purposes of Clause 16 (*Tax Gross-up and Indemnities*) such Affiliate shall also indicate to the Company which of the categories of Clause 16.5 (*Lender status confirmation*) (if any) applies to it, and provide to the Company (if applicable) its DTTP scheme reference number and jurisdiction of tax residence, without unreasonable delay after acceding to the Intercreditor Agreement in accordance with paragraph (c) below. For the purposes of calculating the Lender's Available Commitment with respect to the Facility, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Commitments of its Affiliates.

- (b) The Company shall specify any relevant Affiliate of a Lender in any notice delivered by the Company to the Agent pursuant to paragraph (b)(i) of Clause 7.2 (*Availability*).
- (c) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to the Intercreditor Agreement as an Ancillary Lender and any person which so accedes to the Intercreditor Agreement shall, at the same time, become a party to this Agreement as an Ancillary Lender in accordance with clause 20.13 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement.
- (d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender (as defined in Clause 27 (*Changes to the Lenders*)), its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.
- (e) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

7.9 Affiliates of Borrowers

- (a) Subject to the terms of this Agreement, an Affiliate of a Borrower may with the approval of the Lenders become a borrower with respect to an Ancillary Facility.
- (b) The Company shall specify any relevant Affiliate of a Borrower in any notice delivered by the Company to the Agent pursuant to paragraph (b)(i) of Clause 7.2 (*Availability*).
- (c) If a Borrower ceases to be a Borrower under this Agreement in accordance with Clause 29.3 (*Resignation of a Borrower*), its Affiliate shall cease to have any rights under this Agreement or any Ancillary Document.
- (d) Where this Agreement or any other Finance Document imposes an obligation on a Borrower under an Ancillary Facility and the relevant Borrower is an Affiliate of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Affiliate.

- (e) Any reference in this Agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Affiliate of a Borrower being under no obligations under any Finance Document or Ancillary Document.

7.10 Commitment amounts

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Commitment is not less than:

- (a) its Ancillary Commitment; and
- (b) the Ancillary Commitment of its Affiliates,

in each case, excluding for these purposes any reduction in such Lender's Commitment attributable to such Ancillary Commitment pursuant to paragraph (a) of Clause 7.2 (*Availability*).

7.11 Existing Ancillary Facility

- (a) Notwithstanding any provision of this Agreement to the contrary, the Existing Ancillary Facility shall be deemed to be an Ancillary Facility established under the Original Revolving Facility (and in place of a corresponding amount of commitments of the Original Lender under the Original Revolving Facility) and, with effect from the Closing Date, the Existing Ancillary Facility shall be an Ancillary Facility for all purposes under this Agreement.
- (b) The Original Lender, as Ancillary Lender in respect of the Existing Ancillary Facility, shall:
 - (i) on or prior to the Closing Date, enter into the Amended and Restated Existing Ancillary Facility Letter; and
 - (ii) within 5 Business Days following the Closing Date, procure that each of:
 - (A) the deed of security over cash deposits dated 3 October 2018 granted by SHG Acquisition (UK) Limited in favour of HSBC UK Bank plc; and
 - (B) the guarantee dated 16 April 2018 granted by the Company in favour of HSBC Bank plc to secure the debts of SHG Acquisition (UK) Limited,is released and discharged to the reasonable satisfaction of the Company).

8. REPAYMENT

8.1 Repayment of Loans

- (a) Subject to paragraph (d) below, each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.
- (b) Without prejudice to each Borrower's obligation under paragraph (a) above, if one or more Loans are to be made available to a Borrower:
 - (i) on the same day that a maturing Loan is due to be repaid by that Borrower;
 - (ii) in the same currency as the maturing Loan (unless it arose as a result of the operation of Clause 6.2 (Unavailability of a currency)); and

(iii) in whole or in part for the purpose of refinancing the maturing Loan,

the aggregate amount of the new Loans shall be treated as if applied in or towards repayment of the maturing Loan so that:

- (A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans, the relevant Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess;
- (B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans: the relevant Borrower will not be required to make any payment in cash;
- (C) to the extent that a Lender's participation (if any) in the maturing Loan exceeds its participation in the new Loans (an "**Excess**"), that Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of the maturing Loan, and that Lender will not be required to make its participation in the new Loans available in cash; and
- (D) each Lender will be required to make its participation in the new Loans available in cash only to the extent that its participation (if any) in the new Loans exceeds its participation (if any) in the maturing Loan, and the remainder of that Lender's participation in such new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan,

and the Agent may apply any participation in a new Loan made available in cash pursuant to paragraph (D) above in repayment of any Excess relating to the corresponding maturing Loan referred to in paragraph (C) above.

- (c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the Termination Date and will be treated as separate Loans (the "**Separate Loans**") denominated in the currency in which the relevant participations are outstanding.
- (d) A Borrower to whom a Separate Loan is outstanding may prepay that Separate Loan by giving three (3) Business Days' prior notice to the Agent. The Agent will forward a separate copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.
- (e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the relevant Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Defaulting Lender on the last day of each Interest Period of that Separate Loan.
- (f) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

9. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

9.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender, shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, each Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to Clause 39.5 (*Replacement of Lender*), each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

9.2 Voluntary cancellation

The Company may, if it gives the Agent not less than three (3) Business Days' prior notice (or such shorter notice period as the Majority Lenders may agree), cancel the whole or any part (being a minimum amount of £2,000,000 or any higher amount in £1,000,000 integrals thereon) of an Available Facility. Any cancellation under this Clause 9.2 shall reduce the Commitments of the Lenders rateably under that Facility.

9.3 Voluntary prepayment of Utilisations

- (a) Subject to paragraph (b) below, a Borrower to which a Utilisation has been made may, if it or the Company gives the Agent not less than three (3) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Utilisation (but if in part, being an amount that reduces the Base Currency Amount of the Utilisation by a minimum amount of £2,000,000 or its equivalent in other currencies).
- (b) The Company may elect to apply a prepayment of a Utilisation made under this Clause 9.3 against any or all of the Utilisations in such proportions as it selects in its sole discretion.

9.4 Right of cancellation and repayment in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 16.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Company or an Obligor under Clause 16.3 (*Tax indemnity*) or 17.1 (*Increased Costs*),the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

9.5 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent at least three (3) Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

10. MANDATORY PREPAYMENT

10.1 Exit

If a Change of Control occurs:

- (a) the Parent will notify the Agent within ten (10) Business Days after becoming aware of that event and the Agent will promptly notify the Lenders thereafter (a "**notice of Change of Control offer**");
- (b) within 60 days following the date of the notice of Change of Control offer, each Lender may request prepayment at par of its participation in all outstanding Utilisations, together with accrued interest, and payment of all other amounts accrued under the Finance Documents; and
- (c) within ten (10) Business Days of the election for prepayment of the relevant Lender in accordance with sub-paragraph (b) above, the Borrowers shall make the required prepayments and payments to the Agent for the account of that Lender.

10.2 Application of mandatory prepayments

- (a) A prepayment made pursuant to this Clause 10 shall be applied in the following order:
 - (i) *first*, in permanent cancellation of the Available Commitments (and the Available Commitment of the Lenders will be cancelled rateably) (such cancellation shall be deemed to be a prepayment even though no cash is paid by the Borrowers to the Lenders);
 - (ii) *secondly*, in permanent prepayment and cancellation of Utilisations and cancellation of Commitments; and
 - (iii) *thirdly*, in repayment and cancellation of the Ancillary Outstandings and Ancillary Commitments.
- (b) Subject to paragraph (c) below, the Company may elect that any prepayment due under Clause 10.1 (*Exit*) above be applied in prepayment of the relevant Loan on the last day of the Interest Period relating to that Loan. If the Company makes that election then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.
- (c) If the Company has made an election under paragraph (b) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).

11. RESTRICTIONS

11.1 Notices of Cancellation or Prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 9 (*Illegality, Voluntary Prepayment and Cancellation*) shall (subject to the terms of that Clause) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

11.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

11.3 Reborrowing of the Facilities

Unless a contrary indication appears in this Agreement, any part of a Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement; **provided that** any prepayment under Clause 10 (*Mandatory prepayment*) may not be reborrowed.

11.4 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

11.5 No reinstatement of Commitments

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

11.6 Agent's receipt of notices

If the Agent receives a notice under Clause 9 (*Illegality, voluntary prepayment and cancellation*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

11.7 Effect of Repayment and Prepayment on Commitments

If all or part of a Utilisation is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the amount of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 11.7 shall reduce the Commitments of the Lenders rateably.

12. INTEREST

12.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR, EURIBOR or HIBOR (as the case may be).

12.2 Payment of interest

- (a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan in cash on the last day of each Interest Period (and, if the Interest Period is longer than six (6) Months, on the dates falling at six (6) Monthly intervals after the first day of the Interest Period).
- (b) If the Annual Financial Statements and related Compliance Certificate received by the Agent show a higher or lower Margin should have applied during a certain period then the next payment of interest under the relevant Facility following receipt of the relevant Annual Financial Statements by the Agent shall be increased or reduced (as the case may be) by such amount as is necessary to put the Agent and the Lenders in the position that they should have been in had the appropriate rate of Margin been applied at the time **(provided that** any such reduction shall only apply to the extent the Lender which received the overpayment of interest remains a Lender as at the date of such adjustment and, with respect to payments to Lenders, such payments shall only apply to Lenders who were participating in the relevant Facility both at the time to which the adjustments relate and the time when the adjustments are actually made).

12.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 1 per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 12.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 1 per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

12.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the relevant Borrower (or the Company) of the determination of a rate of interest under this Agreement.

13. INTEREST PERIODS

13.1 Selection of Interest Periods and terms

- (a) A Borrower (or the Company on its behalf) may select an Interest Period for a Loan in the Utilisation Request for that Loan.

- (b) Subject to this Clause 13, a Borrower (or the Company on its behalf) may select an Interest Period of two (2) weeks, one (1), two (2), three (3) or six (6) Months or such other period agreed between the Company and the Agent (acting on the instructions of the Majority Lenders in relation to the relevant Loan).
- (c) Each Interest Period for a Loan shall start on the Utilisation Date.
- (d) An Interest Period for a Loan shall not extend beyond the relevant Termination Date.
- (e) A Loan has one Interest Period only.

13.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

14. CHANGES TO THE CALCULATION OF INTEREST

14.1 Market disruption

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable after the Quotation Day (but not, in any event, later than, the date falling three (3) Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) If a Market Disruption Event occurs in relation to a Loan for any Interest Period as a result of the circumstance described in paragraph (c)(ii) below and:
 - (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than LIBOR (or EURIBOR or HIBOR, as applicable); or
 - (ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR (or EURIBOR or HIBOR, as applicable).
- (c) In this Agreement:
"Market Disruption Event" means:
 - (i) at or about noon on the Quotation Day for the relevant Interest Period, the Screen Rate or, as the case may be, the Interpolated Screen Rate for that Loan is unavailable; or
 - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of LIBOR (or EURIBOR or HIBOR, as applicable).

14.2 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the relevant Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

14.3 Break Costs

- (a) Each Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

15. FEES

15.1 Commitment fee

- (a) The Borrowers shall, in equal shares, pay (or procure the payment) to the Agent (for the account of each Lender) a fee in the Base Currency, computed in the aggregate at:
 - (i) the rate equal to 35 per cent. of the applicable Margin on that Lender's Available Commitment under the Original Revolving Facility, for the period commencing on the Closing Date and ending on the last day of the Availability Period for the Original Revolving Facility; and
 - (ii) the rate and for the period (if any) specified in the relevant Additional Facility Notice on that Lender's Available Commitment under the relevant Additional Facility.
- (b) The accrued commitment fee is payable on the last day of each successive period of three (3) Months which ends during the relevant Availability Period, on the last day of the relevant Availability Period and on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.
- (c) All Commitment Fees will accrue from day to day and be calculated on the basis of the actual number of days elapsed in a year of 365 days.
- (d) No accrued Commitment Fees shall be payable if the Closing Date does not occur.
- (e) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

15.2 Arrangement fee

The members of the Group specified in the relevant Fee Letter shall pay (or procure the payment of) to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter relating to such arrangement fee (the "**Arrangement Fee Letter**").

15.3 Agency fee

The members of the Group specified in the relevant Fee Letter shall pay (or procure the payment of) to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

15.4 Collateral Agent fee

The members of the Group specified in the relevant Fee Letter shall pay (or procure the payment of) to the Collateral Agent (for its own account) the Collateral Agent fee in the amount and at the times agreed in a Fee Letter.

15.5 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

15.6 No deal, no fee

Notwithstanding any other provision of this Agreement or any other Finance Document, no fees, commissions, costs or expenses (other than reasonable and properly incurred legal fees subject to an agreed cap) and expenses in connection with the drafting and the negotiating of the Finance Documents up to the amounts agreed between the Arranger and the Company under any Finance Document shall be payable if the Closing Date does not occur.

16. TAX GROSS-UP AND INDEMNITIES

16.1 Definitions

In this Agreement:

“**Bank Levy**” means an amount payable by a Finance Party or any of its Affiliates on the basis of or in relation to its balance sheet or capital base or any part of it or its liabilities or minimum regulatory capital or any combination thereof, including: (a)(i) the UK bank levy as set out in the Finance Act 2011, (ii) the French *taxe pour le financement du fonds de soutien aux collectivités territoriales* as set out in Article 235 *ter* ZE *bis* of the French tax code (*Code Général des Impôts*), (iii) the German bank levy as set out in the German Bank Restructuring Fund Act 2010 (Restrukturierungs Fondsgesetz, Fed. Law Gazette 1 2010, p.1900) in each case to the extent enacted and in force as at the date of this Agreement (together the “**Existing Bank Levies**”), and (b) any financial activities taxes (or other taxes) of a kind contemplated in the European Commission consultation paper on financial sector taxation dated 22 February 2011 and any substantively similar bank levy or Tax in any other jurisdiction levied on an equivalent or substantially similar basis or for a similar purpose which has been enacted and/or formally announced as proposed at the date of this Agreement or to the extent that such bank levy imposes obligations that are no more onerous than those imposed under the Existing Bank Levies.

“**Borrower DTTP Filing**” means an HM Revenue & Customs’ Form DTTP2 duly completed and filed by the relevant UK Borrower, which:

- (a) where it relates to a Treaty Lender that is an Original Lender, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender’s name in Part 2 (*The Original Lenders*) of Schedule 1 (*The Original Parties*), and:
 - (i) where the UK Borrower is an Original Borrower, is filed with HM Revenue & Customs within thirty (30) days of the date of this Agreement; or

- (ii) where the UK Borrower is an Additional Borrower, is filed with HM Revenue & Customs within thirty (30) days of the date on which that Borrower becomes an Additional Borrower; or
- (b) where it relates to a Treaty Lender that is a New Lender, an Increase Lender or an Acceding Lender, contains the DTTP scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the relevant Transfer Certificate, Assignment Agreement, Increase Confirmation or Additional Facility Lender Accession Deed, or in the case of an Affiliate of a Lender which becomes an Ancillary Lender pursuant to Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*), contains the scheme reference number and jurisdiction of tax residence notified to the Company in accordance with paragraph (a) of Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*), and:
 - (i) where the UK Borrower is a Borrower as at the relevant Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect, or date on which the Additional Facility Lender Accession Deed takes effect, or date on which an Ancillary Lender becomes a Party as a Lender) is filed with HM Revenue & Customs within thirty (30) days of that Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect, or date on which the Additional Facility Lender Accession Deed takes effect, or date on which an Ancillary Lender becomes a Party as a Lender); or
 - (ii) where the UK Borrower is not a Borrower as at the relevant Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect, or date on which the Additional Facility Lender Accession Deed takes effect, or date on which an Ancillary Lender becomes a Party as a Lender), is filed with HM Revenue & Customs within thirty (30) days of the date on which that Borrower becomes an Additional Borrower.

“Change of Law” means any change which occurs after the date of this Agreement or, if later, after the date on which the relevant Lender became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law, regulation or Treaty or any published practice or published concession of any relevant taxing authority in each case other than a change in a Relevant Covered Tax Agreement (or the interpretation, administration or application of a Relevant Covered Tax Agreement) that occurs pursuant to the MLI and in accordance with MLI Reservations or MLI Notifications made by (on the one hand) the MLI Lender Jurisdiction and (on the other hand) the MLI Borrower Jurisdiction, where each relevant MLI Reservation or MLI Notification satisfies the MLI Disclosure Condition (an **“MLI Change”**).

“MLI” means the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting of 24 November 2016.

“MLI Borrower Jurisdiction” means the jurisdiction in which the relevant Borrower is treated as resident for the purposes of the Relevant Covered Tax Agreement.

“MLI Disclosure Condition” means the freely accessible publication of the relevant MLI Reservation or MLI Notification on the OECD website (to the extent that such MLI Reservation or MLI Notification has not been withdrawn or superseded and taking into account any applicable amendments) no later than 10 Business Days prior to the date of this Agreement where the relevant Lender is an Original Lender, or no later than 10 Business Days prior to the date on which the relevant Lender became a Lender pursuant to this Agreement where the relevant Lender is not an Original Lender.

“**MLI Lender Jurisdiction**” means the jurisdiction in which the relevant Lender is treated as resident for the purposes of the Relevant Covered Tax Agreement.

“**MLI Notification**” means a notification validly made pursuant to Article 29 of the MLI.

“**MLI Reservation**” means a reservation validly made pursuant to Article 28 of the MLI.

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Qualifying Lender**” means:

- (a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
 - (i) a Lender:
 - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payment apart from section 18A of the CTA; or
 - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
 - (ii) a Lender which is:
 - (A) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (B) a partnership each member of which is:
 - (1) a company so resident in the United Kingdom; or
 - (2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
 - (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
 - (iii) a Treaty Lender; or

- (b) a Lender which is a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Finance Document.

“Relevant Covered Tax Agreement” means a Covered Tax Agreement (as such term is defined under Article 2(1)(a) of the MLI) the parties to which are the MLI Lender Jurisdiction and the MLI Borrower Jurisdiction.

“Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
- (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

“Tax Credit” means a credit against, relief or remission for, or repayment of, any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“Tax Payment” means either the increase in a payment made by an Obligor to a Finance Party under Clause 16.2 (*Tax gross-up*) or a payment under Clause 16.3 (*Tax indemnity*).

“Treaty Lender” means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender’s participation in the Loan is effectively connected; and
- (c) meets all the other conditions in the Treaty for full exemption from tax imposed by the United Kingdom on interest except that for this purpose it shall be assumed that any necessary procedural formalities have been completed.

“Treaty State” means a jurisdiction having a double taxation agreement (a **“Treaty”**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

“UK Borrower” means any Borrower tax resident in the United Kingdom.

“UK Non-Bank Lender” means a Lender which gives a Tax Confirmation in the Assignment Agreement, Transfer Certificate, Additional Facility Lender Accession Deed or Increase Confirmation which it executes on becoming a Party, or in the case of an Affiliate of a Lender which becomes an Ancillary Lender pursuant to Clause 7.8 (*Affiliates of*

Lenders as Ancillary Lenders), which gives a Tax Confirmation in accordance with paragraph (a) of Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*), and for the avoidance of doubt such Tax Confirmation shall at the same time be deemed to be given to the Company.

Unless a contrary indication appears, in this Clause 16 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination acting in good faith.

16.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall promptly notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
 - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any Change of Law; or
 - (ii) the relevant Lender is a Qualifying Lender solely by reason of falling within paragraph (a)(ii) of the definition of Qualifying Lender in Clause 16.1 (*Definitions*) and:
 - (A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a “**Direction**”) under section 931 of the ITA which relates to the payment and that Lender has received from the Obligor making the payment or from the Company a certified copy of that Direction; and
 - (B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or
 - (iii) the relevant Lender is a Qualifying Lender solely by reason of falling within paragraph (a)(ii) of the definition of Qualifying Lender in Clause 16.1 (*Definitions*) and:
 - (A) the relevant Lender has not given a Tax Confirmation to the Company; and
 - (B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Company, on the basis that the Tax Confirmation would have enabled the Company to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or

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- (iv) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) (f) or (g) (as applicable) below.
 - (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
 - (f) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA (if the Tax Deduction is in respect of Tax imposed by the United Kingdom) or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g)
- (i) Subject to paragraph (g)(ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
 - (ii)
 - (A) A Treaty Lender which becomes a Party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Part 2 (*The Original Lenders*) of Schedule 1 (*The Original Parties*); and
 - (B) a Treaty Lender which becomes a Party as a Lender after the date on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Transfer Certificate, Assignment Agreement, Additional Facility Lender Accession Deed or Increase Confirmation which it executes on becoming a Party as a Lender (or in the case of an Affiliate of a Lender which becomes an Ancillary Lender pursuant to Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*), confirms its scheme reference number and jurisdiction of tax residence to the Company in accordance with paragraph (a) of Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*),and, having done so, that Lender shall be under no obligation pursuant to paragraph (i) above.
- (h) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii) above and:
 - (i) a UK Borrower making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or

- (ii) a UK Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:
 - (A) that Borrower DTTP Filing has been rejected by HM Revenue & Customs; or
 - (B) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a Tax Deduction within sixty (60) days of the date of the Borrower DTTP Filing,
 and in each case, the UK Borrower has notified that Lender in writing, that Lender and the UK Borrower shall co-operate in completing any additional procedural formalities necessary for that UK Borrower to obtain authorisation to make that payment without a Tax Deduction.
- (i) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (g)(ii) above, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Utilisation unless that Lender otherwise agrees.
- (j) A UK Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Agent for delivery to the relevant Lender.
- (k) A UK Non-Bank Lender shall promptly notify the Company and the Agent if there is any change in the position from that set out in the Tax Confirmation.

16.3 Tax indemnity

- (a) The Company shall (or shall procure that an Obligor shall) (within five (5) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction (or any political subdivision thereof) in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction (or any political subdivision thereof) in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction; or
 - (C) under the law of any jurisdiction (or any political subdivision thereof) in which that Finance Party is treated as having a permanent establishment for tax purposes in respect of amounts received or receivable in that jurisdiction,
 if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party or, in the case of a Tax imposed by the United States (or any of its political subdivisions), if that Tax is a franchise Tax (imposed in lieu of net income Taxes) or a branch profits Tax; or
 - (ii) to the extent a loss, liability or cost:

- (A) is compensated for by an increased payment under Clause 16.2 (*Tax gross-up*);
 - (B) would have been compensated for by an increased payment under Clause 16.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 16.2 (*Tax gross-up*) applied or because the exclusion in paragraph (a) or (d) of Clause 16.8 (*U.S. Tax matters*) applied;
 - (C) is compensated for under Clause 16.6 (*Stamp taxes*), or would have been so compensated but was not so compensated solely because one of the exclusions in that clause applied, or under Clause 16.716.2(d) (*VAT*);
 - (D) relates to a FATCA Deduction required to be made by a party; or
 - (E) is suffered or incurred by a Finance Party in respect of a Bank Levy.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 16.3, notify the Agent.

16.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

16.5 Lender status confirmation

Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement, Additional Facility Lender Accession Deed or Increase Confirmation which it executes on becoming a Party, in each case for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

- (a) not a Qualifying Lender;
- (b) a Qualifying Lender (other than a Treaty Lender); or
- (c) a Treaty Lender.

If such a Lender fails to indicate its status in accordance with this Clause 16.5, then such a Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement, Additional Facility

Lender Accession Deed or Increase Confirmation shall not be invalidated by any failure of a Lender to comply with this Clause 16.5. This provision shall also apply to any Affiliate of a Lender which becomes an Ancillary Lender pursuant to Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*), in accordance with paragraph (a) of Clause 7.8 (*Affiliates of Lenders as Ancillary Lenders*).

16.6 Stamp taxes

The Company shall (or shall procure that an Obligor shall) pay and, within three (3) Business Days of demand, indemnify each Secured Party and the Arranger against any cost, loss or liability that Secured Party or the Arranger incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document, other than any such cost, loss or liability incurred in relation to stamp duty, registration and other similar Taxes payable upon the entry into a Transfer Certificate, Assignment Agreement, Additional Facility Lender Accession Deed or Increase Confirmation or in relation to a sub-participation.

16.7 VAT

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is or becomes chargeable on such supply or supplies, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and that Finance Party is required to account to the relevant tax authority for the VAT, that Party shall pay to the Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall also reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this Clause 16.7 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the Value Added Tax Act 1994) as may be amended or substituted from time to time), or to the person who is treated as making the supply, or (as appropriate) receiving the supply, under the grouping rules as provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by a Member State).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party’s VAT registration and such other information as is reasonably requested in connection with such Finance Party’s VAT reporting requirements in relation to such supply.

16.8 U.S. Tax matters

- (a) Notwithstanding any other provisions of this Clause 16, an Obligor shall be entitled to make a withholding with respect to any payment hereunder (without being required to make a gross-up payment under Clause 16.2 (*Tax gross-up*) or an indemnity payment under Clause 16.3 (*Tax indemnity*)) on account of any Tax imposed by the United States under any Finance Document in respect of an amount owed by a U.S. Borrower to a Lender to the extent that such Tax was required as a result of the failure by a Lender to provide any of the Withholding Tax Forms required by paragraphs (b), (c) or (d) of this Clause 16.8 (*U.S. Tax matters*), unless such Lender ceases to be able to legally provide a Withholding Tax Form or withdraws a previously tendered Withholding Tax Form as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority.
- (b) On the date a Lender becomes a Party hereto with respect to a Loan or Commitment extended to a U.S. Borrower, such Lender shall provide, as relevant, (i) an IRS Form W-9, (ii) an IRS Form W-8ECI, (iii) an IRS Form W-8BEN-E claiming a complete exemption under an applicable double tax treaty from U.S. tax on income earned under this Agreement, (iv) an IRS Form W-8EXP, (v) an IRS Form W-8BEN-E accompanied by a certification that it is not a (1) a bank within the meaning of Section 881(c)(3)(A) of the Code, (2) ten (10) percent shareholder of the Parent or the U.S. Borrower within the meaning of Section 871(h)(3)(B) of the Code and (3) it is not a controlled foreign corporation related to the Parent or the U.S. Borrower as described in Section 881(c)(3)(C) of the Code, or (vi) any other IRS forms or certifications that establish the Lender is entitled to a complete exemption from U.S. tax on income earned under this Agreement (each such IRS form along with any successor forms being a “Withholding Tax Form”). Withholding Tax Forms may be provided directly or attached to an IRS Form W-8IMY, as appropriate.
- (c) Each Lender in respect of a U.S. Borrower shall subsequently provide Withholding Tax Forms upon the Lender in respect of a U.S. Borrower taking any actions that cause the previously provided Withholding Tax Forms to no longer be accurate or as soon as practicable upon reasonable request of the U.S. Borrower, except to the extent the Lender is unable to do so because of a change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority.

- (d) Notwithstanding paragraphs (a) and (b) above, if a Lender transfers or assigns any of its rights or obligations under the Finance Documents, the transferee or assignee shall be entitled to the benefit of Clauses 16.2 (*Tax gross-up*) and 16.3 (*Tax indemnity*) with respect to a Tax imposed by the United States, other than to the extent the transferee or assignee is subject to greater amounts of such Tax than the transferor or assignor on payments made at the time of the transfer, **provided** the transferee or assignee delivers a Withholding Tax Form it is legally able to provide establishing any exemption or reduction in U.S. withholding taxes it is eligible for.

16.9 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:
- (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Party to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is a U.S. Tax Obligor, or where the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten (10) Business Days of:
- (i) where a Borrower is a Borrower on the date on which this Agreement is entered into and is a U.S. Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;

- (ii) where a Borrower is a U.S. Tax Obligor on a date on which any other Lender become a Party as a Lender, that date;
- (iii) the date a new U.S. Tax Obligor accedes as a Borrower; or
- (iv) where the Borrower is not a U.S. Tax Obligor, the date of a request from the Agent, supply to the Agent:
 - (A) a withholding certificate on Form W-8 or Form W-9 (or any other relevant form) (as applicable); or
 - (B) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the relevant Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

16.10 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

17. INCREASED COSTS

17.1 Increased Costs

- (a) Subject to Clause 17.3 (*Exceptions*) the Company shall, within three (3) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement **provided that**

notwithstanding anything herein to the contrary, Basel III and the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and shall in each case be deemed to be have been introduced after the date of this Agreement, regardless of the date enacted, adopted or issued.

(b) In this Agreement “**Increased Costs**” means:

- (i) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

17.2 Increased Cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 17.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

17.3 Exceptions

- (a) Clause 17.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) attributable to any Bank Levy;
 - (iv) compensated for by Clause 16.3 (*Tax indemnity*) (or would have been compensated for under Clause 16.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 16.3 (*Tax indemnity*));
 - (v) is compensated for under Clause 16.6 (*Stamp taxes*), or would have been so compensated but was not so compensated solely because one of the exclusions in that clause applied, or is compensated for under Clause 16.7 (*VAT*);
 - (vi) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) but excluding any Increased Cost attributable to Basel III or any other law or regulation which implements Basel III (in each case, unless a Finance Party was or reasonably should have been aware of that Increased Cost on the date on which it became a Finance Party under this Agreement);

- (vii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (viii) attributable to the implementation or application of, or compliance with, Basel III or CRD IV to the extent that a Finance Party knew about the relevant Increased Cost on or prior to the date on which it became a Finance Party (**provided that**, if the Increased Cost was not fully quantifiable on or prior to the date on which it became a Finance Party, Clause 17.1 (*Increased Costs*) shall apply to that amount of the Increased Cost which was not, or could not reasonably be expected to have been, quantifiable).
- (b) In this Clause 17.3 reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 16.1 (*Definitions*).
- (i) “**Basel III**” means:
 - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
 - (B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
 - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.
 - (ii) “**CRD IV**” means:
 - (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
 - (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

18. OTHER INDEMNITIES

18.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify the Arranger and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

18.2 Other indemnities

- (a) The Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, indemnify the Arranger and each other Secured Party against any cost, loss or liability incurred by it as a result of:
- (i) the occurrence of any Event of Default;
 - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 32 (*Sharing among the Finance Parties*);
 - (iii) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (iv) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

18.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
- (i) investigating any event which it reasonably believes is a Default; or
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, but not including any claim based on the fraud or gross negligence of the Agent) in acting as Agent under the Finance Documents.

19. MITIGATION BY THE LENDERS

19.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 9.1 (*Illegality*), 16 (*Tax gross-up and indemnities*) or 17 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

19.2 Limitation of liability

- (a) The Company shall (or shall procure that an Obligor will) promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 19.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 19.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

20. COSTS AND EXPENSES

20.1 Transaction expenses

The Company shall (or shall procure that an Obligor will) (subject to any arrangements agreed with the Agent prior to the date of this Agreement) promptly on demand and in any event within three (3) Business Days of demand pay (or procure payment) to the Agent, the Arranger and the Collateral Agent the amount of all reasonable costs and expenses (including legal fees) and disbursements subject to the limits, if any, as agreed between the Arranger and the Company reasonably incurred by any of them (and, in the case of the Collateral Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the date of this Agreement.

20.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 33.10 (*Change of currency*), the Company shall, within three (3) Business Days of demand, reimburse each of the Agent and the Collateral Agent for the amount of all reasonable costs and expenses (including legal fees subject to any applicable arrangements agreed in writing) reasonably incurred by the Agent and the Collateral Agent (and, in the case of the Collateral Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Enforcement and preservation costs

The Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, pay to the Arranger and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Collateral Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

21. GUARANTEE AND INDEMNITY

21.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 21 if the amount claimed had been recoverable on the basis of a guarantee.

21.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

21.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored or returned in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 21 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

21.4 Waiver of defences

The obligations of each Guarantor under this Clause 21 will not be affected by an act, omission, matter or thing which, but for this Clause 21, would reduce, release or prejudice any of its obligations under this Clause 21 (without limitation and whether or not known to it or any Finance 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 of any member of the Group;
- (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 instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

In the event that any Borrower becomes subject to any proceeding under the U.S. Bankruptcy Code, each Guarantor agrees that, as between such Guarantor and the Finance Parties, all or any portion of the amounts owing under this Agreement by such Borrower may be declared to be forthwith due and payable as provided in Clause 26.18 (*Acceleration*) of this Agreement (and shall be deemed to have become automatically due and payable in the circumstances described in Clause 26.19 (*U.S. insolvency acceleration*) of this Agreement for purposes of this Clause 21 notwithstanding any stay (including under the U.S. Bankruptcy Code), injunction or other prohibition preventing the same as against such Borrower), and that, in such event, all such amounts (whether or not due and payable by such Borrower) shall forthwith become due and payable by the Guarantor for purposes of this Clause 21.

21.5 Guarantor intent

Without prejudice to the generality of Clause 21.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business 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.

21.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 21. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

21.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 21.

21.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 21:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance 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 Guarantor has given a guarantee, undertaking or indemnity under Clause 21.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 33 (*Payment mechanics*).

21.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other Disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

21.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

21.11 Other limitations

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of section 678 or 679 of the Companies Act 2006 or any equivalent and applicable provisions under the law of the jurisdiction of incorporation of the relevant Guarantor and, with respect to any Additional Guarantor, is subject to any limitations set out in the Accession Deed applicable to such Additional Guarantor.

21.12 Guarantee limitation - Excluded Swap Obligations

- (a) Any term or provision of this Clause 21 or any other term in this Agreement or any Finance Document notwithstanding the obligations guaranteed under this Clause 21 shall not include any Excluded Swap Obligation.
- (b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honour all of its obligations under the Finance Documents in respect of Swap Obligations (**provided, however, that** each Qualified ECP Guarantor shall only be liable under this paragraph (b) of Clause 21.12 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Clause 21, or otherwise under the Finance Documents, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this paragraph (b) of Clause 21.12 shall remain in full force and effect until the discharge or release of the guarantee pursuant to the terms of the Finance Documents. Each Qualified ECP Guarantor intends that this paragraph (b) of Clause 21.12 constitute, and this paragraph (b) of Clause 21.12 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Finance Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

21.13 Guarantee limitation – fraudulent conveyance

Notwithstanding anything to the contrary contained herein, the maximum liability of any U.S. Guarantor hereunder shall be the lesser of (i) 95% of the Net Assets of such U.S. Guarantor and (ii) an amount equal to the largest amount that would not render such U.S. Guarantor’s obligations under this Agreement subject to avoidance under applicable United States federal or state fraudulent transfer, fraudulent conveyance or similar laws after giving full effect to the liability under such guarantee set forth this Clause 21 and its related contribution rights but before taking into account any liabilities under any other guarantee by such U.S. Guarantor. For such purpose, the term “**Net Assets**” of any such U.S. Guarantor shall mean the highest amount, determined as of any Determination Date, by which (a) all of such U.S. Guarantor’s property at fair valuation (within the meaning of Section 101(32)(A) of the U.S. Bankruptcy Code but excluding the capital stock or other ownership interests issued by any other Guarantor or by any other person that is required hereby to become a Guarantor) exceeds (b) such U.S. Guarantor’s debts (as defined in Section 101(12) of the U.S. Bankruptcy Code but excluding its obligations hereunder), and the term “**Determination Date**” shall mean each of (1) the date on which such U.S. Guarantor becomes obligated hereunder, (2) the date of the commencement of a case under the US Bankruptcy Code in which such U.S. Guarantor is a debtor and (3) the date of enforcement of the liabilities of such U.S. Guarantor hereunder.

21.14 Guarantee limitation - deemed dividends

Any term or provision of this Clause 21 or any other term in this Agreement or any Finance Document notwithstanding:

- (a) no member of the Group (other than the Parent and the Company) that is (i) a controlled foreign corporation for U.S. federal income tax purposes (a “CFC”); (ii) a direct or indirect subsidiary of a CFC, or (iii) an entity that is not treated as a corporation for U.S. federal income tax purposes and that is a direct or indirect subsidiary of the Company substantially all of the assets of which consist of (x) equity interests in one or more CFCs and/or (y) intercompany loans, indebtedness or receivables owed by any CFC (“CFC Debt”) will have any obligation or liability, directly or indirectly, as guarantor or otherwise under this Agreement or any Finance Document with respect to any obligation or liability arising under any Finance Document of a U.S. Borrower (a “U.S. Obligation”); and
- (b) not more than 65% of the stock or other equity interests (measured by the total combined voting power of the issued and outstanding voting stock or other equity interests) of, and none of the assets or property (which includes stock or equity interests in entities) of a member of the Group that is an entity described in paragraph (a)(i), (ii) or (iii) above and no secured CFC Debt may be pledged directly or indirectly as security for any U.S. Obligations.

21.15 Guarantee limitation – Germany

In this Clause 21.15:

“**German Guarantor**” means a Guarantor incorporated or established in Germany in the legal form of a limited liability company (*GmbH*) or a limited partnership with a limited liability company as general partner (*GmbH & Co. KG*).

“**Guarantee**” means the guarantee and indemnity granted pursuant to this Clause 21 and any other indemnities under any Finance Document (*Guarantee and indemnity*).

“**Guarantee Obligation**” means any payment obligations of any Guarantor incurred pursuant to this Clause 21, any indemnity or any other payment obligation (other than a direct borrowing obligation) created under this Agreement.

“**Net Assets**” means an amount equal to the sum of the amounts of the German Guarantor’s (or, in the case of a GmbH & Co. KG, its general partner’s) assets (to be determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – “HGB”) consistently applied by the German Guarantor in preparing its unconsolidated annual balance sheets (*Jahresabschluss*) according to section 42 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung* – “GmbHG”) and in accordance with sections 30, 31 GmbHG (as applicable at the time of enforcement) and by only taking into account the sum of the values of the assets of the German Guarantor which correspond to the items set forth in section 266 paragraph 2 A, B, C, D and E HGB) less the aggregate amount of such German Guarantor’s (or, in the case of a GmbH & Co. KG, its general partner’s) liabilities (consisting of all liabilities and liability reserves which correspond to the items set forth in section 266 paragraph 3 B, C, D and E HGB and any amounts not available for distribution according to section 253 paragraph 6 or section 268 paragraph 8 HGB but, for the avoidance of doubt, excluding any liabilities under or relating to the Guarantee Obligations), save that any obligations (*Verbindlichkeiten*) of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner):

- (a) owing to any member of the Group or any other affiliated company which are subordinated by law or by contract to any Financial Indebtedness outstanding under this Agreement (including, for the avoidance of doubt, obligations that would in an insolvency be subordinated pursuant to section 39 paragraph 2 of the German Insolvency Code (*Insolvenzordnung*) and including obligations under guarantees for obligations which are so subordinated); or

- (b) incurred in wilful or gross negligent violation of any of the provisions of the Finance Documents, shall be disregarded.

The Net Assets shall be determined in accordance with the generally accepted accounting principles applicable from time to time in Germany (*Grundsätze ordnungsmäßiger Buchführung*).

“**Protected Capital**” means in relation to a German Guarantor the aggregate amount of:

- (a) its (or, where the German Guarantor is a GmbH & Co. KG, its general partner’s) share capital (*Stammkapital*) as registered in the commercial register (*Handelsregister*) **provided that** any increase registered after the date of this Agreement (or in the case of an Additional Guarantor, the date it has become party to this Agreement) shall not be taken into account unless (i) such increase has been effected with the prior written consent of the Agent (even if such increase is permitted under this Agreement or any other Finance Document) and (ii) only to the extent it is fully paid up; and
- (b) its (or when applicable where the German Guarantor is a GmbH & Co. KG, its general partner’s) amount of profits (*Gewinne*) which are not available for distribution to its shareholder(s) in accordance with section 268 paragraph 8 HGB.

“**Up-stream and/or Cross-stream Guarantee**” means any Guarantee if and to the extent such Guarantee secures the obligations of an Obligor which is a shareholder of the German Guarantor (and/or, in the case of a GmbH & Co. KG, of its general partner) or an affiliated company (*verbundenes Unternehmen*) of such shareholder within the meaning of section 16, 17 or 18 of the German Stock Corporation Act (*Aktiengesetz*) (other than the German Guarantor and its Subsidiaries and, in the case of a GmbH & Co. KG, the general partner and its Subsidiaries), **provided that** it shall not constitute an Up-stream or Cross-stream Guarantee if and to the extent the Guarantee guarantees amounts outstanding under any Finance Document in relation to any financial accommodation made available under such Finance Document to any Borrower and on-lent to, or issued for the benefit of, the relevant German Guarantor or any of its Subsidiaries (and, where the German Guarantor is a GmbH & Co. KG, to, or for the benefit of, its general partner or any of its Subsidiaries) and outstanding from time to time.

- (a) This Clause 21.15 applies if and to the extent the Guarantee is given by a German Guarantor and is an Up-stream and/or Cross-stream Guarantee.
- (b) Each Finance Party agrees that the enforcement of the Guarantee granted by a German Guarantor shall be limited if:
- (i) (and to the extent that) the Guarantee constitutes an Upstream- and/or Cross-Stream Guarantee; and
- (ii) payment under the Guarantee would otherwise,
- (A) have the effect of reducing the German Guarantor’s (or, where the German Guarantor is a GmbH & Co. KG, its general partner’s) Net Assets to an amount that is lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner’s) Protected Capital or, if the amount of the Net Assets is already lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner’s) Protected Capital, cause the Net Assets to be further reduced; and

(B) thereby give rise to a violation of the capital maintenance requirement as set out in section 30 paragraph 1 of GmbHG.

- (c) Within ten (10) Business Days after a Finance Party has made a demand under the Guarantee, the German Guarantor shall provide a certificate to the Agent signed by its managing director(s) confirming in writing if and to what extent the Guarantee is an Up-stream and/or Cross-stream Guarantee and an enforcement of the Guarantee would have the effects referred to in paragraph (b)(ii) above (the “**Management Determination**”). Such confirmation shall comprise an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, its general partner) and a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner). The relevant German Guarantor shall fulfil its obligations under the Guarantee within three (3) Business Days of providing the Management Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Management Determination would not cause the effects set out in paragraph (b)(ii) above (irrespective of whether or not the Agent agrees with the Management Determination).
- (d) If the Agent (acting on the instructions of the Majority Lenders) disagrees with the Management Determination, it may within twenty (20) Business Days of its receipt request the German Guarantor to deliver, at its own cost and expense, within twenty (20) Business Days of such request an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner), drawn-up by an Auditor appointed by the German Guarantor in consultation with the Agent, together with a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) (the “**Auditor’s Determination**”). The German Guarantor shall fulfil its obligations under the Guarantee within three (3) Business Days of providing the Auditor’s Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Auditor’s Determination would not cause the effects set out in paragraph (b)(ii) above.
- (e) No reduction of the amount enforceable pursuant to this Clause 21.15 (*Guarantee limitation – Germany*) will prejudice the right of the Finance Parties to continue to enforce the Guarantee (subject always to the operation of the limitations set out above at the time of such enforcement) until full satisfaction of the claims guaranteed.
- (f) The Finance Parties shall upon written demand of the relevant German Guarantor to the Agent (on behalf of the Finance Parties) repay to the relevant German Guarantor any amount which the Agent would not have been entitled to enforce had the Management Determination or the Auditor’s Determination been delivered in time or the difference between the amount paid and the amount payable resulting from the Auditor’s Determination calculated as of the date the demand in respect of a Guarantee Obligation was made.
- (g) Each German Guarantor shall (and, in the case of a German Guarantor in the form of a GmbH & Co. KG, shall procure that its general partner will) do everything commercially justifiable and legally permitted to avoid the enforcement of the Guarantee becoming limited pursuant to the terms of this Clause 21.15 and shall in particular, within three (3) months after a written request of the Agent (such request not to be made except in a situation where that German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) does not have sufficient Net Assets to

maintain its Protected Capital) realise at least at market value any of its (and, in the case of a GmbH & Co. KG, any of its general partner's) assets that is not necessary for its business (*nicht betriebsnotwendig*) (or, in the case of a GmbH & Co. KG, that of its general partner) and is shown in its (or, in the case of a GmbH & Co. KG, its general partner's) balance sheet with a book value that is in the reasonable opinion of the Agent significantly lower than the market value.

21.16 Jersey Law Waiver

- (a) Each Obligor irrevocably and unconditionally waives and abandons any and all rights or entitlement which it has or may have under the existing or future laws of Jersey, whether by virtue of the customary law rights of *droit de discussion* or otherwise, to require that recourse be had to the assets of an Obligor or any other person before any claim is enforced against it in respect of its obligations under any Secured Debt Document (as defined in the Intercreditor Agreement).
- (b) Each Obligor irrevocably and unconditionally waives and abandons any and all rights or entitlement which it has or may have under the existing or future laws of Jersey, whether by virtue of the customary law right of *droit de division* or otherwise, to require that any liability in respect of its obligations under this Clause 21 or in respect of any other obligations assumed by it under this Agreement or any other Secured Debt Document (as defined in the Intercreditor Agreement) be divided or apportioned with any other person or reduced in any manner.

22. REPRESENTATIONS

22.1 General

Save as expressly stated to the contrary, the Company and each Obligor (or, in the case of Clauses 22.11 (*No misleading information*) and 22.12 (*Financial statements*), the Company) makes the representations and warranties set out in this Clause 22 (*Representations*) to each Finance Party at the times specified in Clause 22.34 (*Times when representations made*).

22.2 Status

- (a) It (and each of its Restricted Subsidiaries) is a limited liability corporation or limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It (and each of its Restricted Subsidiaries) has the power to own its material assets and carry on its business as it is being conducted.

22.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

22.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;

- (b) the constitutional documents of any member of the Restricted Group or the Parent; or
- (c) any agreement or instrument binding upon it or any member of the Restricted Group or any of its or any member of the Restricted Group's assets or constitute a default or termination event (however described) under any such agreement or instrument, save to the extent such conflict, default or termination event does not and is not reasonably likely to have a Material Adverse Effect.

22.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.
- (b) No limit on its powers will be exceeded as a result of the borrowing, grant of Security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

22.6 Validity and admissibility in evidence

- (a) All Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
 - (ii) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect except for those necessary to satisfy the Perfection Requirements which will be satisfied promptly after execution of the relevant documents and in any event within the time periods required by law or, if shorter, under the Agreed Security Principles.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of members of the Restricted Group and the Parent have been obtained or effected and are in full force and effect if the failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

22.7 Governing law and enforcement

Subject to the Legal Reservations:

- (a) the choice of governing law of the Finance Documents (to which it is a party) will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document (to which it is a party) in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

22.8 Insolvency

No:

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 26.7 (*Insolvency proceedings*); or

- (b) creditors' process described in Clause 26.9 (*Creditors' process*), has been taken or, to the knowledge of the Company, threatened in relation to a member of the Restricted Group or the Parent and none of the circumstances described in Clause 26.6 (*Insolvency*) applies to a member of the Restricted Group or the Parent, where falling within paragraph (b) of the definition of Permitted Transaction).

22.9 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees (except for fees associated with the notarization of German law share pledge agreements) be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except for the Perfection Requirements and payment of associated fees which shall be completed and paid promptly (and in any event within the periods prescribed by law) after the date of the relevant Finance Document (except in respect of the SIR filing relating to each Transaction Security Document governed by Jersey law, which will take place on or before the date of that Transaction Security Document).

22.10 No default

- (a) No Event of Default and, on the date of this Agreement and the first Utilisation Date, no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Restricted Subsidiaries or to which its (or any of its Restricted Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

22.11 No misleading information

So far as the Company is aware and save as disclosed to the Agent, the Arranger or the Original Lender in writing prior to the date of this Agreement:

- (a) any material written factual information (other than any financial projections or forecasts) contained in the Financial Information was true and accurate in all material respects as at the date (if any) ascribed thereto or (as the case may be), the date the information was originally given (or expressed to be given);
- (b) the Financial Information has been prepared in accordance with generally accepted accounting principles in the United States;
- (c) no significant event or circumstance has occurred or arisen and no material information has been omitted from the Financial Information which results in the Financial Information being untrue or misleading in any material respect (excluding for the avoidance of doubt any financial projections or forecasts contained therein); and
- (d) the financial projections and forecast contained in the Financial Information:
 - (i) were prepared on the basis of recent historical information and reasonable assumptions and arrived at after careful consideration; and
 - (ii) were, taken as a whole, fair,

in each case as at the time such financial projections and forecasts were prepared.

22.12 Financial Statements

- (a) The Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied and give a true and fair view of the consolidated financial condition of the Group as at the end of, and the consolidated results of operations of the Group for, the financial year to which they relate (unless expressly disclosed to the Agent in writing to the contrary prior to the date of this Agreement).
- (b) The most recent financial statements of the Company delivered pursuant to Clause 23.1 (*Financial statements*) have been prepared in accordance with the Accounting Principles consistently applied and give a true and fair view of (if audited), or fairly present (if unaudited), its financial condition as at the end of, and consolidated results of operations of that Obligor for, the period to which they relate.
- (c) The Budgets supplied under this Agreement were arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied.
- (d) There has been no material adverse change in the business, assets or financial condition of the Restricted Group, since the date of the Original Financial Statements.

22.13 No proceedings pending or threatened

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency, which is reasonably likely to be adversely determined and, if so determined, would have or is reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any of its Restricted Subsidiaries.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to be adversely determined and which, if adversely determined, is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any of its Restricted Subsidiaries.

22.14 No breach

- (a) It has not (and none of its Restricted Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (b) It has not (and none of its Restricted Subsidiaries has) breached any covenant or obligation which breach has or is reasonably likely to have, in respect of Babington House or High Road House, a material adverse effect on the value, saleability or use (as in use as of the date of this Agreement) of either of those properties.
- (c) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry) threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

22.15 Environmental laws

- (a) To the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent compliance with Environmental Law in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Group where that claim is reasonably likely to be adversely determined and, if so determined against that member of the Group, would have or is reasonably likely to have a Material Adverse Effect.

22.16 Taxation

- (a) It is not (and none of its Restricted Subsidiaries is) materially overdue in the filing of any Tax returns and it is not (and none of its Restricted Subsidiaries is) overdue in the payment of any amount in respect of Tax (other than where such payment or the Tax to which it relates is being contested in good faith by appropriate proceedings and will not or is reasonably likely to not have a Material Adverse Effect).
- (b) To the best of its knowledge and belief, no claims or investigations are being made or conducted against it (or against any of its Subsidiaries) with respect to Taxes such that a liability of or claim against it or any of its Restricted Subsidiaries could arise which has or is reasonably likely to have a Material Adverse Effect.

22.17 Security and Financial Indebtedness

- (a) As at the Closing Date:
 - (i) no Security or Quasi-Security exists over all or any of the present or future assets of any member of the Restricted Group or the Parent other than as permitted or not prohibited under this Agreement; and
 - (ii) no member of the Restricted Group or the Parent has any Financial Indebtedness outstanding other than as permitted or not prohibited under this Agreement.
- (b) The Company has disclosed in writing to the Agent or the Arranger all material Liens granted by the Company and its Restricted Subsidiaries and in existence as at the date of this Agreement.
- (c) This Clause 22.17 shall not apply to any Security or guarantee or Financial Indebtedness arising under, or in connection with, the Existing Debt which is released and discharged in full in accordance with this Agreement.

22.18 Ranking

Subject to the Legal Reservations and Perfection Requirements, the Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security (other than as permitted or not prohibited by this Agreement).

22.19 Good title to assets

It and each of its Restricted Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted where failure to do so has or is reasonably likely to have a Material Adverse Effect or in respect of Babington House or High Road House only, a material adverse effect on the value, saleability or use (as in use as of the date of this Agreement) of either of those properties.

22.20 Legal and beneficial ownership

- (a) It and each of its Restricted Subsidiaries is the sole legal and beneficial owner of the respective shares, properties and other assets over which it purports to grant Security, other than as a result of any Transaction Security or as expressly set out in the relevant Transaction Security Document.
- (b) The Company is legally and beneficially owned by the Parent free from any claims, third party rights or competing interests other than any Permitted Liens.

22.21 Shares

- (a) The shares of any member of the Restricted Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights.
- (b) The constitutional documents (amended, as the case may be, pursuant to the Transaction Security) of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security (other than to the extent of restrictions or inhibitions required by applicable law).
- (c) There are no agreements in force or corporate resolutions passed which provide for the issue or allotment of, or grant any person the right (whether conditional or otherwise) to call for the issue or allotment of, any share or loan capital of any member of the Restricted Group (including any option or right of pre-emption or conversion).

22.22 Intellectual Property

Other than as disclosed in the Reports, it and each of its Restricted Subsidiaries:

- (a) is the beneficial owner of or has licensed to it on arm's length terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted where the absence of the same has or is reasonably likely to have a Material Adverse Effect;
- (b) does not, in carrying on its business, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and
- (c) has taken all formal or procedural actions (including payment of fees) reasonably required to maintain any material Intellectual Property owned by it (where failure to do so would or is reasonably likely to have a Material Adverse Effect).

22.23 Intellectual Property licences

In respect of any licences of Intellectual Property to or by the Company or any of its Restricted Subsidiaries:

- (a) each licence is in full force and effect and binding on the parties to it; and
- (b) the terms of the licences have been complied with by the parties, no disputes have arisen and no notice of termination has been received or served by the Company or relevant Restricted Subsidiaries and there are no grounds on which they might be terminated, where failure to have a valid and binding licence or to comply with the terms of the licence, or where a dispute or service or receipt of a notice of termination, as set out in paragraphs (a) and (b) above, has or is reasonably likely to have a Material Adverse Effect.

22.24 Group Structure Chart

The Group Structure Chart delivered to the Agent pursuant to Part 1 (*Conditions precedent to initial Utilisation*) of Schedule 2 (*Conditions precedent*) is true, complete and accurate in all material respects as at the Closing Date **provided that** if, pursuant to paragraph (f) of Clause 25.17, within sixty (60) days of the Closing Date, the Company delivers an updated structure chart to the Agent, (i) no breach of this Clause 22.24 shall be deemed to occur and (ii) the group structure chart delivered pursuant to paragraph (f) of Clause 25.17 shall be true, complete and accurate in all material respects as at the date of its delivery to the Agent.

22.25 Pensions

Neither it nor any of its Restricted Subsidiaries is or has at any time been:

- (a) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993); and
- (b) “connected” with or an “associate” of (as those terms are used in sections 38 and 43 of the Pensions Act 2004) such an employer.

22.26 Holding Companies

None of the companies in the Holding Structure Group has traded or on the date of this Agreement (following the repayment of Existing Debt) has any liabilities or commitments (actual or contingent, present or future) other than acting as a Holding Company and carrying out any activity permitted under Clause 25.7 (*Holding Companies*).

22.27 Shareholder debt

No liabilities are owed by the Company or any Restricted Subsidiary to the Parent or any Holding Company of the Parent (or Affiliate who is not a member of the Group) other than:

- (a) any Shareholder Liabilities owed to a Shareholder Creditor (each as defined in the Intercreditor Agreement);
- (b) in respect of any Commitments held by an Investor Affiliate in accordance with the Finance Documents; and
- (c) any other liabilities **provided that** such liabilities shall not exceed an aggregate amount of £5,000,000 at any time.

22.28 Accounting Reference Date

The Accounting Reference Date of each member of the Restricted Group is on or about 31 December.

22.29 ERISA and Multiemployer Plans

- (a) No ERISA Event has occurred, is continuing, or is reasonably likely to occur with respect to which any Obligor or ERISA Affiliate has or is reasonably likely to incur any liability.
- (b) Each Employee Plan is in compliance in form and operation with ERISA and the Code and all other applicable laws and regulations save where any failure to comply would not reasonably be expected to have a Material Adverse Effect.

- (c) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the IRS to be so qualified or is in the process of being submitted to the IRS for approval or will be so submitted during the applicable remedial amendment period, and, nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of an Employee Plan with no determination, nothing has occurred that would materially adversely affect such qualification).
- (d) There exists no Unfunded Pension Liability with respect to any Employee Plan, except as would not be reasonably expected to have a Material Adverse Effect.
- (e) Neither any Obligor nor any ERISA Affiliate has incurred a complete or partial withdrawal from any Multiemployer Plan, and if each of the Obligors and each ERISA Affiliate were to withdraw in a complete withdrawal as of the date hereof, the aggregate withdrawal liability that would be incurred would not reasonably be expected to have a Material Adverse Effect.
- (f) There are no actions, suits or claims pending against or involving an Employee Plan (other than non-material routine claims for benefits) or threatened, which would reasonably be expected to be asserted successfully against any Employee Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to have a Material Adverse Effect.
- (g) Each Obligor and ERISA Affiliate has made all material contributions to or under each such Employee Plan it is required by law to make within the applicable time limits prescribed thereby, the terms of such Employee Plan, or any contract or agreement requiring contributions to an Employee Plan, except where any failure to comply would not reasonably be expected to have a Material Adverse Effect.
- (h) Neither any Obligor nor any ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4068(a) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Employee Plan subject to Section 4064(a) of ERISA to which it made contributions.
- (i) No Multiemployer Plan is or is reasonably likely to become “insolvent” (within the meaning of Section 4245 of ERISA) or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA), except as would not reasonably be expected to have a Material Adverse Effect.

22.30 Federal Reserve regulations

- (a) No Obligor is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.
- (b) None of the proceeds of the Loans or other extensions of credit under this Agreement will be used, whether directly or indirectly and whether immediately, incidentally or ultimately, for the purpose of buying or carrying any Margin Stock, for the purpose of reducing or retiring any Financial Indebtedness that was originally incurred to buy or carry any Margin Stock or for any other purpose which might cause all or any Loans or other extensions of credit under this Agreement to violate Regulation T, U or Regulation X.

22.31 Anti-Bribery Laws

- (a) Neither it nor any of its Subsidiaries, nor any director or officer, of it or any Subsidiary or (to its knowledge) any employee or any person authorised to act on it or a Subsidiary’s behalf has violated the Anti-Bribery Laws directly or indirectly through a third party, or has made any bribe, unlawful rebate or kickback or has otherwise corruptly paid, offered, promised or authorised the payment of money, a gift or anything of value, directly or indirectly or through a third party, to or for the use or benefit of any Government Official for the purpose of:

- (i) improperly influencing any act or decision of such person in his/her official capacity;
- (ii) inducing such person to act (including through action or omission) in violation of the lawful duty of such person;
- (iii) securing any improper advantage; or
- (iv) inducing such person to use his/her influence to improperly affect or influence any act or decision of a Government Authority,

in order to assist it, any Subsidiary or any other third party in obtaining or retaining business for or with, or directing business to, any person, in each case of (i) through (iv), in violation of Anti-Bribery Laws.

- (b) It and each of its Subsidiaries has conducted its businesses in compliance with Anti- Bribery Laws.

22.32 Investment companies

No Obligor, person controlling an Obligor or Subsidiary of an Obligor is required to be registered as an “investment company” under the U.S. Investment Company Act of 1940 (the “**1940 Act**”).

22.33 Sanctions

- (a) Neither it or any of its Subsidiaries, nor any of its or their respective directors or officers, or to the best of the Company’s knowledge, employees, affiliates, agents or representatives:
 - (i) is, or is owned or controlled by, a Designated Person; or
 - (ii) has been engaged in any transaction, activity or conduct that could reasonably be expected to result in its being designated as a Designated Person.
- (b) The Company has taken reasonable measures to ensure compliance with Economic Sanctions Laws.
- (c) As of the date of this Agreement, the Company has disclosed to the Agent all material facts known to it regarding:
 - (i) all claims, damages, liabilities, losses, penalties, actions and/or judgments that are asserted against, paid or payable by the Borrower in connection with non-compliance with any Economic Sanctions Laws by the Company; and
 - (ii) any investigations involving possible non-compliance with Economic Sanctions Laws by the Company.
- (d) The representations and warranties in this Clause 22.33 are made only to the extent that they do not result in (i) a violation of, conflict with or liability under EU Regulation (EC) 2271/96, as amended or (ii) a violation of or conflict with Section 7 of the German Foreign Trade Regulation (AWV) (*Außenwirtschaftsverordnung*) or a similar anti-boycott statute.

22.34 Times when representations made

- (a) All the representations and warranties in this Clause 22 are made by each Original Obligor on the date of this Agreement and on the first Utilisation Date (**provided that** the representations and warranties in Clause 22.24 (*Group Structure Chart*) are made only on the date of this Agreement).
- (b) The Repeating Representations are deemed to be made by each Obligor on:
 - (i) the date of each Utilisation Request;
 - (ii) each Utilisation Date;
 - (iii) the first day of each Interest Period;
 - (iv) the date of each Additional Facility Notice; and
 - (v) each Establishment Date.
- (c) The Repeating Representations contained in paragraph (b) of Clause 22.12 (*Financial statements*) will only be made once in respect of each set of financial statements on the date such financial statements or Budget is delivered under this Agreement).
- (d) All the representations and warranties made in Clauses 22.2 (*Status*), 22.3 (*Binding obligations*), 22.5 (*Power and Authority*) to 22.7 (*Governing law and enforcement*) inclusive, 22.10 (*No default*) (in respect of Events of Default only) and 22.12 (*Financial statements*) are deemed to be made by each Additional Obligor with respect to it and its Restricted Subsidiaries on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor, **provided that** in respect of Clause 22.12 (*Financial statements*) such Additional Obligor shall only be deemed to make a representation and warranty in respect of paragraph (c) of that Clause and only in respect of its most recent financial statements.
- (e) Each representation and warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.
- (f) Notwithstanding any other provisions to the contrary in this Clause 22, the representations and warranties set out in this Clause 22 shall be qualified by all of the information included in the Reports (including any annexes to such Reports) and any other information provided to the Arranger or the Agent in writing prior to the date of this Agreement.

23. INFORMATION UNDERTAKINGS

The undertakings in this Clause 23 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 23:

“**Annual Financial Statements**” means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 23.1 (*Financial statements*).

“**Monthly Financial Statements**” means the financial statements delivered pursuant to paragraph (c) of Clause 23.1 (*Financial statements*).

“**Quarterly Financial Statements**” means the financial statements for a Financial Quarter delivered pursuant to paragraph (b) of Clause 23.1 (*Financial statements*).

23.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a)
 - (i) as soon as they are available, but in any event within one hundred twenty (120) days after the end of each of its Financial Years, its audited consolidated financial statements for that Financial Year; and
 - (ii) if requested and only to the extent prepared, the financial statements (consolidated and/or audited if required by law or regulation) of any Obligor (other than the Company and the Parent) for that Financial Year, as soon as they are available;
- (b) as soon as they are available, but in any event within forty-five (45) days after the end of each of its first three Financial Quarters in any Financial Year (other than in the case of the first such Financial Quarter ending after the date of this Agreement, in which case, within sixty (60) days), its consolidated financial statements for that Financial Quarter; and
- (c) as soon as they are available, but in any event within forty-five (45) days after the end of each month, its consolidated management accounts for that month.

23.2 Provision and contents of Compliance Certificate

- (a) The Company shall supply a Compliance Certificate to the Agent with each set of its audited consolidated Annual Financial Statements (an “**Annual Compliance Certificate**”) and each set of its Quarterly Financial Statements which relates to a Financial Quarter ending on or about a Test Date.
- (b) The Compliance Certificate shall, amongst other things:
 - (i) set out Consolidated EBITDA for the Relevant Period, the Asset Cover Value as at the relevant Test Date and whether Clause 24.2 (*Financial condition*) has been complied with for the Relevant Period;
 - (ii) set out Consolidated Net Indebtedness as at the relevant Test Date and the Total Net Leverage Ratio for the Relevant Period, and confirm the Margin as set out in the definition of “Margin”; and
 - (iii) in the case of an Annual Compliance Certificate, identify which members of the Restricted Group are Material Companies and confirm compliance with Clause 25.17 (*Guarantors*).
- (c) Each Compliance Certificate shall be signed by two directors or officers of the Company one of which is the CFO or CEO.
- (d) To the extent the Agent (acting on the instructions of the Lenders) waives any Event of Default (which is not remedied or cured) arising pursuant to paragraph (a) of Clause 24.2 (*Financial condition*), the Company shall procure that the Compliance Certificate delivered with the first set of Annual Financial Statements delivered pursuant to paragraph (a) of Clause 23.1 (*Financial statements*) following such waiver shall be certified by the Group’s auditors as giving a true and fair view of the Company’s compliance with paragraph (a) of Clause 24.2 (*Financial condition*).
- (e) For the avoidance of doubt, the Company may deliver a Compliance Certificate for any other Relevant Period, setting out Consolidated Net Indebtedness as at the last day of such Relevant Period, Consolidated EBITDA for such Relevant Period and the Total Net Leverage Ratio for such Relevant Period, and confirming the Margin as set out in the definition of “Margin”.

23.3 Requirements as to financial statements

- (a) The Company shall procure that each set of Annual Financial Statements and Quarterly Financial Statements includes a balance sheet, profit and loss account and (in the case of consolidated Group accounts only) a cash flow statement. In addition, the Company shall procure that:
 - (i) each set of Annual Financial Statements shall be audited by the auditors;
 - (ii) each set of Quarterly Financial Statements includes a cashflow forecast in respect of the Group relating to the twelve (12) month period at the end of the relevant Financial Quarter or Financial Quarters; and
 - (iii) each set of Quarterly Financial Statements is accompanied by a statement by the directors or officers of the Company commenting on the performance of the Group for the Financial Quarter to which the financial statements relate and the performance compared to the annual budget for such period and any material developments or proposals affecting the Group or its business.
- (b) Each set of financial statements delivered pursuant to Clause 23.1 (*Financial statements*):
 - (i) shall be certified by a director or officer of the relevant company as giving a true and fair view of (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the audited Annual Financial Statements, and (subject to the Agent entering into an engagement letter with the auditors where so required by the auditors) a copy of any “letter to management” addressed to the management of the relevant company by the auditors in relation to those audited Annual Financial Statements shall be also be provided to the Agent in sufficient copies for the Lenders, when received by such company (or, if later, promptly following entry by the Agent into an engagement letter with the auditors where so required by the auditors);
 - (ii) in the case of the consolidated Quarterly Financial Statements or Annual Financial Statements of the Group, shall be accompanied by a statement by the directors or officers of the Company comparing actual performance for the period to which the financial statements relate, to:
 - (A) the projected performance for that period set out in the Budget; and
 - (B) the actual performance for the corresponding period in the preceding Financial Year of the Group;
 - (iii) shall be prepared in accordance with the Accounting Principles unless, in relation to any set of financial statements, the Company notifies the Agent that there has been a material change in the Accounting Principles or the accounting practices and delivers to the Agent:
 - (A) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether paragraph (a) of Clause 24.2 (*Financial condition*) has been complied with, to determine the Margin asset out in the definition of “Margin” and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements; and

- (B) a description of any change necessary for those financial statements to reflect the Accounting Principles or accounting practices upon which the Original Financial Statements were prepared.
- (c) The Company shall, at the request of the Agent, authorise the auditors (at the expense of the Company) to prepare a report addressed to the Company confirming that the Company (or any other Obligor) has appropriately reflected the material change in the Accounting Principles or the accounting practices in those financial statements and shall provide copies of such report to the Agent on a “hold harmless” basis with the consent of the auditors and where so required by the auditors, subject to the Agent entering into an engagement with the auditors. Any reference in this Agreement (other than in Clause 23.10 (*Reporting obligations in respect of a Listed Entity*)) to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.
- (d) The Company shall procure that the Monthly Financial Statements include a balance sheet, profit and loss account and cashflow statement and is accompanied by a statement by the directors of the Company commenting on the performance of the Group for the month to which the financial statements relate and any material developments or proposals affecting the Group or its business.
- (e) The Company shall be entitled to extend or reduce a Financial Year by up to one week in respect of such Financial Year from time to time solely for the purposes of aligning (as closely as possible) the end of that Financial Year with 31 December.
- (f) The Company in its sole discretion may satisfy its obligations under Clause 23.1 (*Financial Statements*) by delivering financial statements consolidated at the level of any Holding Company of the Company (as determined at the discretion of the Company), **provided that**, if requested by the Majority Lenders, the Company shall as soon as reasonably practicable following such request deliver details of any material adjustments that would be required for the applicable Relevant Period to exclude the results of each person which is consolidated in such financial statements but is not a member of the Group.
- (g) If the Company notifies the Agent of a change in accordance with paragraph (b)(iii) above, the Company and the Agent (acting on the instructions of the Majority Lenders) shall enter into negotiations in good faith with a view to agreeing any amendments to this Agreement which are necessary as a result of the change. These amendments will be such as to ensure that the change does not result in any material alteration in the commercial effect of the obligations contained in this Agreement. If any amendments are agreed, they shall take effect and be binding on each of the Parties in accordance with their terms.
- (h) Whilst an Event of Default is continuing and the Majority Lenders have reasonable grounds to believe that the financial information provided pursuant to this Agreement is incorrect, if the Agent (acting on the instructions of the Majority Lenders) wishes to discuss the financial position of any member of the Restricted Group with the auditors, the Agent may notify the Company, stating the questions or issues which the Agent wishes to discuss with the auditors. In this event, the Company must ensure that the auditors are authorised (at the expense of the Company but subject to the Agent (acting on the instructions of the Majority Lenders) entering into an engagement with the auditors):
- (i) to discuss the financial position of each member of the Restricted Group with the Agent on request from the Agent; and
 - (ii) to disclose to the Agent for the Finance Parties any information which the Agent may reasonably request.

23.4 Budget

- (a) The Company shall supply to the Agent in sufficient copies for all the Lenders as soon as the same become available but in any event within thirty (30) days from the start of each of its Financial Years, an annual Budget for that Financial Year, with the first such Budget to be delivered in respect of the Financial Year commencing 1 January 2020.
- (b) The Company shall ensure that each Budget:
 - (i) includes a projected consolidated profit and loss account, balance sheet and cashflow statement for the Group, projected financial covenant calculations, relevant key performance indicators and a capital expenditure plan together with commentary;
 - (ii) is prepared in accordance with the Accounting Principles and the accounting practices and financial reference periods applied to financial statements under Clause 23.1 (*Financial statements*) and is broken down on a monthly basis; and
 - (iii) has been approved by the board of directors of the Company.
- (c) If the Company updates or changes the Budget in any material respect, it shall promptly within ten (10) Business Days of each Quarter Date deliver to the Agent, in sufficient copies for each of the Lenders, such updated or changed Budget together with a written explanation of the main changes in that Budget which have been made in such immediately preceding Financial Quarter ending in such Quarter Date.

23.5 Unrestricted Subsidiaries

If any Subsidiaries of the Company have been designated as Unrestricted Subsidiaries, the information delivered under paragraph (a) and (b) of Clause 23.1 (*Financial statements*), Clause 23.2 (*Provision and contents of Compliance Certificate*) and Clause 23.4 (*Budget*) will include reasonably detailed information as to the financial condition of the Restricted Group separate from that of the Unrestricted Subsidiaries.

23.6 ERISA-Related information

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) promptly and in any event within fifteen (15) days after any Obligor or any ERISA Affiliate files a Schedule B (or such other schedule as contains actuarial information) to IRS Form 5500 in respect of an Employee Plan with Unfunded Pension Liabilities, a copy of such IRS Form 5500 (including the Schedule B);
- (b) promptly and in any event within fifteen (15) days after any Obligor or any ERISA Affiliate knows or has reason to know that any ERISA Event which, individually or when aggregated with any other ERISA Event, would reasonably be expected to have a Material Adverse Effect has occurred, the written statement of the Chief Financial Officer of such Obligor or ERISA Affiliate, as applicable, describing such ERISA Event and the action, if any, which it proposes to take with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event; **provided that**, in the case of ERISA Events under paragraph (e) of the definition thereof, the fifteen (15) day period set forth above shall be a ten-day period, and, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event;

- (c) promptly, and in any event within fifteen (15) days, after becoming aware that there has been (i) a material increase in Unfunded Pension Liabilities, taking into account only Employee Plans with positive Unfunded Pension Liabilities; (ii) the existence of potential withdrawal liability under Section 4201 of ERISA, if each Obligor and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans; (iii) the adoption of, or the commencement of contributions to, any Employee Plan subject to Section 412 of the Code by any Obligor or any ERISA Affiliate; or (iv) the adoption of any amendment to an Employee Plan subject to Section 412 of the Code which results in a material increase in contribution obligations of any Obligor, a detailed written description thereof from the Chief Financial Officer of each affected Obligor or ERISA Affiliate, as applicable; and
- (d) copies of (i) any documents described in Section 101(k)(1) of ERISA that an Obligor or any ERISA affiliate may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that an Obligor or any ERISA Affiliate may request with respect to any Multiemployer Plan; **provided that**, the Obligor or the applicable ERISA Affiliate shall promptly make a request for such documents or notices from the administrator or sponsor of such Multiemployer Plan upon written request by the Lender, and shall provide copies of such documents and notices promptly after receipt thereof.

23.7 Information – miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) as soon as reasonably practicable after they are dispatched, copies of all documents required by law to be dispatched by the Company to its shareholders generally (or any class of them) or dispatched by the Company or any Obligors to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Restricted Group and which would involve a liability, or a potential or alleged liability exceeding £10,000,000 (or its equivalent in other currencies);
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any member of the Group and which would involve a liability, or a potential or alleged liability, exceeding £10,000,000 (or its equivalent in other currencies);
- (d) promptly, such information as the Collateral Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (e) promptly on request, such further information regarding the financial condition, assets and operations of the Restricted Group and/or any member of the Restricted Group (including any requested amplification or explanation of any item in the financial statements or budgets provided by any Obligor under this Agreement or any changes to senior management of the Group) as any Finance Party through the Agent may reasonably request;

- (f) promptly such further information as may be required by applicable banking supervisory laws and regulations and/or in line with standard banking practice;
- (g) promptly upon the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with the provisions of this Agreement, the details of any such designation or redesignation; and
- (h)
 - (i) as soon as reasonably practicable following the earlier of: (A) notice of any event of default being received by the Company or Restricted Subsidiary and (B) the Company or any Restricted Subsidiary becoming aware of any event of default, information on any default under the terms of the Miami Loans;
 - (ii) as soon as reasonably practicable upon request, reasonable details of any material amendment to the Miami Loans (including, for the avoidance of doubt, any extension of maturity, increase in commitments or insertion of financial covenants); and
 - (iii) as soon as reasonably practicable following delivery of the same, a copy of any compliance certificate delivered pursuant to the terms of the Miami Loans.

23.8 Notification of default

- (a) Each Obligor shall notify the Agent of any Default which is continuing (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by a director or senior officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

23.9 “Know your customer” checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer which has entered into a Confidentiality Undertaking,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on

behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied (acting reasonably) it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than five (5) Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Restricted Subsidiaries becomes an Additional Obligor pursuant to Clause 29 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender which has signed a Confidentiality Undertaking) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Restricted Subsidiary to this Agreement as an Additional Obligor.
- (e) In relation to each Original Obligor that is not an Original Borrower, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender in order for the Agent or such Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

23.10 Reporting obligations in respect of a Listed Entity

- (a) Notwithstanding this Clause 23 (*Information undertakings*) and any other term of the Finance Documents, for so long as any member of the Group or any direct or indirect Holding Company of the Company remains listed on any recognised investment or other stock exchange (the “**Listed Entity**”), delivery to the Agent of a copy of each set of financial statements of the Listed Entity and (to the extent applicable) any *ad hoc* press release or filing of the Listed Entity which are delivered to the relevant regulators or disclosed in accordance with the applicable stock exchange rules (in each case promptly following the date on which such financial statements or *ad hoc* press release or filing has been delivered to the relevant regulators or disclosed in accordance with the applicable stock exchange rules), or notice to the Agent that such information has been filed with the relevant regulators or disclosed in accordance with the applicable stock exchange rules and confirming where the filings can be electronically assessed by the general public, shall be deemed to satisfy all reporting and other information obligations of this Agreement (including as regards the form of and requirements in relation to financial statements and any accompanying information, statements and management commentary) such that no further documents, statements or information shall be required to be delivered pursuant to this Agreement, **provided that**, where applicable, each Obligor shall still be required to comply with any obligation to:

- (i) notify the Agent of any Default that is continuing in accordance with Clause 23.8 (*Notification of default*);
 - (ii) deliver Compliance Certificates with the Annual Financial Statements and Quarterly Financial Statements in accordance with Clause 23.2 (*Provision and contents of Compliance Certificate*); and
 - (iii) deliver any “know your customer” information in accordance with Clause 23.9 (*“Know your customer” checks*).
- (b) Notwithstanding this Clause 23 (*Information undertakings*) and any other term of the Finance Documents, all reporting and other information requirements in the Finance Documents (including, for the avoidance of doubt, the obligations of any member of the Group under paragraph (h) of Clause 23.3 (*Requirements as to financial statements*) above and Clause 25.13 (*Access*) below) shall be subject to any confidentiality, regulatory or other restrictions relating to the supply of information concerning the Group or otherwise binding on any member of the Group or any direct or indirect Holding Company of the Company and no such disclosure (other than the delivery of information pursuant to Clause 23.1 (*Financial statements*), Clause 23.2 (*Provision and contents of Compliance Certificate*), Clause 23.8 (*Notification of default*) and Clause 23.9 (*“Know your customer” checks*)) shall be required if as a result of such disclosure a member of the Group or any direct or indirect Holding Company of the Company would be obliged to make an announcement to the relevant listing authorities and/or stock exchange (or in accordance with applicable listing, disclosure and/or stock exchange rules) which it would not otherwise have been required to make or would contravene any applicable laws or regulations or stock exchange requirements.

24. FINANCIAL COVENANT

24.1 Financial definitions

“**Accounting Reference Date**” means on or around 31 December.

“**Consolidated EBITDA**” means for any Relevant Period, the operating profit or loss determined on the basis of the Accounting Principles of the Company and its Restricted Subsidiaries on a consolidated basis for such period:

- (a) **before deducting** taxes based on the income or profits of the Company and its Restricted Subsidiaries for such period;
- (b) **excluding** any depreciation (including lease depreciation charges) amortisation and impairment charges incurred by the Company and its Restricted Subsidiaries in that period (taking no account of the reversal of any previous impairment charge made in that period);
- (c) **excluding** the costs and expenses incurred by the Company and its Restricted Subsidiaries in relation to the opening of any new sites prior to the relevant final opening date of any such site for that period;
- (d) **before taking into account** the non-cash element of any rent paid by the Company and its Restricted Subsidiaries in that period;
- (e) **before taking into account** any unrealised foreign currency gain or loss in respect of Indebtedness (including Hedging Obligations) of, or relating to the translation of assets and liabilities denominated in currencies other than the Base Currency by, the Company and its Restricted Subsidiaries for that period;

- (f) **after adding back** the Company and its Restricted Subsidiaries' share of the amount of profit and deducting the Company and its Restricted Subsidiaries' share of the amount of any loss of any person that is not a member of the Restricted Group (including associates and joint ventures) in which the Company or any Restricted Subsidiary has an ownership interest in that period;
- (g) **before taking into account** any items (positive or negative) of a one-off, non- recurring, extraordinary or exceptional nature;
- (h) **after adding back** (to the extent otherwise deducted) any loss against book value incurred by the Company and its Restricted Subsidiaries on the disposal and/or revaluation of assets (other than the sale of trading stock or the sale of any investments in Cash Equivalents held by such Person in the ordinary course of business) during such period and any business interruption loss incurred which is covered by insurance proceeds received;
- (i) **after deducting** (to the extent otherwise included) any gain over book value arising in favour of the Company and its Restricted Subsidiaries on the disposal and/or revaluation of any asset (other than the sale of trading stock or the sale of any investments in Cash Equivalents held by such Person in the ordinary course of business) during such period and any gain arising on any revaluation of any asset during such period; and
- (j) **without taking into account** the net cash gain or loss from any write down, release or forgiveness of any Indebtedness,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profit or loss of the Company and its Restricted Subsidiaries on a consolidated basis in accordance with the Accounting Principles and so that no amount shall be included or excluded more than once.

"Consolidated Net Indebtedness" means, with respect to the Company and its Restricted Subsidiaries:

- (a) Debt as of the relevant date of calculation; less
- (b) the amount of cash and Cash Equivalents held by the Company and its Restricted Subsidiaries as of such date.

"Debt" means, at any time, the aggregate outstanding principal, capital or nominal amount of the Indebtedness of the Company and its Restricted Subsidiaries (on a consolidated basis) excluding (without double counting):

- (a) the amount of all SPV Indebtedness;
- (b) the amount of all Capital Lease Obligations;
- (c) any Hedging Obligations (save to the extent the underlying liability has become due and payable and has not been paid);
- (d) any Indebtedness of others secured by a Lien on the assets of the Company or any Restricted Subsidiary (save to the extent the underlying liability has become due and payable and has not been paid); and

- (e) any guarantee of any Indebtedness of any other person (save to the extent the underlying liability has become due and payable and has not been paid).

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means each 52-week accounting period of the Company ending on or about the Accounting Reference Date in each year subject to paragraph (d) of Clause 23.3 (*Requirements as to financial statements*).

“**Indebtedness**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Pro Forma**” means, with respect to any *pro forma* calculation or projection made or required to be made pursuant to the terms of this Agreement, a *pro forma* calculation or projection made in good faith by the Company’s chief financial officer (or such other person who is performing the functions of the chief financial officer or finance director).

“**Pro Forma Adjustment**” means, in respect of Consolidated EBITDA (including for the purpose of calculating the Total Net Leverage Ratio) for any Relevant Period, a Pro Forma adjustment for identifiable increases in Consolidated EBITDA resulting from cost synergies or costs savings arising in relation to any Permitted Acquisition which are reasonably achievable within twelve (12) Months from the date of completion of that Permitted Acquisition, **provided that:**

- (a) in respect of the amount of each part of the Pro Forma increase in the Consolidated EBITDA of the Restricted Group which is attributable to such adjustment, such increase shall be certified by the chief financial officer of the Company with such certification accompanied by reasonably detailed analysis of such increase;
- (b) the aggregate amount of all such adjustments to Consolidated EBITDA, to the extent they result in an increase in Consolidated EBITDA, shall not exceed an aggregate amount equal to 15 per cent. of Consolidated EBITDA for the most recent Relevant Period; and
- (c) such cost savings or synergies will cease to be included in any calculation of Consolidated EBITDA as Pro Forma Adjustments once they are (or at any time have proved to not to be capable of being) realised or to the extent that they have not been realised within the twelve (12) month period from the date of the relevant Permitted Acquisition.

“**Quarter Date**” means on or about each of 31 March, 30 June, 30 September and 31 December or such other dates which correspond to the quarter end dates within the Financial Year.

“**Relevant Period**” means (a) (if ending on a Quarter Date or Test Date) each period of four (1) consecutive Financial Quarters ending on that Quarter Date or Test Date or (b) (if ending on the day of a month not being a Quarter Date) the period of twelve (12) consecutive months ending on the last day of a calendar month.

“**Test Date**” means each Quarter Date or, if such date is not a Business Day, the Company may elect that such date shall be the next Business Day or the immediately preceding Business Day.

“**Total Net Leverage Ratio**” of the Company means, as of any date of determination, the ratio of (1) the Consolidated Net Indebtedness as of the end of the most recent quarterly period for which financial statements are available to (2) Consolidated EBITDA for the most recent four (4) quarters for which financial statements are available, in each case with applicable Pro Forma Adjustment.

24.2 Financial condition

As at each Test Date on or following 31 March 2020, the Company shall ensure that:

- (a) Consolidated EBITDA in respect of the Relevant Period ending on such Test Date shall not be less than £32,000,000; and
- (b) the Total Original Revolving Facility Commitments do not exceed 50% of the Asset Cover Value as at such Test Date.

24.3 Calculation

- (a) Save as otherwise provided in this Agreement, the financial covenants set out in Clause 24.2 (*Financial condition*) shall be calculated in accordance with the Accounting Principles as used in the preparation of the Original Financial Statements and tested by reference to the relevant financial statements delivered pursuant to Clause 23.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 23.2 (*Provision and contents of Compliance Certificate*).
- (b) For the purposes of this Clause 24 (*Financial covenant*), in respect of any Relevant Period, the exchange rates for determination of Consolidated Net Indebtedness for that Relevant Period shall be (i) with respect to Indebtedness for which the Restricted Group has entered into cross currency swaps, the rate at which such swap has been entered into and (ii) with respect to all other Indebtedness, the exchange rate used in the calculation of Consolidated EBITDA in accordance with paragraph (c) below.
- (c) For the purposes of this Clause 24 (*Financial covenant*) in respect of any Relevant Period, the exchange rates used in the calculation of Consolidated EBITDA shall be the weighted average exchange rates for the Relevant Period determined in accordance with the Accounting Principles.
- (d) For the purposes of calculating Consolidated EBITDA under this Agreement for any period, if during such period the Company or any Restricted Subsidiary (by merger or otherwise) has made a Permitted Acquisition, the Company shall be permitted to calculate Consolidated EBITDA for the Relevant Period after giving effect to a Pro Forma Adjustment as if such Permitted Acquisition had occurred on the first day of such period.
- (e) In relation to the definitions set out in Clause 24.1 (*Financial definitions*) and all other related provisions of the Finance Documents (including this Clause 24.3):
 - (i) all calculations will be as determined in good faith by the chief financial officer or finance director of the Restricted Group (or such other person as is performing the functions of the chief financial officer or finance director), including in respect of savings and synergies;
 - (ii) all calculations in respect of synergies and savings (in each case actual or anticipated) may be made as though the full run-rate effect of such synergies and savings were realised on the first day of the relevant period, **provided that** such cost savings and synergies will cease to be included in any calculation of Consolidated EBITDA as Pro Forma Adjustments once they are (or at any time have proved to not be capable of being) realised or to the extent that they have not been realised within the twelve (12) month period from the date of completion of the relevant Permitted Acquisition; and

- (iii) notwithstanding any provision of this Agreement, any cost synergies and cost savings included on a *pro forma* basis must comply with the limits contained in the definition of “Pro Forma Adjustment”.
- (f) In the event that:
 - (i) any Accounting Reference Date is adjusted by the Company for the sole purpose of avoiding an Accounting Reference Date falling on a day which is not a Business Day and/or to ensure that an Accounting Reference Date falls on a particular day of the week; or
 - (ii) there is any adjustment to a scheduled payment date to avoid payments becoming due on a day which is not a Business Day, if that adjustment results in any amount being paid in a Relevant Period in which it would otherwise not have been paid, for the purpose of calculating any financial definition or ratio under the Finance Documents the Company may treat such amount as if it was paid in the Relevant Period in which it would have been paid save for any such adjustment.
- (g) Unless a contrary indication appears, a reference to Consolidated EBITDA is to be construed as a reference to the Consolidated EBITDA of the Company and its Restricted Subsidiaries on a consolidated basis.
- (h) In relation to any lease, concession, license of property or other arrangement (or guarantee thereof) which would be considered an operating lease (“**Operational Leases**”) under the Accounting Principles as applied in the Original Financial Statements (the “**Original Accounting Principles**”), to the extent such Operational Leases are subsequently treated as a finance lease or capital lease as a result of any change to the treatment of such leases or other arrangements under the Accounting Principles as opposed to operating leases, such obligations shall be, unless the Company elects otherwise, treated in accordance with the Original Accounting Principles.
- (i) Notwithstanding any other term of any Finance Document, any Short-Term Shareholder Funding shall be excluded from Cash or Cash Equivalents for the purposes of calculating Consolidated Net Indebtedness (for the avoidance of doubt, only so long as it constitutes Short-Term Shareholder Funding in accordance with the definition thereof).

25. GENERAL UNDERTAKINGS

The undertakings in this Clause 25 remain in full force and effect from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

25.1 Authorisations

Each Obligor shall promptly:

- (a) do all such things as are necessary to maintain its status as a legal entity;
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation:
 - (i) of a Relevant Jurisdiction to enable it to perform its obligations under the Finance Documents to which it is a party;

- (ii) of a Relevant Jurisdiction to ensure (subject to the Perfection Requirements and Legal Reservations) the legality, validity, enforceability or admissibility in evidence of any Finance Document to which it is a party; and
- (iii) of a Relevant Jurisdiction or any jurisdiction where it conducts its business to carry on its business except to the extent that failure to so do does not have and is not reasonably likely to have a Material Adverse Effect.

25.2 Compliance with laws

Each Obligor shall (and the Company shall ensure that each member of the Group will) comply in all respects with all laws to which it may be subject, if failure to so comply has or is reasonably likely to have a Material Adverse Effect.

25.3 Taxation

- (a) Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 23.1 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not and is not reasonably likely to have a Material Adverse Effect.
- (b) No Obligor shall and the Company shall ensure that no member of the Restricted Group will change its residence for Tax purposes except to the extent that such change would not be materially and adversely prejudicial to the Finance Parties.

25.4 Environmental compliance

- (a) Each Obligor shall (and the Company shall ensure that each member of the Group will):
 - (i) comply with all Environmental Law;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Permits; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

25.5 Environmental claims

Each Obligor shall (through the Company), promptly upon becoming aware of the same, inform the Agent in writing of:

- (a) any Environmental Claim against any member of the Group which is current, pending or threatened; and

- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

25.6 Charged Property

Each Obligor shall:

- (a) repair and keep in good working order and substantial repair and condition to the reasonable satisfaction of the Collateral Agent, all the Charged Property at any time forming part of the Transaction Security;
- (b) other than in accordance with an Asset Sale permitted by paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*), not at any time without the prior written consent of the Collateral Agent sever or remove any of the fixtures forming part of the Charged Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs or replacement of it);
- (c) comply with and observe and perform (i) all material covenants and obligations and all applicable requirements of all planning legislation, regulations and by-laws relating to the Charged Property, (ii) any conditions attaching to any planning permissions relating to or affecting the Charged Property and (iii) any notices or other orders made by any planning or other public body in respect of all or any part of the Charged Property in all material respects;
- (d) other than as permitted by paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*), not serve any notice to terminate, or do or omit to do anything which may render any of the leases of real property vested in the Restricted Group liable to termination, or to vary any such leases where to do so would have a Material Adverse Effect; and
- (e) if requested by the Collateral Agent (acting on the instructions of the Instructing Group (as defined in the Intercreditor Agreement)), apply for relief from forfeiture or equivalent in relation to any leasehold properties occupied by the Restricted Group where not to do so would have a Material Adverse Effect.

25.7 Holding Companies

No member of the Holding Structure Group shall trade, carry on any business, own any assets or incur any liabilities except for any trade, business, assets or liabilities that arise from or in relation to the following:

- (a) the provision of administrative services (excluding legal and treasury services) to other members of the Restricted Group or the Parent of a type customarily provided by a holding company to its Subsidiaries;
- (b) ownership of shares in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalents but only if those shares, credit balances, cash and Cash Equivalents are subject to the Transaction Security (save where no such Transaction Security is required under the terms of this Agreement);
- (c) any liabilities and the performance of obligations under the Finance Documents and Shareholder Funding to which it is a party and incurrence and payment of professional and advisory fees and administration costs in the ordinary course of business as a holding company or as otherwise expressly permitted or not prohibited by any other term of any Finance Document;

- (d) any liabilities and the performance of any obligations under or in connection with professional services engagements and other contracts for the benefit of the whole or part of the rest of the Group;
- (e) guarantees and similar arrangements in respect of obligations of members of the Group (and/or of any other person **provided that** such guarantee or similar arrangement is not prohibited by paragraph 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*)) not constituting Indebtedness, including but not limited to operating leases, building contracts and project development contracts;
- (f) taking any action or any steps in connection with a proposed Listing, **provided that** such action does not result in the Finance Parties ceasing to have Transaction Security over 100% of the share capital of the Company;
- (g) a Permitted Reorganisation;
- (h) any Indebtedness or Shareholder Funding which is permitted or not prohibited under Schedule 14 (*Restrictive Covenants*); and/or
- (i) taking any action or any steps permitted or not prohibited by paragraph 9 (*Passive Holding Company*) of Schedule 14 (*Restrictive Covenants*).

25.8 Change of business

The Company shall procure that no substantial change is made to the general nature of the business of the Restricted Group taken as a whole from that carried on by the Group at the date of this Agreement.

25.9 Preservation of assets

Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

25.10 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

25.11 Insurance

Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) maintain insurances (with reputable independent insurance companies or underwriters) on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

25.12 Pensions

- (a) Each Obligor shall comply (and the Company shall procure that each of its Restricted Subsidiaries complies) with all applicable law and regulation in respect of the pension schemes operated by or maintained for the benefit of any member of the Group and/or any of their employees where failure to do so has or is reasonably likely to have a Material Adverse Effect.

- (b) No Obligor, and the Company shall ensure that no Restricted Subsidiary, is or has been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or “connected” with or an “associate” of (as those terms are used in sections 38 or 43 of the Pensions Act 2004) such an employer.
- (c) The Company shall deliver, and shall ensure that each Restricted Subsidiary delivers, to the Agent at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to the Company or any Restricted Subsidiary), actuarial reports in relation to all pension schemes mentioned in paragraph (b) above.
- (d) The Company shall promptly notify, and shall ensure that each Restricted Subsidiary promptly notifies, the Agent of any material change in the rate of contributions to any pension schemes mentioned in (b) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise).

25.13 Access

Whilst an Event of Default is continuing, each Obligor shall, and the Company shall ensure that each member of the Restricted Group and the Parent will permit the Agent and/or the Collateral Agent and/or accountants or other professional advisers of the Agent or Collateral Agent access at all reasonable times and on reasonable notice at the risk and cost of the Obligors to:

- (a) inspect the headquarters of the Company and/or each of the Borrowers;
- (b) inspect the assets, books, accounts and records of each member of the Restricted Group and the Parent and to take copies and extracts from such books, accounts and records (but not, for the avoidance of doubt, to make physical inspections thereof at the headquarters or other premises of any such member of the Restricted Group other than each of the Borrowers as provided under paragraph (a) above); and
- (c) meet and discuss matters with senior management,

provided that in exercising such rights the Agent, the Collateral Agent and/or its accountants or professional advisers shall have regard for the need to keep disruption to the business to a minimum.

25.14 Intellectual Property

- (a) Each Obligor shall, and the Company shall procure that each member of the Restricted Group will take reasonable steps to:
 - (i) take action against infringers of its material Intellectual Property which is necessary for the business of the relevant Restricted Group member;
 - (ii) make registrations and pay all registration fees and taxes necessary to maintain the material Intellectual Property in full force and effect; and
 - (iii) not discontinue the use of any material trade marks,where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor shall not and the Company shall procure that each member of the Restricted Group shall not, notwithstanding anything to the contrary in any Transaction Security Document, sell, dispose of or encumber (other than under a Transaction Security Document or a lease or licence) the brand name “Soho House” or any derivative name of “Soho House”.

25.15 Treasury Transactions

No Obligor shall (and the Company will procure that no member of the Restricted Group will) enter into any Treasury Transaction, other than for the purpose of hedging interest rate and/or foreign exchange risks in the ordinary course of business and for non-speculative purposes and permitted or not prohibited by Schedule 14 (*Restrictive Covenants*).

25.16 Shareholder loans

The Company will ensure that any amounts lent into the Group by the Parent or any Holding Company of the Parent shall be made by way of Shareholder Funding from the Parent (or any Successor Parent or Parent Entity, as applicable) to the Company.

25.17 Guarantors

(a) The Company shall ensure that, subject to the Agreed Security Principles:

- (i) as soon as reasonably practicable and in any event within thirty (30) days of the date of delivery of the Compliance Certificate in respect of each of the Annual Financial Statements; and
- (ii) on the date falling thirty (30) days after a disposal of a member of the Restricted Group (other than an Excluded SPV) or the resignation of a Guarantor,
 - (A) all Material Companies which are members of the Restricted Group are Guarantors; and
 - (B) the aggregate EBITDA and gross assets of the Guarantors (calculated on an unconsolidated basis, excluding the EBITDA of any member of the Restricted Group that generates negative EBITDA and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group), represents not less than 85 per cent. of the Consolidated EBITDA and gross assets of the Restricted Group (tested annually and calculated by reference to the most recent annual financial statements of the members of the Restricted Group (the test referred to in this Clause 25.17 being the “**Coverage Test**”)). For the purpose of determining whether the Coverage Test has been complied with, the Annual Financial Statements shall be adjusted to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and Disposals of companies, undertakings and businesses which have taken place prior to the last day of the period covered by such Financial Statements and, where this test has to be satisfied in order for a Disposal or resignation of an Obligor to be permitted hereunder, to give *pro forma* effect to the relevant Disposal or resignation,

unless, in each case, any member of the Restricted Group required to become a Guarantor in accordance with this paragraph is incorporated in a jurisdiction where no Guarantor is currently incorporated, in which case, the applicable time period for such member of the Restricted Group to become a Guarantor in accordance with this paragraph shall be extended to ninety (90) days.

- (b) Subject to the Agreed Security Principles, any member of the Restricted Group that is a Material Company acquired in accordance with this Agreement after the Closing Date shall become a Guarantor and grant Security as the Agent may require (acting reasonably) and shall accede to the Intercreditor Agreement as soon as reasonably practicable and in any event within thirty (30) days of its acquisition (unless such member of the Restricted Group is incorporated in a jurisdiction where no Guarantor is currently incorporated, in which case, the time periods for such member of the Restricted Group to become a Guarantor in accordance with this paragraph shall be extended to ninety (90) days).
- (c) Subject to the Agreed Security Principles, the Company shall ensure that any member of the Restricted Group that is or becomes a guarantor in respect of the Senior Facilities shall promptly become an Additional Guarantor pursuant to Clause 29.4 (*Additional Guarantors*).
- (d) An Obligor which is a Guarantor on the Closing Date may not resign as a Guarantor under this Agreement unless (i) it is being disposed of in accordance with the terms of this Agreement, or (ii) as otherwise agreed by the Majority Lenders.
- (e) Notwithstanding anything else in this Agreement there shall be no requirement for an Excluded SPV to accede to this Agreement as a Guarantor, and each Excluded SPV's contribution to the aggregate Consolidated EBITDA and aggregate gross assets of the Restricted Group shall be disregarded for the purposes of calculating the Coverage Test in paragraph (a)(ii)(B) above.
- (f) To the extent that the Group Structure Chart is no longer true, complete and accurate in all material respects as at the Closing Date, the Company shall, within sixty (60) days of the Closing Date, deliver to the Agent an updated group structure chart that is true, complete and accurate in all material respects as of the Closing Date.

25.18 Compliance with ERISA

No Obligor shall:

- (a) allow, or permit any of its ERISA Affiliates to allow, (i) any Employee Plan with respect to which any Obligor or any of its ERISA Affiliates may have any liability to terminate, (ii) any Obligor or ERISA Affiliates to withdraw from any Employee Plan or Multiemployer Plan, (iii) any ERISA Event to occur, or (iv) any Employee Plan to fail to satisfy the minimum funding standard (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, to the extent that any of the events described in (i), (ii), (iii) or (iv), singly or in the aggregate, could have a Material Adverse Effect;
- (b) allow, or permit any of its ERISA Affiliates to allow, (i) the aggregate amount of Unfunded Pension Liability among all Employee Plans (taking into account only Employee Plans with positive Unfunded Pension Liability) at any time to be in an amount that would reasonably be expected to have a Material Adverse Effect; or (ii) the aggregate potential withdrawal liability under Section 4201 of ERISA, if the Borrower and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans, to be in an amount that would reasonably be expected to have a Material Adverse Effect; or
- (c) fail, or permit any of its ERISA Affiliates to fail, to comply in any material respect with ERISA or the related provisions of the Code, if any such non-compliance, singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

25.19 Federal Reserve regulations

Each U.S. Borrower will use the Facility without violating Regulations T, U and X.

25.20 Compliance with the 1940 Act

No Obligor shall be required to be registered as an “investment company” as such term is defined in the 1940 Act. Neither the making of any Loan, or the application of the proceeds or repayment of any Loan by any Obligor nor the consummation of the other transactions contemplated by this agreement will cause the Obligor to violate any provision of the 1940 Act or any rule, regulation or order of the SEC under the 1940 Act.

25.21 Further assurance

- (a) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each member of the Restricted Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may reasonably require in favour of the Collateral Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution and/or registration of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Collateral Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and/or
 - (ii) to confer on the Collateral Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) following the occurrence of an Event of Default that is continuing and in respect of which notice has been given under paragraph (b) of Clause 26.18 (*Acceleration*) or an event specified under Clause 26.19 (*U.S. insolvency acceleration*) has occurred, to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each member of the Restricted Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Collateral Agent or the Finance Parties by or pursuant to the Finance Documents.

25.22 Further covenants

In addition to the covenants contained in this Clause 25 (*General Undertakings*), the Company and each Obligor covenant and agree as set forth in Schedule 14 (*Restrictive Covenants*) hereto.

25.23 Unrestricted Subsidiaries

- (a) Nothing in this Agreement shall restrict a Borrower from designating a member of the Group as an Unrestricted Subsidiary (**provided that** such Subsidiary meets the requirements for such designation set out in Schedule 14 (*Restrictive Covenants*)).

- (b) If a member of the Group is designated as an Unrestricted Subsidiary, each Obligor will ensure that the Unrestricted Subsidiary does not (and will, for so long as it is an Unrestricted Subsidiary, not) legally or beneficially own shares in any Restricted Subsidiary.
- (c) Each Obligor will ensure that no Excluded SPV legally or beneficially owns any shares in an Obligor, and that no Excluded SPV legally or beneficially owns any shares in an entity that is a Restricted Subsidiary (other than an Excluded SPV).

25.24 Change in Accounting Reference Date

No Obligor shall change its Accounting Reference Date to a date which is not on or around 31 December.

25.25 Centre of main interests

No Obligor which is incorporated in a member state of the European Union shall do anything to change the location of its centre of main interests, for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, from the jurisdiction of its incorporation.

25.26 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Restricted Group will) enter into any transaction with any person except on arm's length terms.
- (b) The following transactions shall not be a breach of this Clause 25.26:
 - (i) any Shareholder Funding;
 - (ii) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or agreed by the Agent or pursuant to Clause 15 (*Fees*);
 - (iii) any Permitted Transaction;
 - (iv) any Liabilities Acquisition which is permitted by, and as defined in, the Intercreditor Agreement; and
 - (v) any action permitted or not prohibited by paragraph 7 (*Transactions with Affiliates*) of Schedule 14 (*Restrictive Covenants*).

25.27 Sanctions

- (a) The Company and its Subsidiaries will not directly or indirectly use any proceeds from any Loan, or lend, contribute or otherwise make available such proceeds to any other person, entity, joint venture or organisation: (i) to fund, finance or facilitate any agreement, transaction, dealing or relationship with or for the benefit of any Designated Person (or involving any property thereof), involving any Sanctioned Territory; or (ii) in any other manner that could reasonably be expected to result in a violation of Economic Sanctions Law by any person, including any person participating in the transactions contemplated in the Finance Documents, whether as Finance Party, adviser or otherwise.
- (b) The undertaking in paragraph (a) above is given only to the extent that it does not result in (i) a violation of, conflict with or liability under EU Regulation (EC) 2271/96, as amended or (ii) a violation of or conflict with Section 7 of the German Foreign Trade Regulation (AWV) (*Außenwirtschaftsverordnung*) or a similar anti- boycott statute.

25.28 Anti-Bribery Laws

- (a) No Obligor nor any of its directors, officers nor, to its knowledge, any employee nor any person authorised to act on its behalf will (and the Company shall ensure that no Subsidiary nor any of its directors or officers nor, to its knowledge, employees nor any person authorised to act on its behalf will) violate the Anti-Bribery Laws directly or indirectly through a third party, or will make any bribe, unlawful rebate or kickback or will otherwise corruptly pay, offer, promise, or authorize the payment of money, a gift or anything of value, directly or indirectly, to any Government Official for the purpose of:
 - (i) improperly influencing any act or decision of such person in his/her official capacity;
 - (ii) inducing such person to act (including through action or omission) in violation of the lawful duty of such person;
 - (iii) securing any improper advantage; or
 - (iv) inducing such person to use his/her influence to improperly affect or influence any act or decision of a Government Authority,in order to assist an Obligor, any Subsidiary or any other third party in obtaining or retaining business for or with, or directing business to, any person, in each case of (i) through (iv), in violation of Anti-Bribery Laws.
- (b) Each Obligor shall (and the Company shall ensure that each Subsidiary shall):
 - (i) conduct its businesses in compliance with all applicable Anti-Bribery Laws; and
 - (ii) within twelve (12) months of the date of this Agreement, implement reasonable policies and procedures designed to promote and achieve compliance with Anti-Bribery Laws and maintain and review such policies on an on-going basis.

25.29 Qualifying listing / ratings trigger

- (a) Notwithstanding anything to the contrary in this Agreement or any other Finance Document, during the period (if any) that a Release Condition (as defined in paragraph (c)(i) below) is satisfied (the “**Suspension Period**”), the following obligations and restrictions shall be suspended and shall not apply:
 - (i) (A) the requirement to deliver an annual budget under Clause 23.4 (*Budget*) or any other forward looking financial information to the Lenders (or any other Finance Party) pursuant to Clause 23 (*Information Undertakings*) and any requirement in this Agreement to provide information that is referable back to such annual budget or other forward looking financial information; and (B) the requirement to provide monthly financial statements pursuant to Clause 23 (*Information Undertakings*);
 - (ii) the restrictions under Clause 25.11 (*Insurance*);
 - (iii) the restrictions under Clause 25.12 (*Pensions*);

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- (iv) the requirements of Clause 25.17 (*Guarantors*) and any other requirement under this Agreement for any member of the Group to accede as an Additional Guarantor;
 - (v) the restrictions under Clause 25.26 (*Arm's length basis*) and paragraph 7 (*Transactions with Affiliates*) of Schedule 14 (*Restrictive Covenants*);
 - (vi) the restrictions under paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*);
 - (vii) the restrictions under paragraph 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*) together with any other restriction under this Agreement or any other Finance Document on the distribution of dividends, return of share capital or other type of shareholder, Investor or an Affiliate of an Investor remuneration or payment;
 - (viii) the restrictions under paragraph 3 (*Incurrence of Indebtedness and issuance of preferred stock*) of Schedule 14 (*Restrictive Covenants*);
 - (ix) restrictions under paragraph 5 (*Dividend and payment restrictions affecting Subsidiaries*) of Schedule 14 (*Restrictive Covenants*); and
 - (x) restrictions under paragraph 9 (*Passive Holding Company*) of Schedule 14 (*Restrictive Covenants*).
- (b) If at any time after a Release Condition has been satisfied and a Release Condition subsequently ceases to be satisfied, any breach of this Agreement or any other Finance Documents that arises as a result of any of the obligations, restrictions or other terms referred to in paragraph (a) above ceasing to be suspended or amended shall not (**provided that** it did not constitute an Event of Default at the time the relevant event or occurrence took place) constitute (or result in) a breach of any term of this Agreement or any other Finance Documents, a Default or an Event of Default, **provided that** any such contractual commitments were entered into during the Suspension Period and not in anticipation of the Release Condition no longer being satisfied. All Indebtedness incurred during the Suspension Period will be deemed to have been outstanding on the date of this Agreement and included in the schedule of Indebtedness delivered as a condition precedent pursuant to Clause 4.1 (*Initial conditions precedent*), so that it is classified as permitted under paragraph 3.2.2 of Schedule 14 (*Restrictive Covenants*).
- (c) For the purposes of this Clause 25.29, the “**Release Condition**” means satisfaction of one of the following conditions (or, in each case, if an Event of Default is continuing on such date, as and from the first date thereafter on which no Event of Default is continuing):
- (i) a Listing has occurred which does not constitute a Change of Control and the Total Net Leverage Ratio for the Relevant Period ending on the most recent Quarter Date for which a Compliance Certificate has been delivered to the Agent (adjusted so that the proceeds of that Listing received by the Group are deemed to have been received on the last day of that Relevant Period) is equal to or less than 2.50:1; or
 - (ii) the long-term corporate credit rating of the Group is equal to or better than Baa3 according to Moody's and BBB- according to S&P.

25.30 People with Significant Control regime

- (a) In relation to an Original Obligor incorporated in the United Kingdom whose shares are the subject of the Transaction Security (a “**Charged Company**”), within 20 Business Days of the Closing Date, the Company shall provide to the Agent:
 - (i) a certificate of an authorised signatory of the Company certifying that:
 - (A) each member of the Group has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and
 - (B) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,together with a copy of the “PSC register” (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company which, in the case of a Charged Company that is a member of the Group, is certified by an authorised signatory of the Company to be correct, complete and not amended or superseded as at a date no earlier than 5 Business Days prior to the date of such certificate; or
 - (ii) a certificate of an authorised signatory of the Company certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.
- (b) Each Obligor incorporated in England and Wales shall (and the Company shall ensure that each other Restricted Subsidiary that is incorporated or established in England and Wales will):
 - (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
 - (ii) promptly provide the Collateral Agent with a copy of that notice.

25.31 Conditions subsequent

- (a) The Company shall ensure that within one Business Day following the Closing Date, it has prepaid and cancelled (or procured the prepayment and cancellation) in full of all amounts outstanding under, and all commitments under, the Existing Debt.
- (b) The Company shall ensure that, within 30 days following the Closing Date the Agent has received (or (acting on the instruction of the Majority Lenders) has waived receipt of):
 - (i) the security confirmation and additional share pledge agreement over the shares and associated ancillary rights of Soho House Limited in Soho House Berlin GmbH;
 - (ii) a legal opinion of White & Case LLP, legal advisers to the Finance Parties as to German law in relation to the validity and enforceability of the German law Transaction Security Documents; and
 - (iii) a legal opinion of Latham & Watkins LLP, legal advisers to the Parent as to German law in relation to the capacity of the Obligors incorporated or established in Germany to enter into the German law Transaction Security Documents,

in each case, in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, in each case acting reasonably).

26. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 26 is an Event of Default (save for Clause 26.18 (*Acceleration*) to Clause 26.21 (*Excluded matters*)).

26.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless (i) in the case of principal and interest, such non-payment is made within three (3) Business Days of its due date or (ii) in the case of any other amount, payment is made within five (5) Business Days of its due date.

26.2 Financial covenant and Compliance Certificate

- (a) Any requirement of Clause 24.2 (*Financial condition*) is not satisfied.
- (b) A Compliance Certificate is not delivered in accordance with the requirements of Clause 23.2 (*Provision and contents of Compliance Certificate*).
- (c) No Event of Default under paragraph (b) above will occur if the relevant Compliance Certificate is delivered within ten (10) Business Days of the earlier of (i) the Agent giving notice to the Company or (ii) the relevant Obligor becoming aware of the failure to comply.
- (d) No Event of Default under paragraph (a) above will occur due to any requirement of paragraph (b) of Clause 24.2 (*Financial condition*) not being satisfied if, on or prior to the date falling twenty (20) Business Days after the date on which the relevant Compliance Certificate was required to be delivered to the Agent, the Company delivers to the Agent a Compliance Certificate demonstrating that, as of a date following the relevant Test Date but on or prior to the date of such Compliance Certificate, the Total Original Revolving Facility Commitments do not (or would not, *pro forma* for any cancellation of Original Revolving Facility Commitments to be effected pursuant to a notice of cancellation given in accordance with Clause 9.2 (*Voluntary cancellation*)) exceed 50% of the Asset Cover Value.

26.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 26.1 (*Non-payment*) or 26.2 (*Financial covenant and Compliance Certificate*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of (i) the Agent giving notice to the Company or (ii) the relevant Obligor becoming aware of the failure to comply.

26.4 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading (in the case of any representation or statement which is not subject to a materiality threshold in accordance with its terms, in any material respect) when made or deemed to be made.

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply (or the circumstances leading to the failure to comply) is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of the Agent giving written notice to the Company or the Company or any other Obligor becoming aware of the failure to comply.

26.5 Cross default

- (a) Any Financial Indebtedness of any member of the Restricted Group or the Parent is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Restricted Group or the Parent is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any member of the Restricted Group or the Parent is cancelled or suspended by a creditor of any member of the Restricted Group or the Parent as a result of an event of default (however described).
- (d) Any creditor of any member of the Restricted Group or the Parent becomes entitled to declare any Financial Indebtedness of any member of the Restricted Group or the Parent due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 26.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than £5,000,000 (or its equivalent in any other currency or currencies) and excluding in any case any Financial Indebtedness to the extent owed by the Parent or one member of the Restricted Group to another member of the Restricted Group or the Parent or under Shareholder Funding.

26.6 Insolvency

- (a) Any Obligor or Material Company is unable or admits inability to pay its debts as they fall due (or is deemed to or declared to be unable to pay its debts under applicable law), suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (except the Finance Parties) with a view to the general rescheduling of its indebtedness or in particular a member of the Group incorporated in Germany is unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of section 17 of the Germany Insolvency Code (*Insolvenzordnung*) or threatens to become unable to pay its debts (*drohend zahlungsunfähig*) within the meaning of section 18 of the German Insolvency Code (*Insolvenzordnung*), or is over-indebted (*überschuldet*) in the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*).
- (b) The value of the assets of an Obligor or Material Company is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor or Material Company. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

26.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other formal procedure or step is taken (other than by a Finance Party) in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Material Company;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Material Company for reasons of actual or anticipated financial difficulty of that Obligor or Material Company;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, Viscount of the Royal Court of Jersey or other similar officer in respect of any Obligor or Material Company or any of its assets; or
 - (iv) enforcement of any Security over any assets of any Obligor or Material Company having an aggregate value of £5,000,000 (or its equivalent in other currencies),
- or any analogous procedure or step is taken in relation to an Obligor or Material Company in any jurisdiction, including, without limitation, (a) the making of an application for the opening of insolvency proceedings for the reasons set out in sections 17 to 19 of the German Insolvency Code (*Insolvenzordnung*) (*Antrag auf Eröffnung eines Insolvenzverfahrens*) or the taking of actions pursuant to section 21 of the German Insolvency Code (*Insolvenzordnung*) (*Anordnung von Sicherungsmaßnahmen*) and (b) any proceedings are commenced or other steps are taken for any Obligor to be made subject to, or the subject of, any grant, declaration, decision or winding-up to which reference is made in Article 8 (Meaning of Bankruptcy) of the Interpretation (Jersey) Law 1954.
- (b) Paragraph (a) shall not apply to:
- (i) any winding-up petition or to any analogous procedures or step in any jurisdiction which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen (14) days of commencement;
 - (ii) any Permitted Transaction; or
 - (iii) any U.S. Obligor.

26.8 U.S. insolvency proceedings

- (a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction in the United States seeking:
- (i) relief in respect of any U.S. Obligor, or of a substantial part of the property or assets of any U.S. Obligor, under U.S. Bankruptcy Law;
 - (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any U.S. Obligor or for a substantial part of the property or assets of any U.S. Obligor; or
 - (iii) the winding-up or liquidation of any U.S. Obligor,
- and such proceeding or petition shall continue undismissed for thirty (30) days or an order or decree approving or ordering any of the foregoing shall be entered.

- (b) Any U.S. Obligor shall:
 - (i) voluntarily commence any proceeding or file any petition seeking relief under U.S. Bankruptcy Law;
 - (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (a) above;
 - (iii) consent to the entry of an order for relief against it in an involuntary case under U.S. Bankruptcy Law;
 - (iv) make a general assignment for the benefit of its creditors;
 - (v) apply for or consent to the appointment, pursuant to the laws of the United States or any state thereof, of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of the property or assets of any Obligor; or
 - (vi) take any comparable action to that described in sub-paragraphs (i) to (v) (inclusive) of this paragraph (b) under any foreign laws relating to insolvency.

26.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor or Material Company having an aggregate value of £5,000,000 (or its equivalent in other currencies) and is not discharged within fifteen (15) Business Days.

26.10 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor or any other member of the Group or any lender under any document evidencing Shareholder Funding that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents or, subject to the Legal Reservations and Perfection Requirements any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful.
- (b) Any obligation or obligations of any Obligor under any Finance Documents or any other member of the Group or any lender under any document evidencing Shareholder Funding that is a party thereto under the Intercreditor Agreement are not or cease to be, subject to the Legal Reservations, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Subject to the Legal Reservations, any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

26.11 Intercreditor Agreement

- (a) Any party to the Intercreditor Agreement (other than a Finance Party or an Obligor) fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement in any material respect; or

(b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect, and, if the non-compliance or failure to perform or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within fifteen (15) Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or failure to perform or misrepresentation.

26.12 Cessation of business

Any Obligor or Material Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as a result of a Disposal which is permitted under Schedule 14 (*Restrictive Covenants*) or a Permitted Transaction.

26.13 Audit qualification

The relevant auditors qualify the audited annual consolidated financial statements of the Company (other than for technical or minor issues which, in either case, do not have and are not likely to have a material adverse effect on the interests of the Lenders under the Finance Documents).

26.14 Expropriation

The authority or ability of an Obligor or Material Company to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to that Obligor or Material Company or any of its assets which has or is reasonably likely to have a Material Adverse Effect.

26.15 Repudiation and rescission of agreements

- (a) An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security Documents or evidences an intention to rescind or repudiate a Finance Document or a Transaction Security Document.
- (b) Any Obligor rescinds or purports to rescind or repudiates or purports to repudiate the Intercreditor Agreement in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, could reasonably be expected to have a material adverse effect on the interests of the Lenders (taken as a whole) under the Finance Documents.

26.16 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Finance Documents or the transactions contemplated in the Finance Documents against any member of the Restricted Group or the Parent or its assets which are reasonably likely to be adversely determined and if so determined, would have or are reasonably likely to have a Material Adverse Effect.

26.17 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

26.18 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company (the date of such notice being the “**Acceleration Date**”):

- (a) cancel the Total Commitments and/or Ancillary Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable;
- (e) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (f) exercise or direct the Collateral Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

26.19 U.S. insolvency acceleration

If an Event of Default under Clause 26.6 (*Insolvency*) or Clause 26.7 (*Insolvency proceedings*) shall occur in respect of a Borrower in a U.S. court of competent jurisdiction, then automatically and without notice to such Borrower or any other act by the Agent or any other person,

- (a) the Total Commitments in relation to such Borrower shall immediately be cancelled; and
- (b) all of the Advances made to such Borrower, accrued interest thereon, and any other sum then payable under this Agreement and any of the other Finance Documents by such Borrower shall be immediately due and payable,

in each case without presentment, demand, protest or notice of any kind, all of which are expressly waived.

26.20 Clean-Up Period

For the purpose of this Agreement, for the period from the date of completion of a Permitted Investment in a person who, pursuant to such Permitted Investment, becomes a member of the Group (such a person, a “**Subsequent Target**”) or is an acquisition of a business or undertaking (such business or undertaking, a “**Subsequent Target Asset**”) until the date falling sixty (60) days after the Permitted Investment in a Subsequent Target and/or acquisition of a Subsequent Target Asset (the “**Clean-Up Period**”), if any matter or circumstance exists in respect of such Subsequent Target or Subsequent Target Asset which would constitute a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default (a “**Relevant Default**”), that Relevant Default shall not constitute a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default (as the case may be) and the Agent shall not be entitled to give any notice under Clause 26.18 (*Acceleration*) with respect to that Relevant Default until (if that Relevant Default is then continuing) the date immediately after the end of the Clean- Up Period, **provided that** such Relevant Default:

- (a) is capable of being remedied within the Clean-Up Period and the Company is taking appropriate steps to remedy such breach or Event of Default;
- (b) does not have a Material Adverse Effect; and
- (c) was not procured or approved by the Company or any other member of the Group.

Notwithstanding the above, if the Relevant Default is continuing after the expiry of the Clean-Up Period, there shall be a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default, as the case may be (and without prejudice to any rights and remedies of the Finance Parties). The Company shall promptly notify the Agent upon becoming aware of the occurrence or existence of any Relevant Default and the steps, if any, being taken to remedy it.

26.21 Excluded matters

Notwithstanding any other term of the Finance Documents to the contrary, none of the steps, transactions, reorganisations or events arising as a result of a Permitted Reorganisation; prior to the end of the day on the Closing Date, no breach of any representations, warranty, undertaking or other term of (or default or event of default under) any document relating to the existing financing arrangements of any member of the Group or the Parent (including the Existing Debt) arising as a direct or indirect result of any person entering into and/or performing its obligations under any Finance Document (or carrying out the transactions contemplated thereby); and no Withdrawal Event shall be deemed to constitute or result in a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default.

For the purposes of this Clause 26.21, “**Withdrawal Event**” means the withdrawal of any participating member state of the European Union from the single currency of the participating member states of the European Union and/or the redenomination of the euro into any other currency by the government of any current or former participating member state of the European Union and/or the withdrawal (or any governmental decision to withdraw or any vote or referendum electing to withdraw) of any member state from the European Union, including Brexit.

27. CHANGES TO THE LENDERS

27.1 Assignments and transfers by the Lenders

Subject to this Clause 27 (*Changes to the Lenders*) and to Clause 28 (*Restriction on Debt Purchase Transactions*), a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”) **provided that** no Investor Affiliate may be a New Lender without the prior consent of the Agent (acting on the instructions of the Majority Lenders).

27.2 Conditions of assignment or transfer

- (a) An Existing Lender must obtain the prior written consent of the Company (such consent not to be unreasonably withheld or delayed, **provided that** the Company shall be deemed to have given its consent twenty (20) Business Days after the Company is given written notice of the request unless it is expressly refused by the Company within that period) before it may make an assignment, transfer or sub-participation in accordance with Clause 27.1 (*Assignments and transfers by the Lenders*) unless the assignment, transfer or sub-participation is:
- (i) to another Lender or an Affiliate of a Lender; or
 - (ii) made at a time when a Material Event of Default is continuing,
- provided that:**
- (A) in the case of a transfer, assignment or sub-participation to any of the following persons, unless a Material Event of Default is continuing, the prior written consent of the Company (in its sole discretion and never deemed granted) must be obtained:
 - (I) an Industry Competitor;
 - (II) a Loan to Own/Distressed Investor; or
 - (III) any person that (to the extent the relevant Existing Lender and/or the Agent is aware) is (or would, upon becoming a Lender, be) a Defaulting Lender;
 - (B) in the case of a transfer, assignment or sub-participation under paragraph (a)(i) above, the transferee, assignee or sub-participant is a deposit taking financial institution authorised by a financial services regulator or similar regulatory body which has a long term credit rating equal to or better than BBB or Baa2 (as applicable) according to at least two of Moody's, S&P or Fitch; and
 - (C) in the case of a transfer, assignment or sub-participation to an Affiliate of a Lender under paragraph (a)(i) above, the transferee, assignee or sub-participant (x) remains an Affiliate of the relevant Lender or (y) such transferee, assignee or sub-participant assigns or transfers promptly (and in any event within three (3) Business Days of ceasing to satisfy clause (x)) all of its rights and obligations under any Finance Document to any Existing Lender in accordance with Clause 27.5 (*Procedure for transfer*) or 27.6 (*Procedure for assignment*) but without reference to the conditions set out in paragraph (a) above.
- (b) In the event a Lender enters into an assignment or transfer without complying with the requirements of paragraph (a) above, neither its Commitments and/or participations (but only to the extent of such transfer or assignment) nor those of the relevant transferee, assignee or sub-participant shall be included for the purpose of calculating whether a certain percentage of Total Commitments or Utilisations has been obtained to approve an amendment, waiver or similar under any of the Finance Documents.

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- (c) The amount of the Existing Lender's Commitment assigned or transferred must be a minimum of £5,000,000 (or its equivalent in other currencies) unless the assignment or transfer is:
- (i) to another Lender or an Affiliate of a Lender;
 - (ii) made at a time when a Material Event of Default is continuing; or
 - (iii) of all of the relevant Existing Lender's Commitment (and not part thereof).
- (d) For the purposes of paragraph (a) above:
- (i) in the case of concurrent assignments, releases and accessions by an Existing Lender to two or more Affiliates, the participations in respect of the Commitments and Utilisations of these Affiliates shall be aggregated; and
 - (ii) if on the same date two or more Existing Lenders are assigning part of their rights under this Agreement to (and their corresponding obligations are being released and equivalent obligations acceded to by) the same person, then that person's aggregate Commitments and Utilisations may be less than the relevant amount required pursuant to paragraph (c) above as a result of any single assignment, release and accession **provided that** as a result of all such assignments, releases and accessions on such date the aggregate Commitments of that person are not less than such amount.
- (e) An assignment will only be effective on:
- (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;
 - (ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (iii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (f) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 27.5 (*Procedure for transfer*) is complied with.
- (g) Any assignment or transfer by an Existing Lender to a New Lender shall only be effective if it transfers or assigns the Existing Lender's share of the relevant Facility *pro rata* against the Existing Lender's Available Commitment and its participations in Utilisations under that Facility.
- (h) If:
- (i) a Lender assigns, transfers or sub-participates any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer, sub-participation or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 16 (*Tax Gross-up and Indemnities*) or Clause 17 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under the relevant Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer, sub-participation or change had not occurred. This paragraph (h) shall not apply in relation to Clause 16.2 (*Tax gross-up*), to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii)(B) of Clause 16.2 (*Tax gross-up*) if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender in accordance with its obligations under paragraphs (g) and (h) of Clause 16.2 (*Tax gross-up*).

- (i) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

27.3 Assignment or transfer fee

Unless the Agent otherwise agrees, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of £3,500.

27.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document or the Transaction Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27; or

- (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

27.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender and the Agent makes a corresponding entry in the Register pursuant to Clause 27.7 (*The Register*). The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and make such corresponding entry in the Register.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender and make such corresponding entry in the Register once it is satisfied it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 27.10 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent the Arranger, the Collateral Agent, the New Lender, the other Lenders and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, benefits and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger, the Collateral Agent, the other Lenders and any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a “**Lender**”.

27.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 27.10 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the “**Relevant Obligations**”) expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 27.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 27.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*).

27.7 The Register

The Agent, acting solely for this purpose as an agent of the Obligors, shall maintain (and make available upon reasonable prior notice at reasonable times for inspection by the Borrowers and, in respect of its own Commitments and obligations, each Lender) at one of its offices a copy of each Transfer Certificate delivered to it and a register (the “**Register**”) for the recordation of the names and addresses of each Lender and the principal amounts (and interest thereon) of Commitments of and obligations owing to each Lender. Without limitation of any other provision of this Clause 27, no transfer of an interest in a Loan or hereunder shall be effective unless and until recorded in the Register. The entries in the Register shall be conclusive absent manifest error and each Obligor, the Agent and each Lender shall treat each person whose name is recorded in the Register as a Lender notwithstanding any notice to the contrary. In addition, each Lender that sells a sub- participation shall, acting solely for this purpose as a non-fiduciary agent of any Borrower, shall maintain a register for the recording of the name and address of each sub-participant and the principal amount (and stated interest) of each sub-participant’s interest in the Commitments or obligations owing to such sub-participant (the “**Participant Register**”); **provided that** no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any sub-participant or any information relating to a sub-participant’s interest in any commitments, loans or any other of its obligations) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in a Participant Register shall be conclusive absent manifest error, and the Lender maintaining such Participant Register shall treat each person whose name is recorded in the Participant Register as the owner of the sub- participation for all purposes of this Agreement, notwithstanding any notice to the contrary.

27.8 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Company a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

27.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 27, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document, to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

27.10 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.5 (*Procedure for transfer*) or any assignment pursuant to Clause 27.6 (*Procedure for assignment*)) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six (6) Months, on the next of the dates which falls at six (6) Monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.10, have been payable to it on that date, but after deduction of the Accrued Amounts.

28. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

28.1 Prohibition on Debt Purchase Transactions by the Group

The Company shall not, and shall procure that each other member of the Group shall not, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction.

28.2 Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates

- (a) For so long as an Investor Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:
 - (i) in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and
 - (ii) such Investor Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purpose of paragraph (i) above (unless in the case of a person not being an Investor Affiliate it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).
- (b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction (a “**Notifiable Debt Purchase Transaction**”), such notification to be substantially in the form set out in Part 1 (*Form of notice on entering into Notifiable Debt Purchase Transaction*) of Schedule 13 (*Form of Notifiable Debt Purchase Transaction Notice*).
- (c) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:
 - (i) is terminated; or
 - (ii) ceases to be with an Investor Affiliate,such notification to be substantially in the form set out in Part 2 (*Form of notice on termination of Notifiable Debt Purchase Transaction / Notifiable Debt Purchase Transaction ceasing to be with Investor Affiliate*) of Schedule 13 (*Form of Notifiable Debt Purchase Transaction Notice*).
- (d) Each Investor Affiliate that is a Lender (a “**Subordinated Lender**”) agrees that:
 - (i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same;
 - (ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders; and

- (iii) to the extent and for so long as its Commitment, participation in any Utilisation or sub-participation or other agreement or arrangement relating to a Commitment, including, without limitation, following a Debt Purchase Transaction, could result in the subordination of claims of any other Lender under the Facilities pursuant to any law regarding the subordination of shareholder loans or prejudice or adversely affect the Transaction Security or guarantee and indemnity pursuant to Clause 21 (*Guarantee and Indemnity*) (or their enforceability) in any way, the relevant Subordinated Lender shall not be a secured or guaranteed party (however described) under and for the purposes of any Finance Document and no amount owing to it under any Finance Document shall be secured by the Transaction Security Documents (unless the subordination ceases to apply or subsequently or at the same time applies to the Lenders generally (other than where such subordination of the Lenders generally is caused by a Debt Purchase Transaction by a Subordinated Lender)).

28.3 Investor Affiliates' notification to other Lenders of Debt Purchase Transactions

Any Investor Affiliate which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into that Debt Purchase Transaction, notify the Agent of the extent of the Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Lenders.

29. CHANGES TO THE OBLIGORS

29.1 Assignment and transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

29.2 Additional Borrowers

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 23.9 ("*Know your customer*" checks), the Company may request that any of its wholly owned Subsidiaries becomes an Additional Borrower. That Subsidiary shall become a Borrower if:
 - (i) in respect of a company which is part of the UK Group, it is a wholly owned direct or indirect Subsidiary of the Original UK Borrower incorporated in England & Wales;
 - (ii) in respect of a company which is a member of the U.S. Group, it is a wholly owned direct or indirect Subsidiary of US AcquireCo, Inc. incorporated in the U.S.;
 - (iii) in respect of a company which does not comply with either (i) or (ii) above, if all the Lenders under the relevant Facility approve the addition of that Subsidiary;
 - (iv) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed;
 - (v) the Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;
 - (vi) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

- (vii) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent (acting reasonably).
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 (*Conditions precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*).

29.3 Resignation of a Borrower

- (a) In this Clause 29.3, Clause 29.5 (*Resignation of a Guarantor*) and Clause 29.7 (*Resignation and release of security on disposal*), “**Third Party Disposal**” means the disposal of an Obligor to a person which is not a member of the Restricted Group where that Disposal is permitted or not prohibited under paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*) and the Intercreditor Agreement or made with the prior written consent of the Majority Lenders.
- (b) If a Borrower (or a Holding Company of a Borrower) is the subject of a Third Party Disposal or a Permitted Reorganisation, the Company may request that such Borrower (other than the Company) ceases to be a Borrower by delivering to the Agent a Resignation Letter.
- (c) The Agent shall accept a Resignation Letter and notify the Company and the other Finance Parties of its acceptance if:
 - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents; and
 - (iii) where the Borrower is also a Guarantor (unless its resignation has been accepted in accordance with Clause 29.5 (*Resignation of a Guarantor*)), its obligations in its capacity as Guarantor continue to be (subject to the Legal Reservations) legal, valid, binding and enforceable and in full force and effect and the amount guaranteed by it as a Guarantor is not decreased (and the Company has confirmed this is the case).
- (d) Upon notification by the Agent to the Company of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower except that the resignation shall not take effect (and the Borrower will continue to have rights and obligations under the Finance Documents) until the date on which the Third Party Disposal takes effect.
- (e) The Agent may (acting reasonably), at the cost and expense of the Company, require a legal opinion from counsel to the Agent confirming the matters set out in paragraph (c)(iii) above and the Agent shall be under no obligation to accept a Resignation Letter until it has obtained such opinion in form and substance satisfactory to it (acting reasonably).

29.4 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 23.9 (“*Know your customer*” checks), the Company may request that any of its Subsidiaries which is not incorporated in a Restricted Jurisdiction become a Guarantor.

- (b) A member of the Group shall become an Additional Guarantor if:
 - (i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Deed; and
 - (ii) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent, acting reasonably.
- (c) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it, acting reasonably) all the documents and other evidence listed in Part 2 (*Conditions precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*).

29.5 Resignation of a Guarantor

- (a) The Company may request that a Guarantor (other than the Parent or the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if such resignation is not restricted by paragraph (d) of Clause 25.17 (*Guarantors*) and if:
 - (i) that Guarantor (or a Holding Company of that Guarantor) is being disposed of by way of a Third Party Disposal (as defined in Clause 29.3 (*Resignation of a Borrower*)) or a Permitted Reorganisation as a result of the disposal of Charged Property that is otherwise permitted or not prohibited under Schedule 14 (*Restrictive Covenants*) or the Intercreditor Agreement and the Company has confirmed this is the case; or
 - (ii) subject to clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement, the Majority Lenders have consented to the resignation of that Guarantor.
- (b) Subject to paragraph (c) of clause 19.16 (*Resignation of a Debtor*) of the Intercreditor Agreement, the Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
 - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) no payment is due from the Guarantor under Clause 21.1 (*Guarantee and indemnity*); and
 - (iii) where the Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 29.3 (*Resignation of a Borrower*).
- (c) The resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal, disposal of Charged Property, Permitted Reorganisation or other such event contemplated by paragraph (a) above, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

29.6 Repetition of Representations

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (d) of Clause 22.34 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29.7 Resignation and release of security on disposal or resignation

If a Borrower or Guarantor (or Holding Company of that Borrower or Guarantor) is or is proposed to be the subject of a Third Party Disposal, or is otherwise to resign as a Borrower or a Guarantor as permitted by and in accordance with Clause 29.3 (*Resignation of a Borrower*) and/or (as applicable) Clause 29.5 (*Resignation of a Guarantor*) (a “**Resignation**”), or there is a disposal of Charged Property that is otherwise permitted or not prohibited under Schedule 14 (*Restrictive Covenants*) or the Intercreditor Agreement then:

- (a) where that Borrower or Guarantor created Transaction Security over any of its assets or business (or Transaction Security otherwise exists over the Charged Property to be disposed of) in favour of the Collateral Agent, or Transaction Security in favour of the Collateral Agent was created over the shares (or equivalent) of that Borrower or Guarantor, the Collateral Agent shall, at the cost and request of the Company, release those assets, business or shares (or equivalent) from the Transaction Security and issue certificates of non-crystallisation;
- (b) to the extent the subject of a Resignation or a Third Party Disposal, that Obligor shall cease to be an Obligor upon such Disposal occurring and shall have no further rights or obligations under the Finance Documents as an Obligor;
- (c) the resignation of that Borrower or Guarantor and/or release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that Disposal (or, if applicable, resignation); and
- (d) to the extent the subject of a Third Party Disposal, if the disposal of that Borrower or Guarantor (or Holding Company of that Borrower or Guarantor) is not made, the Resignation Letter of that Borrower or Guarantor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Borrower or Guarantor and the Transaction Security created or intended to be created by or over that Borrower or Guarantor shall continue in such force and effect as if that release had not been effected.

30. ROLE OF THE AGENT, THE COLLATERAL AGENT, THE ARRANGER AND OTHERS

30.1 Appointment of the Agent

- (a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arranger and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions. Each Finance Party hereby relieves the Agent from the restrictions pursuant to section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Finance Party. A Finance Party which is barred by its constitutional documents or by-laws from granting such exemption shall notify the Agent accordingly.

- (c) Each other Finance Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to any report or letters provided by any person in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 27.8 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company*), paragraph (a) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Arranger or the Collateral Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (f) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (g) The Agent shall provide to the Company, within ten (10) Business Days of a request by the Company (but no more frequently than once per six (6) month period), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

30.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger have no obligations of any kind to any other Party under or in connection with any Finance Document.

30.4 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent, the Collateral Agent and/or the Arranger as a trustee or fiduciary of any other person.

- (b) None of the Agent, the Collateral Agent, the Arranger or any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

30.5 Business with the Group

The Agent, the Collateral Agent, the Arranger and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

30.6 Rights and discretions

- (a) The Agent and the Collateral Agent may rely on:
 - (i) any representation, notice or document (including, without limitation, any notice given by a Lender pursuant to paragraph (b) or (c) of Clause 28.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates*)) believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent and the Collateral Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised;
 - (iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors; and
 - (iv) no Notifiable Debt Purchase Transaction:
 - (A) has been entered into;
 - (B) has been terminated; or
 - (C) has ceased to be with an Investor Affiliate.
- (c) The Agent and the Collateral Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent and the Collateral Agent may act in relation to the Finance Documents through its personnel and agents including the personnel and agents of its Affiliates if necessary.
- (e) The Agent and the Collateral Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (e) above, the Agent and the Collateral Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.

- (g) Without prejudice to the generality of paragraph (f) above, the Agent:
 - (i) may disclose; and
 - (ii) on the written request of the Parent or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Lender to the Company and to the other Finance Parties.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Collateral Agent or the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality. In particular, and for the avoidance of doubt, nothing in any Finance Document shall be construed so as to constitute an obligation of the Agent or the Arranger to perform any services which it would not be entitled to render pursuant to the provisions of the German Act on Rendering Legal Services (*Rechtsdienstleistungsgesetz*) or pursuant to the provisions of the German Tax Advisory Act (*Steuerberatungsgesetz*) or any other services that require an express official approval, licence or registration, unless the Agent or the Arranger (as the case may be) holds the required approval, licence or registration.

30.7 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Collateral Agent.
- (c) The Agent may refrain from acting in accordance with the instructions of any Party (including, without limitation, bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received such indemnification and/or security as it may in its sole discretion require (whether by way of payment in advance or otherwise) for any costs, losses and/or liabilities whatsoever (together with any associated VAT or similar tax) which it may incur in so acting.
- (d) The Agent may refrain from doing anything which might, in its sole opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its sole opinion, is necessary or desirable to comply with any applicable law or regulation.
- (e) In the absence of instructions from the Majority Lenders (or, if appropriate, the Lenders), the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security Documents.

30.8 Responsibility for documentation

None of the Agent, the Collateral Agent, the Arranger or any Ancillary Lender:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Ancillary Lender, an Obligor or any other person given in or in connection with any Finance Document, or the transactions contemplated in the Finance Documents;
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.9 No duty to monitor

The Agent or Collateral Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

30.10 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 33.11 (*Disruption to payment systems, etc.*)), none of the Agent or any Ancillary Lender will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, or any Ancillary Lender, in respect of any claim it might have against the Agent or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent or any Ancillary Lender may rely on this Clause 30.10 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

- (e) Notwithstanding any provision of the Finance Documents to the contrary, the Agent shall not in any event be liable for special damages, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable.

30.11 Lenders' indemnity to the Agent

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to payment systems, etc.*)) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Company shall within five (5) Business Days of demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

30.12 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.
- (b) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent, the Agent may, without consultation with or consent of the Company and the Lenders (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent), agree with the proposed successor Agent amendments to this Clause 30 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with the current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (c) Alternatively the Agent may resign by giving thirty (30) days' notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent acting through an office in the United Kingdom.
- (d) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within twenty (20) days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).

- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. Any of the above listed documents shall be provided at the cost of the retiring Agent **provided that** the Agent resigns by its own decision (and, for the avoidance of doubt, not in the event that the Majority Lenders require it to resign pursuant to paragraph (a) of Clause 30.13 (*Replacement of the Agent*)).
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three (3) Months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Document, either:
 - (i) the Agent fails to respond to a request under Clause 16.9 (*FATCA information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 16.9 (*FATCA information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

30.13 Replacement of the Agent

- (a) After consultation with the Company, the Majority Lenders may, by giving thirty (30) days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

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- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

30.14 Publicity

The Company will agree to any reasonable request by the Arranger to publicise (at the Arranger's expense) the Facility after the Closing Date.

30.15 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

30.16 Relationship with the Lenders

- (a) The Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
- (i) entitled to or liable for any payment due under any Finance Document on that day; and
- (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,
- unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender shall supply the Agent with any information that the Collateral Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Collateral Agent to perform its functions as Collateral Agent. Each Lender shall deal with the Collateral Agent exclusively through the Agent and shall not deal directly with the Collateral Agent.
- (c) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 35.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 35.2 (*Addresses*) and paragraph (a)(ii) of Clause 35.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

30.17 Credit appraisal by the Lenders and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and Ancillary Lender confirms to the Agent, the Arranger and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

30.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents, that Party shall be regarded as having received any amount so deducted.

31. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

32. SHARING AMONG THE FINANCE PARTIES

32.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 33 (*Payment mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due under the Finance Documents then:
 - (i) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
 - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 33 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
 - (iii) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.6 (*Partial payments*).
- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.
- (c) Notwithstanding anything to the contrary in any Finance Document, paragraph (a) above shall not require any amount received or recovered by any Lender from or with respect to any CFC to be used to satisfy any U.S. Obligation.

32.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 33.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

32.3 Recovering Finance Party’s rights

On a distribution by the Agent under Clause 32.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

32.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and

- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

32.5 Exceptions

- (a) This Clause 32:
 - (i) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor; and
 - (ii) is subject to the provisions of Clause 33.12 (*Subordinated Lenders*).
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable after having received notice and did not take separate legal or arbitration proceedings.

32.6 Ancillary Lenders

- (a) This Clause 32 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to service of notice under Clause 26.18 (*Acceleration*) or a specified event under Clause 26.19 (*U.S. insolvency acceleration*) has occurred.
- (b) Following service of notice under Clause 26.18 (*Acceleration*) or following a specified event under Clause 26.19 (*U.S. insolvency acceleration*), this Clause 32 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction of the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings.

33. PAYMENT MECHANICS

33.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to Euro, in a principal financial centre in such Participating Member State or London as specified by the Agent) with such bank as, in each case, the Agent specifies.

33.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clauses 33.3 (*Distributions to an Obligor*) and 33.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in

accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to Euro, in a principal financial centre in a Participating Member State or London as specified by that Party).

33.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum. However, it may do so if it wishes.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party who should have made that amount (or the proceeds of any related exchange contract) available to the Agent or, if that Party fails to do so, the Party to whom that amount (or the proceeds of any related exchange contract) has been made available by the Agent, shall on demand, pay such amount to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

33.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 33.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**"). In each case, such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 33.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 30.13 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 33.2 (*Distributions by the Agent*).

- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

33.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall (subject to Clause 33.12 (*Subordinated Lenders*)) apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) *first*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Collateral Agent under those Finance Documents;
 - (ii) *secondly*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent under those Finance Documents;
 - (iii) *thirdly*, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iv) *fourthly*, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (v) *fifth*, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(v) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

33.7 Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

33.8 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

33.9 Currency of account

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.

- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

33.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

33.11 Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 39 (*Amendments and Waivers*);

- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 33.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

33.12 Subordinated Lenders

- (a) In this Clause 33.12:
 - “**Distributed Amount**” means the amount distributed or paid to the Finance Parties or to the Agent on behalf of the Finance Parties (or any of them) by the person responsible for the distribution of the assets (including any payments) of an Obligor which is insolvent or otherwise subject to insolvency or similar proceedings.
 - “**Maximum Amount**” means the amount which would, but for any reduction or prohibition of payment or other distribution due to the relationship between any Subordinated Lender and an Obligor, have been distributed or distributable to the Finance Parties or to the Agent on behalf of the relevant Finance Parties (or any of them).
 - “**Shortfall Amount**” means the amount by which the Maximum Amount exceeds the Distributed Amount.
- (b) If the Distributed Amount is less than the Maximum Amount, then, upon application of the Distributed Amount (or any part thereof) pursuant to Clause 33.6 (*Partial payments*) towards the discharge of the obligations of an Obligor under the Finance Documents (including principal, interest, fees and commissions), the amount which would otherwise be required to be applied towards any such obligations under the Finance Documents owed to a Subordinated Lender shall be reduced by the Shortfall Amount attributable to that Subordinated Lender and such amount shall in addition be applied towards the discharge of the obligations (including principal, interest, fees, commission) towards the other Finance Parties *pro rata* in accordance with Clause 33.6 (*Partial payments*).
- (c) Any risk of a shortfall between the Maximum Amount and the Distributed Amount (whether arising from the prohibition and/or reduction of payments to the Subordinated Lender and/or from any contestation (*Anfechtung*) under applicable law) shall for all purposes of the Finance Documents be borne by the relevant Subordinated Lender.
- (d) A Subordinated Lender shall not have the benefit, but only the obligations, of any sharing provisions under the Finance Documents, including under Clause 32 (*Sharing among the Finance Parties*), and shall not be entitled to receive any payment, and the Agent shall not be required to make any payment to any Subordinated Lender under or in connection with the Finance Documents in respect of the Shortfall Amount.

34. SET-OFF

- (a) At any time whilst an Event of Default is continuing, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation

owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

- (b) The provisions of paragraph (a) above shall be without prejudice to any rights of set-off which may be agreed between the Obligors and the Ancillary Lender under an Ancillary Facility.
- (c) Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

35. NOTICES

35.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

35.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company, that identified with its name below;
 - (b) in the case of each Lender, each Ancillary Lender or any other Obligor that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
 - (c) in the case of the Agent or the Collateral Agent, that identified with its name below,
- or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

35.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under Clause 35.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Collateral Agent will be effective only when actually received by the Agent or Collateral Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Collateral Agent's signature below (or any substitute department or officer as the Agent or Collateral Agent shall specify for this purpose).

- (c) All notices from or to an Obligor shall be sent through the Agent to the following address:

Global Loan Agency Services Limited
45 Ludgate Hill
London EC4M 7JU

Attention: Transaction Management Group
Email: tmg@glas.agency

- (d) Any communication or document made or delivered to the Company in accordance with this Clause 35.3 will be deemed to have been made or delivered to each of the Obligors.

35.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 35.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

35.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

35.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any such electronic communication specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Lender to the Agent or the Collateral Agent only if it is addressed in such a manner as the Agent or Collateral Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed to only become effective on the following day.

- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 35.6.

35.7 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the “**Website Lenders**”) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the “**Designated Website**”) if:
 - (i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
 - (ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a “**Paper Form Lender**”) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
 - (i) the Designated Website cannot be accessed due to technical failure;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
 - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall at its own cost comply with any such request within ten (10) Business Days.

35.8 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

36. CALCULATIONS AND CERTIFICATES

36.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

36.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

36.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case, where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

37. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

38. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

39. AMENDMENTS AND WAIVERS

39.1 Intercreditor Agreement

This Clause 39 is subject to the terms of the Intercreditor Agreement.

39.2 Required consents

- (a) Subject to Clause 39.3 (*Exceptions*), any term of the Finance Documents may be amended or waived or any consent given under a Finance Document only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment, waiver or consent permitted by this Clause 39 and any such amendment, waiver or consent so effected shall be binding on all Parties. Each Finance Party irrevocably and unconditionally authorises and instructs the Agent without further consent, sanction, authority or further confirmation from them (for the benefit of the Agent and the Company) to execute any documentation relating to a proposed amendment or waiver as soon as the requisite Lender consent is received in accordance with this Clause 39 (or such later date as may be agreed by the Agent and the Company). Without prejudice to the foregoing, the Finance Parties shall enter into any documentation necessary to implement an amendment or waiver once that amendment or waiver has been approved by the requisite number of Lenders in accordance with this Clause 39 (or on such later date as may be agreed by the Agent and the Company).
- (c) Each Obligor agrees to any such amendment, waiver or consent permitted by this Clause 39 which is agreed to by the Company. This includes any amendment, waiver or consent which would, but for this paragraph (c), require the consent of all of the Guarantors. The Company may effect, as agent of the other Obligors, any amendment, waiver, consent or release permitted by this Clause 39 without further action by such Obligors.

39.3 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “**Majority Lenders**” or “**Super Majority Lenders**” or “**Change of Control**” in Clause 1.1 (*Definitions*);
 - (ii) a change to the Borrowers or Guarantors other than in accordance with Clause 29 (*Changes to the Obligors*);
 - (iii) an extension to the availability, date of payment or redenomination, of any amount under the Finance Documents;
 - (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees, or commission or other amounts payable;
 - (v) the currency of payment of any amount under the Finance Documents;
 - (vi) a redenomination of a Commitment into another currency;
 - (vii) a re-tranching of any or all of the Facilities;
 - (viii) an increase in, or addition or an extension of, any Commitment or the Total Commitments; or
 - (ix) the introduction of an additional loan, commitment, tranche or facility into the Finance Documents ranking senior to or *pari passu* with the Facilities;
 - (x) any provision which expressly requires the consent of all the Lenders;

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- (xi) Clause 2.3 (*Finance Parties' rights and obligations*), 10 (*Mandatory Prepayment*), 27 (*Changes to the Lenders*), this Clause 39, Clause 44 (*Governing Law*) or Clause 45 (*Enforcement*); or
- (xii) subject to the terms of the Intercreditor Agreement, the order of priority or subordination under the Intercreditor Agreement or the order in which recoveries from the enforcement of guarantees or Transaction Security are applied,
- shall (other than as a result of and subject to a Structural Adjustment in accordance with paragraph (k) of Clause 39.3) not be made without the prior consent of all the Lenders.
- (b) A Structural Adjustment shall only require the prior consent of the Company, the Majority Lenders and each Lender that is participating in or is directly affected by that Structural Adjustment and shall not require the consent of any other Lender.
- (c) No consent from any Lenders shall be required in connection with the permitted implementation of (and any related amendment as part of the implementation of) the Additional Facility.
- (d) Each individual Lender may waive its right to a prepayment (including by way of amendment or waiver to any of the provisions of) Clause 10 (*Mandatory Prepayment*) or any other amounts which have become due and payable to it under this Agreement or any other Finance Document.
- (e) No amendment or waiver of a term of any Fee Letter or other side letter shall require the consent of any Finance Party other than any such person which is party to such letter.
- (f) Any term of any Finance Document may be amended or waived by the Company and the Agent (or, if applicable, the Collateral Agent) without the consent of any other Party if that amendment or waiver is to cure defects or omissions or resolve ambiguities or inconsistencies, in each case of a minor, technical and administrative nature or correct a manifest error which is of a typographical, translation, transcription or similar nature.
- (g) The release of any guarantee and indemnity granted under Clause 21 (*Guarantee and Indemnity*) or of any Transaction Security (unless permitted or not prohibited under this Agreement or any other Finance Document or relating to a Third Party Disposal) over an asset shall not be made without the prior consent of the Super Majority Lenders unless otherwise specified in the Intercreditor Agreement.
- (h) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger, any Collateral Agent or any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger, the Collateral Agent or the that Ancillary Lender.
- (i) If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any of the terms of any Finance Document or other vote of Lenders under the terms of this Agreement within ten (10) Business Days (unless the Company and the Agent agree to a longer time period in relation to any request) of that request being made, its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

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- (j) Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.
- (k) For the purposes of this Clause 39, “**Structural Adjustment**” means:
- (i) an amendment or waiver that has the effect of changing or which relates to:
 - (A) an extension to the availability, date of payment or redenomination, of any amount under the Finance Documents;
 - (B) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees, or commission or other amounts payable;
 - (C) the currency of payment of any amount under the Finance Documents;
 - (D) a redenomination of a Commitment into another currency;
 - (E) a re-tranching of any or all of the Facilities;
 - (F) an increase in, or addition or an extension of, any Commitment or the Total Commitments; or
 - (G) the introduction of an additional loan, commitment, tranche or facility into the Finance Documents ranking *pari passu*, to the Facilities,in each case, other than in respect of the Additional Facility established pursuant to Clause 2.3 (*Additional Facility*); or
 - (ii) an amendment or waiver of a term of a Finance Document that is consequential on, incidental to, or required to implement or reflect any of the amendments or waivers listed in sub-paragraph (i) above.

39.4 Replacement of Screen Rate

Subject to paragraph (h) of Clause 39.3, if a Screen Rate Replacement Event has occurred in relation to any Screen Rate for a currency which can be selected for a Loan, any amendment or waiver which relates to:

- (a) providing for the use of a Replacement Benchmark in relation to that currency in place of or (in addition to) the affected Screen Rate; and
- (b)
 - (i) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
 - (ii) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
 - (iii) implementing market conventions applicable to that Replacement Benchmark;
 - (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

- (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company, **provided that** (x) any alternative interest rate agreed to pursuant to this Clause 39.4 shall be automatically binding on a Defaulting Lender; and (y) any Lender which rejects a request for any such consent shall be deemed to be a Non-Consenting Lender for the purposes of this Agreement.

39.5 Replacement of Lender

- (a) If at any time:

- (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or
- (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 9.1 (*Illegality*) or to pay additional amounts pursuant to Clauses 17.1 (*Increased Costs*), 16.2 (*Tax gross-up*) or 16.3 (*Tax Indemnity*) to any Lender,

then the Company may, on not less than five (5) Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement and the Finance Documents to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company (excluding a member of the Group and, if such entity is an Investor Affiliate, **provided that** such transfer shall be in accordance with Clause 28 (*Restriction on Debt Purchase Transactions*)) and which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 39.5 shall be subject to the following conditions:

- (i) the Company shall have no right to replace the Agent (in its capacity as Agent) or Collateral Agent (in its capacity as Collateral Agent);
- (ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
- (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than sixty (60) days after the date the Non-Consenting Lender notifies the Company and the Agent of its failure or refusal to give a consent in relation to, or agree to any waiver or amendment to the Finance Documents requested by the Company; and

- (iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.
- (c) In the event that:
 - (i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
 - (iii) the Super Majority Lenders have consented to or agreed to such waiver or amendment,then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a “**Non-Consenting Lender**”.

39.6 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender’s Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 39.6, the Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Agent that it has become a Defaulting Lender; and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of “**Defaulting Lender**” has occurred,unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

39.7 Replacement of a Defaulting Lender

- (a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving not less than five (5) Business Days’ prior written notice to the Agent and such Lender:
 - (i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
 - (ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitment of the Lender; or

- (iii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Facility, to a Lender or other bank, financial institution, trust, fund or other entity (which Replacement Lender may not be a member of the Group or (except with Majority Lender consent) an Investor Affiliate) selected by the Company and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 39.7 shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent or Collateral Agent;
 - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
 - (iii) the transfer must take place no later than twenty (20) days after the notice referred to in paragraph (a) above; and
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

40. CONFIDENTIALITY

40.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clauses 40.2 (*Disclosure of Confidential Information*) and 40.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

40.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

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- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 30.16 (*Relationship with the Lenders*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;
 - (v) to whom information is required by law or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.9 (*Security over Lenders' rights*);
 - (vii) to whom information is required by law to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (viii) who is a Party; or
 - (ix) with the consent of the Company or, in relation to any SIR filing, the relevant Obligor,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking which is capable of being relied upon by the Company or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; and
- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party;
- (d) the size and term of the Facility and the name of each of the Obligors to any investor or a potential investor in a securitisation (or similar transaction of broadly equivalent economic effect) of that Lender's rights or obligations under the Finance Documents;
- (e) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information; and
- (f) the U.S. tax treatment and U.S. tax structure of the Facilities and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such U.S. tax treatment and U.S. tax structure. However no party shall disclose any information relating to such tax treatment or tax structure to the extent the non-disclosure is necessary in order to comply with applicable securities law in the United States. Each party to this Agreement acknowledges and agrees that each of the Finance Parties shall maintain and provide to the IRS information with respect to the Facilities as is required by applicable regulations.

40.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
 - (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) Clause 44 (*Governing law*);
 - (vi) the names of the Agent and the Arranger;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amounts of, and names of, the Facilities (and any tranches);
 - (ix) amount of Total Commitments;
 - (x) currencies of the Facility;

- (xi) ranking of the Facility;
 - (xii) Termination Date for the Facility;
 - (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (x) above; and
 - (xiv) such other information agreed between such Finance Party and the Company,
- to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
 - (c) Each Obligor represents that none of the information set out in paragraphs (i) to (xii) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
 - (d) The Agent shall notify the Company and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligor; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligor by such numbering service provider.

40.4 Entire agreement

This Clause 40 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

40.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

40.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 40.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 40.

40.7 Continuing obligations

The obligations in this Clause 40 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve (12) months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

41. CONFIDENTIALITY OF FUNDING RATES**41.1 Confidentiality and disclosure**

- (a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate to the relevant Borrower pursuant to Clause 12.4 (*Notification of rates of interest*); and
 - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender, as the case may be.
- (c) The Agent may disclose any Funding Rate, and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

- (iv) any person with the consent of the relevant Lender.

41.2 Related Obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 41.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 41.

41.3 No Event of Default

No Event of Default will occur under Clause 26.3 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 41.

42. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

43. USA PATRIOT ACT

Each Lender that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

44. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law and shall be construed and enforced in accordance with English law.

45. ENFORCEMENT

45.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

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- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
 - (c) This Clause 45.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

45.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
 - (i) irrevocably appoints Soho House Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document, and Soho House Limited hereby accepts such appointment; and
 - (ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as process agent is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within five (5) days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1**THE ORIGINAL PARTIES****PART 1
THE ORIGINAL OBLIGORS**

<u>Name of Original Borrower</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>
SHG Acquisition (UK) Limited	06395943 (England and Wales)
Soho House U.S. Corp.	3505926 (Delaware, U.S.)

<u>Name of Original Guarantor</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>
Soho House & Co Limited	109634 (Jersey)
Soho House Bond Limited	112133 (Jersey)
BN MidCo Limited	109633 (Jersey)
BN AcquireCo Limited	109632 (Jersey)
Abertarff Limited	95783 (Jersey)
SHG Acquisition (UK) Limited	06395943 (England and Wales)
Soho House Limited	03288116 (England and Wales)
Soho House UK Limited	02864389 (England and Wales)
Cowshed Products Limited	03869426 (England and Wales)
Soho House Properties Limited	07181524 (England and Wales)
Soho Home Limited	08489367 (England & Wales)
Soho House U.S. Corp.	3505926 (Delaware, U.S.)
US AcquireCo, Inc.	5077821 (Delaware, U.S.)
Soho House New York LLC	(New York, U.S.)
Soho House West Hollywood LLC	4349029 (Delaware, U.S.)
Soho House, LLC	3505928 (Delaware, U.S.)
Soho House Chicago LLC	5063699 (Delaware, U.S.)
Little Beach House Malibu, LLC	5736316 (Delaware, U.S.)
Soho-Dumbo, LLC	6189088 (Delaware, U.S.)
Soho-Ludlow Tenant, LLC	5264458 (Delaware, U.S.)

Name of Original Guarantor

Soho—Cecconi's (Water Street), LLC

Soho House Berlin GmbH

**Registration number (or equivalent, if any)
and jurisdiction of incorporation**

5603763 (Delaware, U.S.)

HRB 110858 B, local court of Charlottenburg (Germany)

PART 2
THE ORIGINAL LENDERS

<u>Name of Original Lender</u>	<u>Commitment</u>	<u>Treaty Passport scheme reference number and jurisdiction of tax residence (if applicable)¹</u>
HSBC UK Bank PLC	£55,000,000	N/A
Total	£55,000,000	

¹ Each of these must be included if the Original Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Agreement.

SCHEDULE 2

CONDITIONS PRECEDENT

PART 1

CONDITIONS PRECEDENT TO INITIAL UTILISATION

1. OBLIGORS

- (a) A copy of the constitutional documents of each Original Obligor (including, without limitation, all certificates of incorporation and like documents issued by the registrar or equivalent entity of its jurisdiction of incorporation).
- (b) A copy of a good standing certificate with respect to each Original Obligor whose jurisdiction of organization is a state of the U.S. or the District of Columbia, issued as of a recent date by the Secretary of State or other appropriate official of such Original Obligor's jurisdiction of incorporation or organisation.
- (c) A copy of a resolution of the board of directors (or appropriate governing body) of each Original Obligor (other than an Original Obligor incorporated or established in Germany):
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf (including, where applicable, by power of attorney); and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party (including, where applicable, by power of attorney).
- (d) In relation to an Original Obligor incorporated or established in Germany up-to-date copies of (i) an electronic extract from the commercial register (*elektronischer Handelsregisterauszug*), (ii) its articles of association (*Satzung*) or partnership agreement (*Gesellschaftsvertrag*), (iii) any by-laws (if any) and (iv) the list of shareholders (*Gesellschafterliste*) (if applicable).
- (e) In relation to an Original Obligor incorporated or established in Germany a copy of a resolution signed by all the holders of the issued shares of such Original Obligor and/or, if applicable, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) of such Original Obligor approving the terms of, and the transactions contemplated by the Finance Documents.
- (f) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c)(ii) above in relation to the Finance Documents and related documents or otherwise authorised to execute Finance Documents and related documents on behalf of the relevant Original Obligor.
- (g) If applicable, a copy of a resolution signed by all the holders of the issued shares, in each Original Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which each Original Obligor is a party (to the extent required by constitutional documents or applicable law).

- (h) A certificate of each Original Obligor (signed by a director, officer, authorised signatory or other authorised person, as appropriate) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
- (i) A certificate of an authorised signatory of each Original Obligor certifying that each copy document relating to it specified in this paragraph 1 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. FINANCE DOCUMENTS

- (a) This Agreement executed by the members of the Group party to this Agreement.
- (b) The Arrangement Fee Letter executed by the members of the Group party to it.
- (c) The amendment agreement to the Intercreditor Agreement executed by the Parent and the Company.
- (d) At least two copies of the Transaction Security Documents executed by each Original Obligor as specified opposite its name in Part 3 (*Transaction Security Documents*) of Schedule 2 (*Conditions precedent*) (including, but not limited to, one original of all share certificates, stock transfer forms and other documents of title required to be provided under those security documents).
- (e) Unless a grace period for supply of notices is contained in the relevant Transaction Security Document, a copy of all notices required to be sent under the Transaction Security Documents executed by relevant Obligor and, in the case of any notice to be sent to another member of the Restricted Group, duly acknowledged.
- (f) A duly signed registration consent from each Original Obligor granting Transaction Security under Jersey law in the form required by the legal advisers to the Collateral Agent and delivered, duly dated no less than one (1) Business Day prior to the Closing Date.

3. LEGAL OPINION

The following legal opinions, each addressed to the Agent, the Collateral Agent and the Original Lenders:

- (a) a legal opinion of White & Case LLP, legal advisers to the Finance Parties as to English law;
- (b) a legal opinion of Latham & Watkins LLP, legal advisers to the Parent as to New York law;
- (c) a legal opinion of Latham & Watkins LLP, legal advisers to the Parent as to German law in relation to the capacity of the Obligor incorporated or established in Germany to enter into the Finance Documents; and
- (d) a legal opinion of Carey Olsen, legal advisers to the Finance Parties as to Jersey law,

in each case, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

4. OTHER DOCUMENTS AND EVIDENCE

- (a) The Group Structure Chart.
- (b) A copy of the Original Financial Statements.

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- (c) A copy of each of the Reports.
 - (d) A certificate of the Company (signed by a director, officer, authorised signatory or other authorised person, as appropriate) certifying that the list of Material Companies of the Group set out in Schedule 10 (*Material Companies*) is correct and complete by reference to the Original Financial Statements.
 - (e) Evidence that the fees, costs and expenses then due and payable from the Company pursuant to Clause 15 (*Fees*), Clause 16.6 (*Stamp taxes*) and Clause 20 (*Costs and expenses*) have been paid or will be paid on or by the Closing Date.
 - (f) Evidence that any process agent referred to in Clause 45.2 (*Service of process*) or clause 29.2 (*Service of process*) of the Intercreditor Agreement, if not an Original Obligor, has accepted its appointment.
 - (g) Reasonable evidence that the Group has prepaid or defeased (or will on or prior to the Closing Date prepay or defease) all amounts outstanding under the Existing Debt, **provided** in each case that such evidence shall be limited to any evidence actually received by the Group from the relevant creditor representatives in respect of such Existing Debt and that this condition precedent shall be satisfied if the Company delivers to the Agent any such evidence that it receives from such creditor representatives.
 - (h) A copy of the Existing Indebtedness Schedule.

5. “KNOW YOUR CUSTOMER” CHECKS

The Finance Parties being satisfied with all “know your customer” or other checks in respect of the Original Obligors.

PART 2
CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. An Accession Deed executed by the Additional Obligor and the Company.
2. A copy of the constitutional documents of the Additional Obligor (including, without limitation, all certificates of incorporation and like documents issued by the registrar or equivalent entity of its jurisdiction of incorporation).
3. A copy of a good standing certificate with respect to each Additional Obligor whose jurisdiction of organization is a state of the U.S. or the District of Columbia, issued as of a recent date by the Secretary of State or other appropriate official of such Additional Obligor's jurisdiction of incorporation or organisation.
4. A copy of a resolution of the board or, if applicable, a committee of the board of directors (or appropriate governing body) of the Additional Obligor (other than an Additional Obligor incorporated in Germany):
 - (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;
 - (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (d) authorising the Company to act as its agent in connection with the Finance Documents.
5. In relation to an Additional Obligor incorporated or established in Germany up-to-date copies of (i) an electronic extract from the commercial register (*elektronischer Handelsregisterauszug*), (ii) its articles of association (*Satzung*) or partnership agreement (*Gesellschaftsvertrag*), (iii) any by-laws (if any) and (iv) the list of shareholders (*Gesellschafterliste*) (if applicable).
6. In relation to an Additional Obligor incorporated or established in Germany a copy of a resolution signed by all the holders of the issued shares of such Additional Obligor and/or, if applicable, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) of such Additional Obligor approving the terms of, and the transactions contemplated by the Finance Documents.
7. In relation to an Additional Obligor incorporated or established in Jersey, to the extent applicable a copy of a resolution signed by all the holders of the issued shares in that Additional Obligor incorporated in Jersey making such amendments to the articles of association that Additional Obligor as are required by the Collateral Agent in connection with the Jersey law supplemental security interest agreement granted or to be granted over the shares in that Additional Obligor.
8. In relation to an Additional Obligor incorporated in the United Kingdom whose shares are the subject of the Transaction Security (a "**Charged Company**"), either:

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- (a) a certificate of an authorised signatory of the Company certifying that:
- (A) each member of the Group has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and
 - (B) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,
- together with a copy of the “PSC register” (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company which, in the case of a Charged Company that is a member of the Group, is certified by an authorised signatory of the Company to be correct, complete and not amended or superseded as at a date no earlier than the date of the Accession Deed; or
- (b) a certificate of an authorised signatory of the Company certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.
9. If applicable, a copy of a resolution of the board of directors of the Additional Obligor, establishing the committee referred to in paragraph 4 above.
10. A specimen of the signature of each person authorised by the resolution referred to in paragraph 4 above or otherwise authorised to execute Finance Documents and related documents on behalf of the relevant Additional Obligor.
11. If applicable, a copy of a resolution signed by all the holders of the issued shares of the Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Obligor is a party (to the extent required by constitutional documents or applicable law).
12. A copy of a resolution of the board of directors of each corporate shareholder of each Additional Obligor approving the terms of the resolution referred to in paragraph 6 above.
13. A certificate signed by an authorised signatory of the Additional Obligor confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
14. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 (*Conditions precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*) relating to it is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.
15. To the extent required under applicable law or customary in accordance with local law or practice, a good standing certificate from the applicable governmental authority of its jurisdiction of incorporation, organisation or formation, dated a recent date prior to the date of the relevant Accession Deed.
16. A copy of any other authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration or other document, opinion or assurance which the Agent (acting reasonably) considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Deed or for the validity and enforceability of any Finance Document.
17. If available, a copy of the latest audited financial statements of the Additional Obligor.
18. If applicable, a certified extract of the register of members of the Additional Obligor, the shares of which are subject to or expressed to be subject to the Transaction Security.

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19. The following legal opinions, each addressed to the Agent, the Collateral Agent and the Lenders:
- (a) a legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Lenders prior to signing the Accession Deed;
 - (b) if the Additional Obligor is incorporated in or has its “centre of main interest” or “establishment” (as referred to in Clause 25.25 (*Centre of main interests*)) in a jurisdiction other than England and Wales or the United States or is executing a Finance Document which is governed by a law other than English law a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation or “centre of main interest” or “establishment” (as applicable) or, as the case may be, the jurisdiction of the governing law of that Finance Document (the “**Applicable Jurisdiction**”) as to the law of the Applicable Jurisdiction in the form distributed to the Lenders prior to signing the Accession Deed; and
 - (c) if the Additional Obligor is organized in a State of the United States (including the District of Columbia) and is executing a Finance Document which is governed by a law of a State of the United States (including the District of Columbia) a legal opinion of the legal advisers to such Additional Obligor in each Applicable Jurisdiction as to the law of each Applicable Jurisdiction in the form distributed to the Lenders prior to signing the Accession Deed.
20. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales and does not have a registered UK establishment, evidence that a process agent in England and Wales has accepted its appointment in relation to the proposed Additional Obligor.
21. Any security documents which, subject to the Agreed Security Principles, are required by the Agent to be executed by the proposed Additional Obligor.
22. In relation to an Additional Obligor which is incorporated outside the United Kingdom and which is to enter into a Transaction Security Document which creates Transaction Security over assets situated in the United Kingdom, a certificate of that Additional Obligor (signed by a director, officer, authorised signatory or other authorised person, as appropriate) certifying that that entity has not registered an establishment in the United Kingdom with the Registrar of Companies whether under its name of incorporation or any other name, as at a date no earlier than the date of the relevant Transaction Security Document **provided that** no such certificate shall be required of any Obligor which has registered an establishment in the United Kingdom with the Registrar of Companies whether under its name of incorporation or any other name.
23. If applicable, evidence that the Additional Obligor has done all that is necessary under any relevant laws relating to financial assistance or analogous processes (including, without limitation, for Additional Obligors incorporated in England and Wales or Scotland re-registering as a private company) in order to enable the Additional Obligor to enter into the Finance Documents and perform its obligations under the Finance Documents.
24. Any other evidence required by the Agent under paragraph (d) of Clause 23.9 (“*Know Your Customer*” checks) in relation to such Additional Obligor.
25. If applicable, a certificate in form and substance satisfactory to the Agent of the director of finance or other appropriate person of each Additional Obligor as to the solvency of such Additional Obligor.
26. If applicable, a duly signed registration consent from each Additional Obligor granting Transaction Security under Jersey law in the form required by the legal advisers to the Collateral Agent.

PART 3
TRANSACTION SECURITY DOCUMENTS

<u>Name of Obligor</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>	<u>Description of Transaction Security Document</u>
Parent	109634 (Jersey)	English law supplemental Debenture over all its assets Jersey law supplemental security interest agreement over its shareholding in 100% of the shares in the Company and in relation to any receivables owed to the Parent by the Company
Company	112133 (Jersey)	English law supplemental Debenture over all its assets Jersey law supplemental security interest agreement over its shareholding in 35% of the shares in BN MidCo Limited and security interest over any receivables owed to the Company by BN MidCo Limited Jersey law supplemental security interest agreement over its shareholding in 65% of the shares in BN MidCo Limited New York law reaffirmation/confirmation of grant of security interest over shares in US AcquireCo, Inc.
BN Midco Limited	109633 (Jersey)	Jersey law supplemental security interest agreement over its shareholding in 100% of the shares in BN AcquireCo Limited and security interest over any receivables owed to BN MidCo Limited by BN AcquireCo Limited English law supplemental Debenture over all its assets
BN AcquireCo Limited	109632 (Jersey)	Jersey law supplemental security interest agreement over its shareholding in 100% of the shares in Abertarff Limited and security interest over any receivables owed to BN AcquireCo Limited by Abertarff Limited English law supplemental Debenture over all its assets
Abertarff Limited	95783 (Jersey)	English law supplemental Debenture over all its assets

<u>Name of Obligor</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>	<u>Description of Transaction Security Document</u>
Soho House Limited	03288116 (England and Wales)	English law supplemental Debenture over all its assets
Soho House UK Limited	02864389 (England and Wales)	English law supplemental Debenture over all its assets
SHG Acquisition (UK) Limited	06395943 (England and Wales)	English law supplemental Debenture over all its assets
Cowshed Products Limited	03869426 (England and Wales)	English law supplemental Debenture over all its assets
Soho House Properties Limited	07181524 (England and Wales)	English law supplemental Debenture over all its assets
Soho Home Limited	08489367 (England and Wales)	English law supplemental Debenture over all its assets
US AcquireCo, Inc.	5077821 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House U.S. Corp.	3505926 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House, LLC	3505928 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House New York LLC	(New York, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House West Hollywood LLC	4349029 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House Chicago, LLC	5063699 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Little Beach House Malibu, LLC	5736316 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Dumbo, LLC	6189088 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Ludlow Tenant, LLC	5264458 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Cecconi's (Water Street), LLC	5603763 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets

SCHEDULE 10**MATERIAL COMPANIES**

<u>Name of Material Company</u>	<u>Registration number (or equivalent, if any)</u>	<u>Jurisdiction of incorporation</u>
Soho House UK Limited	02864389	England & Wales
Soho House Properties Limited	07181524	England and Wales
Soho House Berlin GmbH	HRB 110858 B	Germany
Soho House New York LLC	—	New York, U.S.
Soho House West Hollywood LLC	4349029	Delaware, U.S.
Soho House Chicago, LLC	5063699	Delaware, U.S.
Little Beach House Malibu, LLC	5736316	Delaware, U.S.

AGREED SECURITY PRINCIPLES

1. AGREED SECURITY PRINCIPLES

- 1.1 The Company will use reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to the relevant Guarantor Company (as defined below).
- 1.2 The guarantees and security to be provided will be given in accordance with certain Agreed Security Principles. The Company and the Finance Parties have agreed and acknowledged that their rights and obligations under the Finance Documents and the Senior Facilities Agreement (together, the “**Secured Documents**”) in respect of (i) the giving or taking of guarantees, (ii) the giving and taking of security and (iii) all of the rights and obligations associated with such giving or taking of guarantees and security, shall be subject to and limited by these Agreed Security Principles.
- 1.3 The Agreed Security Principles embody a recognition by all parties that there may be certain legal and practical difficulties in obtaining effective guarantees and security from all Material Companies and other members of the Group required to give guarantees and security (the “Guarantor Companies”) in every jurisdiction in which Guarantor Companies are or may in the future be located. In particular:
 - (a) general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, “thin capitalisation” rules, retention of title claims and similar principles may limit the ability of a Guarantor Company to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise (including any legal fees, registration fees, stamp duty taxes and any other fees or related costs). The Company shall use reasonable endeavours to overcome any such limitation to the extent reasonably practicable. If, following the reasonable endeavours of the Company to overcome such limitations any such limit continues to apply, the guarantees and security provided will be limited to the maximum amount which the relevant member of the Group may provide having regard to applicable law (including any jurisprudence) and otherwise so as to minimise stamp duty, notarisational, registration tax or other applicable fees, taxes and duties (taking into consideration the proportionate benefit to the Finance Parties);
 - (b) the giving of a guarantee, the granting and the terms of security or the perfection of the security granted will not be required to the extent it would incur any cost (including any legal fees, notarisational, registration or other applicable fees, stamp duty or other duties, taxes and any other fees or related costs) to the Group which are disproportionate to the benefit for the Finance Parties of obtaining such guarantees or security;
 - (c) where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;
 - (d) it is expressly acknowledged that in certain jurisdictions it may be either impossible or impractical (taking into consideration the proportionate benefit to the Finance Parties) to grant guarantees or create security over certain categories of assets, in which event such guarantees will not be granted and security will not be taken over such assets **provided that** the Company shall use reasonable endeavours to overcome or mitigate any such obstacle;

- (e) unless granted under a global security document governed by the law of the jurisdiction of a Guarantor Company or under English law all security (other than share security over its Subsidiaries) shall be governed by the law of the jurisdiction of incorporation of that Guarantor Company;
- (f) any assets subject to third party arrangements which may prevent those assets from being charged (or assigned by way of security) will be excluded from any relevant Security Document, **provided that** (subject as otherwise set out in these Agreed Security Principles) reasonable endeavours to obtain consent or waiver to charging any such assets shall be used by the Group if the relevant asset is material and the Company determines that such endeavours will not jeopardise commercial relationships with third parties;
- (g) Guarantor Companies will not be required to give guarantees or enter into security documents if it is not within the legal capacity of the relevant Guarantor Company or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or would reasonably be expected to result in a risk of personal or criminal liability on the part of any director or other officer of such Guarantor Company or of any member of the Group **provided that** the relevant Group member shall use reasonable endeavours to overcome any such obstacle;
- (h) no perfection action will be required in a jurisdiction where the Guarantor Company is not located;
- (i) perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Secured Documents therefor or (if earlier or to the extent no such time periods are specified in the Secured Documents) within the time periods specified by applicable law in order to ensure due perfection;
- (j) the giving of a guarantee, the granting of security or the perfection of the security granted and the terms of the security shall not be required if it would have a material and adverse effect on the ability of the relevant Guarantor Company to conduct its operations and business (including its tax arrangements) in the ordinary course as otherwise permitted or not prohibited by the Secured Documents;
- (k) pledges over shares or other interests or participations in joint ventures or the assets owned by such joint ventures or joint venture vehicles will not be required; and
- (l) guarantee limitations may mean that access to the assets of a Guarantor Company is limited, in which case, any asset security granted by that Guarantor Company shall be limited to the maximum recoverable amount under the guarantee.

1.4 Reasonable legal fees, disbursements, registration costs, taxes, notary fees and other costs and expenses related to the guarantees and security incurred by legal counsel to the Company and by legal counsel to the Agent or Collateral Agent will be paid (or payment thereof procured) by the Company.

2. GUARANTORS AND SECURITY

2.1 Subject to the due execution of all relevant Transaction Security Documents, completion of relevant perfection formalities within statutorily prescribed time limits, payment of all registration fees and documentary taxes, any other rights arising by operation of law, obtaining any foreign legal opinions and subject to any qualifications which may be set out in the Secured Documents and any relevant legal opinion obtained and subject to the requirements of the Agreed Security Principles, it is agreed that each guarantee and security will be an upstream, cross-stream and downstream guarantee and each guarantee and, without prejudice to the principles set forth in paragraph 1.2 above, security will be for all liabilities of the Obligors under the Secured Documents in accordance with, and subject to, the requirements of the Agreed Security Principles and/or any applicable law in each relevant jurisdiction.

- 2.2 To the extent possible under the relevant applicable law, all security shall consist of a single set of security interests and shall be given in favour of the Collateral Agent and not the Finance Parties individually. “Parallel debt” provisions will be used where necessary or convenient to ensure that security is given in favour of the Collateral Agent and not the Finance Parties individually. Such provisions will be contained in the Intercreditor Agreement and not the individual security documents (unless and to the extent required under the applicable local laws). To the extent possible under the relevant applicable law, there should be no action required to be taken in relation to the guarantees or security when any Lender transfers any of its participation in the Facility to a new Lender.
- 2.3 No member of the Group or the Company shall be required to pay the cost of any re- execution, notarisation, acknowledgment, re-registration, amendment or related perfection requirement for any guarantee or security or any related cost or fee, and no action shall be required to be taken by any member of the Group or the Company in relation thereto, on any transfer by any Finance Party.

3. TERMS OF GUARANTEES AND SECURITY DOCUMENTS

- 3.1 The following principles will be reflected in the terms of any guarantee or security taken as part of this transaction:
- (a) the security shall be first ranking, to the extent possible;
 - (b) subject to the Intercreditor Agreement, no claims will be made under guarantees, and security will not be enforceable, until an Event of Default has occurred and is continuing (unremedied or unwaived) and notice has been served under the “acceleration” provisions of the relevant Secured Document (an “**Enforcement Event**”):
 - (i) no notices of pledges or security interests will be required unless, under the law applicable to such security, such notice is required to be delivered to perfect the security or at the Collateral Agent’s reasonable request following an Event of Default which is continuing; and
 - (ii) notification of receivables security to debtors (not being members of the Group) will only be given if an Enforcement Event has occurred;
 - (c) the provisions of each security document will not be unduly burdensome on the Guarantor Company or interfere with the operation of its business (including its tax arrangements) in the ordinary course and will be limited to those required to create, perfect or maintain effective security and shall not impose commercial obligations;
 - (d) information, such as lists of assets, will be provided only if and to the extent required by local law to be provided to perfect or register the relevant security interests and, unless required to be provided by local law more frequently, will be provided at the Collateral Agent’s reasonable request following an Event of Default which is continuing (unremedied or unwaived);
 - (e) the security documents will, where possible and practical (but subject to the other provisions set out in this Schedule and consistent with market practice in the relevant jurisdiction), automatically create security over future assets of the same type as those already secured;
 - (f) prior to an Enforcement Event, the security documents shall operate only to create security and not to impose new commercial obligations. Accordingly (i) they will not contain representations or undertakings unless these are required for the creation or perfection or protection of the security and (ii) they shall not repeat or extend any of the clauses set out in this Agreement, the Intercreditor Agreement or any other Secured Document, such as those relating to notices, insurance, further assurance, cost and expenses, indemnities, tax gross-up, distribution of proceeds and release of security, unless and to the extent required by applicable law or market standard in the relevant jurisdiction for the creation or perfection or protection of security;

- (g) in respect of share pledges, until an Enforcement Event, the pledgors shall be permitted to retain and to exercise voting rights to any shares pledged by them and shall be permitted to receive and retain dividends on pledged shares/pay dividends upstream on pledged shares to the extent permitted under any Secured Document with the proceeds to be available to the Group;
- (h) the Collateral Agent shall only be able to exercise any power of attorney granted to it under the security documents following the occurrence of an Enforcement Event or, prior to an Enforcement Event if the relevant Guarantor Company has failed to comply with a further assurance or perfection obligation (and compliance with the same has not been remedied within any applicable grace period or waived);
- (i) prior to an Enforcement Event, the Collateral Agent shall not have any right to block any funds being transferred between or by Group members;
- (j) the security documents should not operate so as to prevent transactions which are permitted or not prohibited under the Secured Documents or to require additional consents or authorisations;
- (k) without prejudice to the other terms of the Finance Documents, where an entity is being disposed of as permitted or not prohibited by this Agreement (including a disposal permitted by requisite consent) all guarantees by that entity in favour of the Finance Parties and others and all security in favour of the Finance Parties and others over the shares of that entity and the assets owned by that entity shall be released immediately before completion of such disposal;
- (l) security over any asset disposed of in compliance with this Agreement, any guarantee granted by a member of the Group disposed of in compliance with this Agreement and any security over the assets of any such member of the Group shall all be released by the Collateral Agent no later than completion of such disposal;
- (m) supplemental pledges shall be entered into where required by local law to create or perfect security; and
- (n) the security documents will not accrue interest on any amount in respect of which interest is accruing under this Agreement.

4. BANK ACCOUNTS

- 4.1 If a Guarantor Company grants security over its bank accounts it shall be free to deal with those accounts in the ordinary course of its business until an Enforcement Event.
- 4.2 If required by local law to create or perfect the security, notice of the security will be served on the account bank within five (5) Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice with twenty (20) Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that twenty (20) Business Day period. Irrespective of whether notice of the security is required for perfection, if the service of notice would prevent the Guarantor Company from using a bank account in the course of its business no notice of security shall be served until the occurrence of an Enforcement Event.
- 4.3 Any security over bank accounts shall be subject to any prior security interests (including but not limited to rights of set-off) in favour of the account bank which are created either by law or in the standard terms and conditions of the account bank. The notice of security may request these are waived by the account bank but the Guarantor Company shall not be required to change its banking arrangements if these security interests are not waived or only partially waived.

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- 4.4 If required under local law, and consistent with local standard market practice, security over bank accounts will be registered subject to the general principles set out in these Agreed Security Principles.
- 4.5 No Security shall be required over any bank accounts that are segregated deposit accounts constituting payroll accounts, tax accounts and trust accounts, or until the occurrence and continuance of an Event of Default, any deposit, securities and bank accounts of any U.S. Obligors with a total amount on deposit at any one time of less than £500,000 in the aggregate.
- 5. FIXED ASSETS**
- 5.1 If a Guarantor Company grants security over its material fixed assets it shall be free to deal with those assets in the ordinary course of its business and otherwise as permitted under any Finance Document until an Enforcement Event.
- 5.2 No notice whether to third parties or by attaching a notice to the fixed assets shall be prepared or given until an Enforcement Event.
- 5.3 If required under local law, and consistent with local standard market practice, security over fixed assets will be registered subject to the general principles set out in these Agreed Security Principles.
- 6. INSURANCE POLICIES**
- 6.1 If required by local law to create or perfect the security, notice of the security will be served on the insurance provider within twenty (20) Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice with twenty (20) Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that twenty (20) Business Day period.
- 6.2 No loss payee or other endorsement shall be made on the insurance policy, and the Guarantor Company shall not be requested to hand over to the Collateral Agent the original of the insurance policy unless and to the extent required under local law to create or perfect the security.
- 7. INTELLECTUAL PROPERTY**
- 7.1 No security shall be required to be granted (in addition to any security agreed to be granted over material intellectual property as a condition precedent to initial utilisation of the Facility) over any intellectual property which is determined by the Company (acting reasonably and in good faith) not to be material to the business of the relevant Guarantor Company or the Group taken as a whole.
- 7.2 If a Guarantor Company grants security over its intellectual property it shall be free to deal with those assets in the ordinary course of its business or otherwise as permitted under the Secured Documents (including, without limitation, allowing its intellectual property to lapse if no longer material or required as part of its business) until an Enforcement Event.
- 7.3 No security shall be granted over any intellectual property which cannot be secured under the terms of any relevant licensing agreement. No notice shall be prepared or given to any third party from whom intellectual property is licensed until an Enforcement Event.

- 7.4 If required for its validity, perfection or enforceability under local law, security over material intellectual property will be registered under the law of that security document or at a relevant supra-national registry (such as the EU or the *Organisation Mondiale de la Propriété Intellectuelle*), subject to the general principles set out in these Agreed Security Principles.
- 8. INTERCOMPANY RECEIVABLES**
- 8.1 If a Guarantor Company grants security over its intercompany receivables it shall be free to deal with those receivables in the ordinary course of its business or otherwise as permitted under the Secured Documents until an Enforcement Event.
- 8.2 If required by local law to perfect the security, notice of the security will be served on the relevant lender and/or the borrower within thirty (30) Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice within thirty (30) Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that 30 Business Day period.
- 8.3 Irrespective of whether notice of the security is required for perfection, if the service of notice would prevent the Guarantor Company from dealing with an intercompany receivable in the course of its business, no notice of security shall be served until the occurrence of an Enforcement Event.
- 8.4 If required under local law and consistent with local standard market practice, security over intercompany receivables will be registered subject to the general principles set out in these Agreed Security Principles.
- 8.5 No lists of intercompany receivables shall be required to be provided or updated.
- 9. TRADE RECEIVABLES**
- 9.1 If a Guarantor Company grants security over its trade receivables it shall be free to deal with those receivables in the ordinary course of its business or otherwise as permitted under the Secured Documents until an Enforcement Event.
- 9.2 Security over receivables shall not prohibit the transfer of receivables as permitted under the Secured Documents (including without limitation under any receivables financing agreement or arrangement) nor shall any such security continue to attach to receivables so transferred.
- 9.3 No notice of security may be served until the occurrence of an Enforcement Event.
- 9.4 No security will be granted over any trade receivables which cannot be secured under the terms of the relevant contract or are subject to any permitted non-recourse factoring arrangement.
- 9.5 Any list of trade receivables required shall not include details of the underlying contracts and no lists thereof shall be required to be provided or updated.
- 9.6 No security shall be required to be granted over or in respect of receivables in respect of any school fees or similar fees payable by or in respect of students at any school or college owned or operated by any member of the Group.
- 10. SHARES**
- 10.1 A Guarantor Company may grant a charge over or in the shares in other Guarantor Companies.

- 10.2 The relevant security document will be governed by the laws of the Guarantor Company whose shares are being secured and not by the law of the country of the Guarantor Company granting the security.
- 10.3 Until an Enforcement Event, the charging Guarantor Company will be permitted to retain and to exercise voting rights to any shares charged by it and each company whose shares have been charged will be permitted to pay and the pledgors shall be permitted to retain dividends subject to and in accordance with the Intercreditor Agreement.
- 10.4 Where required by applicable law in order to create security over or in shares, the share certificate and a stock transfer form executed in blank will be provided to the Collateral Agent and where required by law the share certificate and/or shareholders register (as applicable) will be endorsed or written up and the endorsed share certificate and/or a copy of the written up register (as applicable) provided to the Collateral Agent.
- 10.5 Customary representations as to good title to the shares in Guarantor Companies that are subject to local law security will be included in the share pledges.
- 10.6 Unless the restriction is required by law, the constitutional documents of the company whose shares have been charged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on perfection or enforcement of the security granted over them.

11. REAL ESTATE

- 11.1 A Guarantor Company may grant security over its material real estate.
- 11.2 Without prejudice to the foregoing and subject to these Agreed Security Principles, no security will be granted over any real estate situated in any other jurisdiction unless having a value equal to or greater than £5,000,000.
- 11.3 No security to be granted over leasehold interests.
- 11.4 Until an Enforcement Event there shall be no requirement to give any notice of security or charge to any lessee.
- 11.5 There will be no obligation to investigate title, provide surveys or conduct insurance, environmental or other diligence.
- 11.6 Subject to these Agreed Security Principles, a Guarantor Company providing security over its material real estate shall not be under any obligation to obtain any landlord consent required to grant security over its material real estate, nor to investigate the possibility thereof. The cost of granting any real estate security will not be required to exceed an amount that is reasonable and not disproportionate to the value of the real estate and the benefit of the relevant security to the Finance Parties. The amount secured by each security over material real estate may be restricted to an agreed level.

12. RELEASE OF SECURITY

Unless required by local law, the circumstances in which the security shall be released should not be dealt with in individual security documents but, if so required, shall, except to the extent required by local law, be the same as those set out in the Intercreditor Agreement.

13. ADDITIONAL SECTION 956 LIMITATIONS ON GUARANTEE AND SECURITY

- 13.1 Notwithstanding anything to the contrary in any Finance Document, no guarantee will be provided by any member of the Group (other than the Parent or the Company) that is (i) a CFC, (ii) a direct or indirect subsidiary of a CFC, or (iii) an entity that is not treated as a corporation for U.S. federal income tax purposes and that is a direct or indirect subsidiary of the Company substantially all of the assets of which consist of (x) equity interests in one or more CFCs and/or (y) CFC Debt with respect to any U.S. Obligation.

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- 13.2 Notwithstanding anything to the contrary in any Finance Document, no more than 65% of the stock or other equity interests (measured by the total combined voting power of the issued and outstanding voting stock or other equity interests) of, and none of the assets or property (which includes stock or equity interests in entities) of, any member of the Group that is an entity described in paragraph 13.1(i), (ii) or (iii) above and no secured CFC Debt may be pledged directly or indirectly as security for any U.S. Obligations.

14. LIMITATIONS IN RESPECT OF PERMITTED JOINT VENTURES AND EXCLUDED SPVS

There shall be no requirement for any entity to accede to this Agreement as a Guarantor or grant any Security (or for any Security to be granted in respect of the shares or other interests in or receivables owing from such entity) to the extent that entity is a Permitted Joint Venture or an Excluded SPV.

RESTRICTIVE COVENANTS

1. ASSET SALES

1.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

1.1.1 if the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of exceeds £50.0 million, the Majority Lenders have provided their written consent (not to be unreasonably withheld or delayed) to such Asset Sale, **provided that**, no such consent shall be required in respect of (x) any sale of the Equity Interests in, or all or substantially all of the assets or business of, the Scorpios SPVs (taken as a whole), (y) any sale or disposal of a freehold or leasehold property (including without limitation Babington House and High Road House) or (z) any Non-Core Asset;

1.1.2 if:

- (a) the Asset Sale is a sale or disposal of a freehold or leasehold property which is a Core Property (a “**Core Property Disposal**”);
- (b) the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of assets sold or otherwise disposed of pursuant to such Core Property Disposal exceeds £125.0 million when aggregated with the Fair Market Value (measured as of the date of the definitive agreement with respect to each such Asset Sale) of any other assets sold or otherwise disposed pursuant to a Core Property Disposal following the Closing Date; and
- (c) the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets sold or otherwise disposed of pursuant to such Core Property Disposal exceeds £10.0 million,

the Majority Lenders have provided their written consent (not to be unreasonably withheld or delayed) to such Asset Sale; and

1.1.3 :

- (a) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (b) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:
 - (i) any liabilities, as shown on the Company’s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Facilities) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

- (ii) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are promptly, but in any event within ninety (90) days of such Asset Sale, subject to ordinary settlement periods, converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion; and
 - (iii) any stock or assets of the kind referred to in paragraph 1.2.2 or paragraph 1.2.5 of the next paragraph.
- 1.2 Within three hundred sixty (360) days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds:
 - 1.2.1 to repay Indebtedness and other Obligations under the Senior Facilities Agreement and any other Credit Facility (including the Facilities);
 - 1.2.2 to make an Investment in any one or more businesses (**provided that** if such Investment is in the form of an acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Company), assets, or property, in each case, used or useful in a Permitted Business;
 - 1.2.3 to make an Investment in any one or more businesses (**provided that** if such Investment is in the form of an acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Company), properties or assets that replace the properties or assets that are the subject of such Asset Sale;
 - 1.2.4 to make a capital expenditure; or
 - 1.2.5 to acquire other assets that are not classified as current assets under U.K. GAAP and that are used or useful in a Permitted Business;

provided that the assets (including Voting Stock) acquired with the Net Proceeds from any disposition of Collateral are pledged as Collateral in accordance with the Transaction Security Documents.
- 1.3 The Company (or the applicable Restricted Subsidiary) will be deemed to have complied with the provisions set forth in paragraph 1.2.2 and paragraph 1.2.3 above if within three hundred sixty (360) days after the Asset Sale that generated the Net Proceeds, the Company (or the applicable Restricted Subsidiary) has entered into a binding agreement to apply such Net Proceeds and such Net Proceeds are actually applied within one hundred eighty (180) days after the end of such 360-day period.
- 1.4 Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings (including under this Agreement) or otherwise invest the Net Proceeds in any manner that is not prohibited by this Agreement.
- 1.5 Any Net Proceeds from Asset Sales that are not applied or invested as provided in paragraph 1.2 above will constitute “Excess Proceeds” and Excess Proceeds shall be applied in accordance with the Senior Facilities Agreement.

2. RESTRICTED PAYMENTS

- 2.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:
- 2.1.1 declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger, amalgamation or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (x) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and dividends or distributions payable to the Company or a Restricted Subsidiary of the Company) or (y) dividends or distributions issued by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Company or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);
 - 2.1.2 purchase, redeem, defease or otherwise acquire or retire for value (including, without limitation, in connection with any merger, amalgamation or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company (other than Equity Interests owned by the Company or a Restricted Subsidiary);
 - 2.1.3 make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Guarantor that is contractually subordinated to the Senior Facilities (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof;
 - 2.1.4 make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Shareholder Funding; or
 - 2.1.5 make any Restricted Investment;
- (all such payments and other actions set forth in paragraph 2.1.1 to paragraph 2.1.5 inclusive above being collectively referred to as "**Restricted Payments**"), unless, at the time of the relevant determination and *pro forma* for such Restricted Payment:
- 2.1.6 no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
 - 2.1.7 the Total Net Leverage Ratio in respect of the Relevant Period ending on the most recently ended Quarter Date does not exceed 3.00:1.00.
- 2.2 The preceding paragraph 2.1 will not prohibit:
- 2.2.1 the payment of any dividend or distribution or the consummation of any irrevocable redemption within sixty (60) days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Agreement;

- 2.2.2 the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests or Shareholder Funding of the Company (other than Disqualified Stock) or from the substantially concurrent sale of Equity Interests or Shareholder Funding of the Company or contribution of common equity capital to the Company;
- 2.2.3 the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is (a) contractually subordinated to the Senior Facilities with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness or (b) made in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such repurchase, redemption, defeasance or acquisition;
- 2.2.4 the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis (or on a greater than pro rata basis in favour of any holder of its Equity Interests which is the Company or a Restricted Subsidiary **provided that**, if the Restricted Subsidiary making such payment is wholly-owned by two or more Restricted Subsidiaries, at least one of which is an Obligor and at least one of which is not an Obligor (a “**Non-Obligor Recipient**”), no Non-Obligor Recipient shall receive such payment on a greater than pro rata basis pursuant to paragraph 2.2.4);
- 2.2.5 the repurchase, redemption or other acquisition or retirement for value (“**repurchase**”) of any Equity Interests of the Parent (or any Successor Parent or Parent Entity), the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of any such entity pursuant to any equity subscription agreement, stock option agreement, shareholders’ agreement or similar agreement; **provided that** (a) no such repurchase shall be made until 22 April 2021; (b) the business has sufficient cash available to make the relevant repurchase, as evidenced by an Officer’s Certificate; (c) no Default is continuing or would result from such repurchase; and (d) the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed £40.0 million over the life of the Facilities;
- 2.2.6 the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options; **provided that** the cancellation of Indebtedness owing to the Company from any current or former officer, director or employee (or any permitted transferees thereof) of the Company or any of its Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Equity Interests of the Company from such Persons will not be deemed to constitute a Restricted Payment for purposes of this paragraph 2 (*Restricted Payments*) or any other provisions of this Agreement;
- 2.2.7 [Reserved];
- 2.2.8 so long as no Default has occurred and is continuing or would be caused thereby, payment of fees to the Sponsor, HS Investments and/or Raycliff pursuant to any Management Agreement in an aggregate amount when aggregated with any payments made under paragraph 2.2.14 not to exceed £3.0 million in any Financial Year;
- 2.2.9 the repurchase of Equity Interests of the Company constituting fractional shares;
- 2.2.10 distributions of Capital Stock of Unrestricted Subsidiaries;
- 2.2.11 [Reserved];

- 2.2.12 [Reserved];
- 2.2.13 any performance or similar guarantees or customary guarantees and environmental indemnities or guarantees of lease obligations in connection with the SPV Transactions;
- 2.2.14 Permitted Parent Payments in an aggregate amount when aggregated with any payments made under paragraph 2.2.8 not to exceed £3.0 million in any Financial Year;
- 2.2.15 so long as no Default has occurred and is continuing or would be caused thereby, the repayment or prepayment of any Short-Term Shareholder Funding within sixty (60) days of its incurrence;
- 2.2.16 the making of one or more payments by Sunshine AcquireCo Limited to Seligny Holdings Limited and Jaquelle Limited not otherwise permitted by this paragraph 2 (*Restricted Payment*) in an aggregate amount not to exceed €890,000; and
- 2.2.17 [Reserved].
- 2.3 The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this paragraph 2 (*Restricted Payments*) will be determined in good faith by an officer or director responsible for duties similar to an officer of the Company; **provided that** the Fair Market Value of any assets or securities that are required to be valued by this paragraph 2 (*Restricted Payment*) will be determined by the Board of Directors of the Company if the Fair Market Value exceeds £10.0 million. For purposes of determining compliance with this paragraph 2 (*Restricted Payment*), if a Restricted Payment meets the criteria of more than one of the exceptions described in paragraph 2.2.1 to 2.2.17 (inclusive) above, or is entitled to be made according to paragraph 2.1, the Company may, in its sole discretion, classify the Restricted Payment in any manner that complies with this paragraph 2 (*Restricted Payments*).
- 3. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK**
- 3.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “incur”) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock or any shares of preferred stock and will not permit any of its Restricted Subsidiaries to issue any Disqualified Stock or any shares of preferred stock.
- 3.2 Paragraph 3.1 of this Schedule will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “**Permitted Debt**”):
- 3.2.1 the incurrence by the Company and any Restricted Subsidiary of Indebtedness under (i) any Finance Document and (ii) in such form in effect as of the date of this Agreement, the Senior Facilities Agreement and any “Finance Document” as defined in the Senior Facilities Agreement as at the date of this Agreement (including, for the avoidance of doubt, pursuant to any incremental facility or additional facility ranking *pari passu* with the Senior Facilities made available thereunder prior to or after the date of this Agreement);
- 3.2.2 the incurrence by the Company and its Restricted Subsidiaries of (a) Indebtedness listed on the Existing Indebtedness Schedule and (b) (only until and including the first Business Day following the Closing Date) the Existing Debt;

- 3.2.3 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities, including this Agreement, which, when aggregated with the Facilities, does not exceed an aggregate principal amount at any one time outstanding under this paragraph 3.2.3 (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) of £75 million;
- 3.2.4 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing (whether prior to or within two hundred seventy (270) days after) all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) or other assets used or useful in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this paragraph 3.2.4, not to exceed £12.5 million plus ten (10) per cent. of LTM Consolidated EBITDA at any time outstanding;
- 3.2.5 the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Schedule to be incurred under paragraph 3.2.1, 3.2.2 or 3.2.5;
- 3.2.6 the incurrence by the Parent, the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Parent, the Company and any of its Restricted Subsidiaries; **provided, however, that** (unless such Indebtedness constitutes a “Permitted Investment” under paragraph (12) thereof):
- (a) if the borrower is the Company or a Guarantor and the payee is not the Company or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash then due with respect to all of the Company’s obligations under the Facilities (including, without limitation, the Obligations) and to such Guarantor’s obligations under the Finance Documents, as applicable; and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Parent, the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Parent, the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Parent, the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this paragraph 3.2.6;
- 3.2.7 the issuance by any of the Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of preferred stock; **provided, however, that:**
- (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and
 - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company,
- will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this paragraph 3.2.7;

- 3.2.8 the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in connection with Indebtedness otherwise permitted to be incurred by this Agreement or otherwise in the ordinary course of business;
- 3.2.9 the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*); **provided that** if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Indebtedness under the Finance Documents, then the guarantee of such Indebtedness shall be subordinated or *pari passu* to the Indebtedness under the Finance Documents, as applicable, to the same extent as the Indebtedness being guaranteed;
- 3.2.10 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, bids and performance or surety bonds in the ordinary course of business and, in any such case, any reimbursement obligations in connection therewith;
- 3.2.11 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five (5) Business Days of incurrence;
- 3.2.12 arising under any local facilities (including any overdraft, working capital facility, other bilateral financing or asset backed loan) incurred by any Restricted Subsidiary, **provided that**:
- (a) such Restricted Subsidiary has incurred Indebtedness under such local facility in a jurisdiction where the proceeds of such local facility cannot be on-lent to the Company or any other Restricted Subsidiary (due to local law, tax or other regulatory or legal restrictions) and the recourse of the creditor of such local facility is limited to such Restricted Subsidiary only; or
 - (b) the aggregate principal amount of all such local facilities outstanding at any time (other than those incurred pursuant to paragraph (a) above) shall not exceed £5.0 million plus ten (10) per cent. of LTM Consolidated EBITDA.
- 3.2.13 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of bid, performance, surety and similar bonds issued for the account of the Company and any of its Restricted Subsidiaries in the ordinary course of business, including guarantees and obligations of the Company and any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations (in each other than an obligation for money borrowed) and other customary non-recourse guarantees and environmental indemnities or guarantees of lease and/or rental obligations in the ordinary course of business;
- 3.2.14 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness consisting of (A) the financing of insurance premiums, (B) take-or-pay obligations contained in supply arrangements or (C) deferred compensation or equity-based compensation to current or former officers, directors, consultants, advisors or employees thereof (other than Permitted Holders), in each case in the ordinary course of business;
- 3.2.15** the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness or other Obligations arising from agreements of the Company or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Subsidiary, **provided that**

the maximum aggregate liability in respect of all such Indebtedness (or other Obligations) shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

- 3.2.16 Indebtedness, Disqualified Stock or preferred stock of (x) the Company or any of its Restricted Subsidiaries or (y) a Subsidiary incurred and outstanding or committed to be incurred on or prior to the date on which such Subsidiary was acquired by the Company or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Company or any of its Restricted Subsidiaries in accordance with the terms of this Schedule (other than Indebtedness incurred in contemplation of, or in connection with, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary of, or was otherwise acquired by, the Company or a Restricted Subsidiary); **provided, however, that** such Indebtedness is discharged within six (6) Months of the acquisition of such Subsidiary;
- 3.2.17 Indebtedness incurred on behalf of, or representing guarantees of Indebtedness of, Joint Ventures of the Company or any Restricted Subsidiary; **provided, however, that** the only recourse on such Indebtedness (including any guarantee of Indebtedness but excluding in all cases lease guarantees, cost overrun guarantees and similar guarantees which may be incurred under this paragraph 3.2.17 by the Company or any Restricted Subsidiary with respect to any Joint Venture on a recourse basis) is limited to the Company's or such Restricted Subsidiary's Equity Interests in (and/or receivables owed to it by) the related Joint Venture;
- 3.2.18 the incurrence by the Company or any of its Restricted Subsidiaries of one or more letter of credit facilities and the issuance of letters of credit thereunder (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) in an aggregate principal amount at any time outstanding not to exceed £7.5 million plus ten (10) per cent. of LTM Consolidated EBITDA;
- 3.2.19 the incurrence by any SPV Entity of any SPV Indebtedness that is Non-Recourse Debt (disregarding for this purpose paragraph (2) of the definition thereof); **provided that** the Indebtedness of any Miami SPV (the "**Miami Debt**") shall be permitted under this paragraph 3.2.19 and shall as a result be deemed to be SPV Indebtedness for the purposes of this Agreement notwithstanding that it is not Non-Recourse Debt **provided that** (A) the recourse in respect of the Miami Debt is limited to a guarantee provided by US AcquireCo, Inc. on substantially the same basis as the guarantee extended as of the date of this Agreement (but this proviso (A) shall not prohibit any increase to the amount of the Miami Debt (or any increase to the amount of the guarantee thereof, *pro rata* to any increase to the Miami Debt) following the date of this Agreement) (B) *pro forma* for any increase, the Miami Loan to Value Ratio does not exceed 80%, and (C) the terms of the Miami Debt do not include any maintenance financial covenant relating to the Company or any member of the Restricted Group (other than any financial covenants relating to any Miami SPV and/or US AcquireCo, Inc.);
- 3.2.20 the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness (including Acquired Debt) or the issuance by any Restricted Subsidiary of preferred stock, in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this paragraph 3.2.20, not to exceed £30.0 million plus ten (10) per cent. of LTM Consolidated EBITDA; and

- 3.2.21 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising under any bank guarantee, surety (*Bürgschaft*) or any other instrument issued by a bank or financial institution in order to comply with the requirements under section 8a of the German Act on Partial Retirement (*Altersteilzeitgesetz*) or under section 7e of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*).
- 3.3 The Company shall not incur, and shall not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the guarantees provided under this Agreement on substantially identical terms; **provided, however, that** no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.
- 3.4 For purposes of determining compliance with this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraphs 3.2.1 to 3.2.21 (inclusive), the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this paragraph 3. Additionally, all or any portion of any item of Indebtedness may later be reclassified as having been incurred under any sub-paragraph of paragraph 3.2 so long as such Indebtedness is permitted to be incurred pursuant to such provision at the time of reclassification. Notwithstanding the foregoing, (i) Indebtedness under this Agreement outstanding on the date of this Agreement will be deemed to have been incurred on such date in reliance on the exception provided by paragraph 3.2.1 above and the Company will not be permitted to reclassify any portion of such Indebtedness thereafter; (ii) all Indebtedness incurred from time to time under the Senior Facilities Agreement will be deemed to have been incurred in reliance on the exception provided by 3.2.1 and the Company will not be permitted to reclassify any portion of such Indebtedness thereafter; and (iii) the Company shall only be permitted to reclassify Indebtedness on no more than two occasions in any Financial Year **provided that** on any such occasion, it may reclassify one or more items of Indebtedness in any manner that complies with this paragraph 3.
- 3.5 The accrual of interest, the accretion or amortisation of original issue discount or liquidation preference, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*). Notwithstanding any other provision of this paragraph 3, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this paragraph 3 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. For purposes of determining compliance with any pound-denominated restriction on the incurrence of Indebtedness, the Pound Equivalent principal amount of Indebtedness denominated in a different currency shall be utilised, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness incurred under a revolving credit facility; **provided, however, that** (i) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than pound sterling, and such refinancing would cause the applicable British pound sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such pound sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced;

(ii) such Indebtedness denominated in non-British pound sterling currency is subject to a Currency Exchange Protection Agreement with respect to British pound sterling, the amount of such Indebtedness expressed in British pound sterling will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (iii) the Pound Equivalent of the principal amount of any such Indebtedness outstanding on the date of this Agreement shall be calculated based on the relevant currency exchange rate in effect on the date of this Agreement. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the Pound Equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except to the extent that:

- 3.5.1 such Pound Equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and
 - 3.5.2 the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the Pound Equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.
- 3.6 Notwithstanding any other provision of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- 3.7 The amount of any Indebtedness outstanding as of any date will be:
- 3.7.1 the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
 - 3.7.2 the principal amount of the Indebtedness, in the case of any other Indebtedness; and
 - 3.7.3 in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (a) the Fair Market Value of such assets at the date of determination; and
 - (b) the amount of the Indebtedness of the other Person.

4. LIENS

The Company will not, and the Company will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on any asset now owned or hereafter acquired, except Permitted Liens.

5. DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES

- 5.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:
- 5.1.1 pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

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- 5.1.2 make loans or advances to the Company or any of its Restricted Subsidiaries; or
- 5.1.3 sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.
- 5.2 The restrictions contained in paragraph 5.1 above will not apply to encumbrances or restrictions existing under or by reason of:
- 5.2.1 (a) this Agreement and (b) any Credit Facility (including the Senior Facilities Agreement) as in effect on the date of this Agreement and any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings of those agreements, **provided that** the amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of this Agreement;
- 5.2.2 the Transaction Security Documents, the Intercreditor Agreement and any Currency Exchange Protection Agreement;
- 5.2.3 applicable law, rule, regulation or order;
- 5.2.4 any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; **provided that**, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Agreement to be incurred;
- 5.2.5 customary non-assignment provisions in leases, licenses and other commercial agreements entered into in the ordinary course of business;
- 5.2.6 purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in paragraph 5.1.3;
- 5.2.7 with respect to a Restricted Subsidiary, any agreement that has been entered into for the sale or other disposition of such Restricted Subsidiary that imposes such encumbrance or restriction pending the closing of such sale or disposition;
- 5.2.8 Permitted Refinancing Indebtedness, **provided that** the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being extended, renewed, refunded, refinanced, defeased or discharged;
- 5.2.9 Liens permitted to be incurred under the provisions of the covenant described above in paragraph 4 (*Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens;
- 5.2.10 provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

- 5.2.11 customary provisions in joint venture agreements, similar agreements relating solely to such joint venture and other similar agreements entered into in the ordinary course of business;
- 5.2.12 restrictions on cash, Cash Equivalents or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
- 5.2.13 agreements governing Indebtedness permitted to be incurred pursuant to paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*); **provided that** management of the Company determines in good faith that the such encumbrances and restrictions are not materially more restrictive, taken as a whole, than those in comparable financings and would not reasonably be expected to impair the ability of the Company to make payments of interest and scheduled payments of principal under the Finance Documents as and when due or to impair any Guarantor's ability to honour its guarantees under the Finance Documents; and
- 5.2.14 any encumbrances or restrictions of the type referred to in paragraph 5.1 above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in paragraphs 5.2.1 to 5.2.13 (inclusive) above; **provided that** such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

6. [RESERVED.]

7. TRANSACTIONS WITH AFFILIATES

- 7.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of £5.0 million, unless:
 - 7.1.1 the Affiliate Transaction is on terms that are no less favourable to the Company or the relevant Restricted Subsidiary (as determined in good faith by the Board of Directors of the Company) than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and
 - 7.1.2 the Company delivers to the Agent:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of £10.0 million, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this paragraph 7 (*Transactions with Affiliates*) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of £15.0 million, an opinion as to the fairness to the Company or such Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing.

- 7.2 The following items will not be deemed to be Affiliate Transactions and therefore will not be subject to paragraph 7.1:
- 7.2.1 the entering into, and transactions with or payments to, including grants of securities, stock options and similar rights, any current or former employee, officer, consultant, advisor or director pursuant to any employment agreement, compensation, service, severance or benefit plans, indemnification arrangements or rights to indemnify or any arrangements entered into in the ordinary course of business;
 - 7.2.2 (i) transactions exclusively between or among the Company and/or its Restricted Subsidiaries or any Person that will become a Restricted Subsidiary as a result of such transaction and such transaction is otherwise in compliance with this Agreement; **provided**, in each case, that no Affiliate of the Company (other than another Restricted Subsidiary) owns Equity Interests of any such Restricted Subsidiary or person, as applicable, and (ii) any merger, consolidation or amalgamation of the Company and any direct or indirect parent of the Company; **provided that** such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents, Shareholder Funding and the Capital Stock of the Company or a parent of the Company and such merger, consolidation or amalgamation is otherwise in compliance with the terms of this Agreement and effected for a bona fide business purpose;
 - 7.2.3 transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
 - 7.2.4 payment of reasonable directors' fees and reasonable out of pocket expenses to officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;
 - 7.2.5 any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company;
 - 7.2.6 Restricted Payments and Permitted Investments that are in compliance with paragraph 2 (*Restricted Payments*) of this Schedule;
 - 7.2.7 transactions effected pursuant to agreements in effect on the date of this Agreement, including the Management Agreement, and any amendment, modification or replacement of such agreements (so long as such amendment or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the agreement as in effect on the date of this Agreement as determined in good faith by senior management of the Company);
 - 7.2.8 payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business consistent with industry practice;
 - 7.2.9 transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services in the ordinary course of business;
 - 7.2.10 transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Agent a letter from an independent financial advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of paragraph 7.1;

- 7.2.11 payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of the Company in good faith;
- 7.2.12 the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of this Agreement, any stockholders agreement to which it is a party as of the date of this Agreement or any other agreement or arrangement in existence on the date of this Agreement and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; **provided, however, that** the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the date of this Agreement shall only be permitted by this paragraph 7.2.12 to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the Finance Parties in any material respect than the original transaction, agreement or arrangement as in effect on the date of this Agreement;
- 7.2.13 transactions with Joint Ventures or Unrestricted Subsidiaries entered into in the ordinary course of business and otherwise in compliance with the terms of this Agreement; **provided that** no officer, director or Affiliate of the Company (excluding any such Person that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person) beneficially owns any Equity Interests in such Unrestricted Subsidiary or Joint Venture (other than indirectly through ownership of Equity Interests in the Company);
- 7.2.14 any contribution to the equity capital of the Company; and
- 7.2.15 transactions permitted by, and complying with, paragraph 1 (*Asset Sales*) or a Permitted Reorganisation.

8. DESIGNATION OF RESTRICTED AND UNRESTRICTED SUBSIDIARIES

- 8.1 The Board of Directors of the Company may designate any Restricted Subsidiary (including any newly acquired or newly formed Subsidiary or Person that becomes a Subsidiary through merger amalgamation or consolidation or Investment therein) to be an Unrestricted Subsidiary if that designation would not cause a Default and the Subsidiary meets the definition of “**Unrestricted Subsidiary**.”
- 8.2 If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under paragraph 2 (*Restricted Payments*) above or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.
- 8.3 Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced by a resolution of the Board of Directors giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the preceding conditions and was permitted under paragraph 2 (*Restricted Payments*) above.

- 8.4 If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) above the Company will be in default of such paragraph.
- 8.5 The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; **provided that** such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) above calculated on a *pro forma* basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

9. PASSIVE HOLDING COMPANY

- 9.1 Save as expressly permitted by paragraphs (a) to (h) (inclusive) of Clause 25.7 (*Holding Companies*), the Parent shall not:
- 9.1.1 conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations;
 - 9.1.2 incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations; or
 - 9.1.3 own, lease, manage or otherwise operate any properties or assets (including cash and Cash Equivalents (other than cash received in connection with dividends made by its Subsidiaries or in respect of intercompany loans permitted under this Agreement or cash or Cash Equivalents from the proceeds of an Asset Sale not prohibited by this Agreement or issuance of Equity Interests)),
in each case, other than:
 - (a) the ownership of shares of Capital Stock of, or Indebtedness owing by, its direct or indirect Subsidiaries or activities incidental to its ownership of the Capital Stock of, or Indebtedness owing by, its direct or indirect Subsidiaries (including the establishment of any additional Subsidiaries) or the maintenance of administrative employees and functions incidental to its existence and operations that are immaterial to the Lenders (taken as a whole);
 - (b) the maintenance of properties and assets related to administrative employees and functions incidental to its existence (including entry into and performance of its obligations with respect to contracts and other arrangements including providing indemnification to officers, managers, directors and employees);
 - (c) in connection with any management incentive scheme, equity purchase agreement, stock option agreement, shareholders' agreement or similar agreement;

- (d) the performance of activities in preparation for and consummating any public or private offering of common stock or any other issuance or sale of its Equity Interests; and
- (e) incurrence, creation, assumption, existence and performance of (i) non- consensual obligations imposed by operation of law; (ii) obligations permitted or not prohibited pursuant to this Agreement and the Transaction Security Documents to which it is a party (including, without limitation, any obligation under any Finance Document and the Senior Facilities Agreement as in effect on the date of this Agreement and any finance or loan documents so characterised thereunder (including, for the avoidance of doubt, pursuant to any incremental facility or additional facility ranking *pari passu* with the Senior Facilities made available thereunder after the date of this Agreement), and any replacement thereof and, until (and excluding) the second Business Day following the Closing Date, the Existing Debt); (iii) obligations with respect to its Capital Stock (including, for the avoidance of doubt, the issuance of Capital Stock); (iv) intercompany Indebtedness, so long as such Indebtedness is evidenced by an intercompany note or loan; and (v) Shareholder Funding.
- 9.2 The Parent shall not incorporate or acquire any direct operating or trading Subsidiary (other than a Successor Parent or Parent Entity) that would, if it were a member of the Restricted Group, constitute a Material Company under paragraph (b) of the definition thereof.

10. IMPAIRMENT OF SECURITY INTEREST

- 10.1 The Parent and the Company will not, and the Company will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Finance Parties (taken as a whole), and the Parent and the Company will not and the Company will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Collateral Agent, for the benefit of the Finance Parties and the other beneficiaries described in the Transaction Security Documents and the Intercreditor Agreement. Nothing in this provision shall restrict the discharge or release of the Collateral in accordance with this Agreement, the Transaction Security Documents and the Intercreditor Agreement and the Company and its Restricted Subsidiaries may incur Permitted Liens.
- 10.2 At the request of the Company and without the consent of the Lenders, the Collateral Agent may from time to time enter into one or more amendments to the Transaction Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with the paragraph above) provide for Permitted Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the Finance Parties in any material respect (taken as a whole).
- 10.3 In the event that Company complies with this paragraph 10 (*Impairment of Security Interest*), the Agent and the Collateral Agent may (subject to customary protections and indemnifications and the receipt of an Officers' Certificate and Opinion of Counsel providing that the conditions precedent relating to the applicable requested action have been satisfied) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Lenders provided such amendment, extensions, renewal, restatement, supplement, modification, replacement or release is in compliance with this Agreement, the Transaction Security Documents and the Intercreditor Agreement.

11. CERTAIN DEFINITIONS

11.1 Terms used in this Schedule (other than those terms defined in Clause 1 (*Definitions and Interpretation*) of this Agreement and not otherwise defined in this paragraph 11) shall have the meanings provided to them in this paragraph 11.

“**Acquired Debt**” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged or amalgamated with or into or became a Subsidiary of such specified Person, or expressly assumed in connection with the acquisition of assets from any such Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Debt will be deemed to be incurred on the date the acquired Person becomes a Subsidiary.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; **provided that** beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “**controlling**,” “**controlled by**” and “**under common control with**” have correlative meanings.

“**Approved Intercreditor Agreement**” means either the Intercreditor Agreement or an intercreditor agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially worse to the Lenders), including substantially the same terms with respect to release of Guarantees and priority and release of Collateral.

“**Asset Sale**” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; **provided that** the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Clause 10 (*Mandatory Prepayment*) and not by paragraph 1 (*Asset Sales*); and
- (2) the issuance of Equity Interests in any of the Company’s Restricted Subsidiaries or the sale of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (3) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than £5.0 million;
- (4) a transfer of assets (x) from a Restricted Subsidiary to the Company or a Guarantor, (y) between or among the Company and the Guarantors or (z) between or among non-Guarantor Restricted Subsidiaries;
- (5) an issuance of Equity Interests by a Restricted Subsidiary of the Company to:
 - (a) the Company or to a Restricted Subsidiary of the Company;

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- (b) the holders of its Equity Interests on a pro rata basis (or on a greater than pro rata basis in favour of any holder of its Equity Interests which is the Company or a Restricted Subsidiary **provided that**, if the Restricted Subsidiary issuing such Equity Interests is wholly-owned by two or more Restricted Subsidiaries, at least one of which is not an Obligor (a “**Non- Obligor Holder**”), no Non-Obligor Holder shall be issued Equity Interests on a greater than pro rata basis pursuant to this paragraph (5)(b));
- (6) the sale or lease of equipment, inventory, products, services or accounts receivable in the ordinary course of business and any sale or other disposition of damaged, no longer useful, worn-out or obsolete assets;
- (7) the sale or other disposition of cash or Cash Equivalents;
- (8) a Restricted Payment that does not violate paragraph 2 (*Restricted Payments*) above or a Permitted Investment;
- (9) the creation of Permitted Liens and, subject to the Intercreditor Agreement, foreclosure upon such Permitted Liens;
- (10) the licensing of intellectual property to third Persons on customary terms as determined in good faith by the Board of Directors of the Company;
- (11) transfers of property subject to casualty or condemnation proceedings;
- (12) dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business;
- (13) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (14) the lease, assignment or sublease of any real or personal property in the ordinary course of business;
- (15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (16) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, asset securitisations and other similar financings;
- (17) sales, transfers or other dispositions of Investments in joint ventures or similar arrangements to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture or similar arrangements and similar binding agreements; **provided that** any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with paragraph 1 (*Asset Sales*) above;
- (18) the issuance or sale of Equity Interests in any of the Company’s Joint Ventures pursuant to any management incentive scheme, stock option agreement or similar agreement;

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- (19) an Asset Sale necessary in order to comply with the requirements of section 7f of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*) or section 4 of the German Company Pensions Act (*Gesetz zur Verbesserung der betrieblichen Altersversorgung*); and
- (20) an Asset Sale with respect to any real estate located in Germany cannot be restricted pursuant to section 1136 (alone or in conjunction with section 1192 paragraph 1) of the German Civil Code (*Bürgerliches Gesetzbuch*).

“**Beneficial Owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “**person**” (as that term is used in Section 13(d)(3) of the Exchange Act), such “**person**” will be deemed to have beneficial ownership of all securities that such “**person**” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “**Beneficially Owns**” and “**Beneficially Owned**” have a corresponding meaning.

“**Board of Directors**” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorised to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“**Board Resolution**” means a copy of a resolution certified by the secretary or an assistant secretary of the applicable Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

“**Capital Lease Obligation**” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalised on a balance sheet prepared in accordance with U.K. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“**Capital Stock**” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash Equivalents” means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union, the United Kingdom, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or United Kingdom or the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the option of the Company or any of its Restricted Subsidiaries;
- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits with maturities (and similar instruments) of twelve (12) months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, the laws of a member state of the European Union or the United Kingdom or of the United States of America or any state thereof, Switzerland or Canada; **provided that** such bank or trust company is an Acceptable Bank;
- (3) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in paragraphs (1) and (2) above entered into with an Acceptable Bank;
- (4) commercial paper having one of the two highest ratings obtainable from Moody’s or S&P and, in each case, maturing within one year after the date of acquisition;
- (5) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or the dematerialised equivalent); and
- (6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in paragraph (1) to (5) (inclusive) of this definition.

“Change of Control” means the occurrence of any of the following:

- (1) the Company becoming aware (by way of report or filing under the Exchange Act or by any other means) of the direct or indirect acquisition by any Person or Relevant Group, other than one or more of the Permitted Holders, of more than 50 per cent. of the total voting power of the Voting Stock of the Company;
- (2) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to a Person other than a member of the Restricted Group or one or more Permitted Holders; or
- (3) the shares of the Company cease to be wholly-owned directly or indirectly by the Parent other than as a result of a Permitted Transaction or a Permitted Reorganisation,

provided that no Change of Control shall be deemed to occur by reason of the Parent or the Company becoming a Subsidiary of a Successor Parent or Parent Entity provided that the Finance Parties (or the Collateral Agent on their behalf) continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, provided that the Company shall use reasonable endeavours to mitigate any reset of hardening periods) security over the shares (or other interests) in the Company thereafter.

“**Collateral**” means the rights, property and assets securing the Finance Documents and any rights, property or assets in which a Lien has been granted to secure the Obligations of the Parent, the Company and the Guarantors pursuant to the Transaction Security Documents.

“**Commission**” or “**SEC**” means the U.S. Securities and Exchange Commission.

“**Credit Facilities**” means, one or more debt facilities, indentures or agreements (including, without limitation, the Senior Facilities Agreement and the Facilities) or commercial paper facilities, in each case, with banks or other institutional lenders, commercial finance companies, creditors, investors or other lenders providing for revolving credit loans, term loans, bonds, debentures, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), or letters of credit, in each case, for working capital purposes, pursuant to agreements or indentures, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time (and without limitation as to amount, terms, conditions, covenants and other provisions, including increasing the amount of available borrowings thereunder, changing or replacing agent banks and lenders thereunder or adding, removing or redesignating Subsidiaries of the Company as borrowers or guarantors thereunder).

“**Currency Exchange Protection Agreement**” means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Disqualified Stock**” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is ninety-one (91) days after the latest date on which the Facilities mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under paragraph (2). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Agreement will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“**Fair Market Value**” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Agreement); **provided that** with respect to any such amount less than £5.0 million, only the good faith determination of the Company’s management shall be required.

“**guarantee**” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness. When used as a verb, “**guarantee**” has a correlative meaning.

“**Hedging Obligations**” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

in each case, not entered into for speculative purposes.

“**HS Investments**” means (1) HS Investments EU5 Limited, (2) HS Investments (A) Limited Partnership, (3) any funds, partnerships or other entities owned, controlled, managed or advised by HS Investments EU5 Limited and/or HS Investments (A) Limited, and in each case (whether individually or as a group) Affiliates of (1), (2) and/or (3) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**Indebtedness**” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker’s acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six (6) months after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.K. GAAP. In addition, the term “**Indebtedness**” includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. Notwithstanding anything herein to the contrary, neither Shareholder Funding nor any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under the Accounting Principles as applied in the Original Financial Statements shall be deemed to constitute Indebtedness.

Initial Investors” means:

- (1) the Sponsor and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (2) HS Investments and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (3) Raycliff and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (4) Mr. Richard Caring; and
- (5) Mr. Nick Jones.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.K. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company’s Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in paragraph 2.3 above. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in paragraph 2.3. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

“Joint Venture” means a corporation, limited liability company, partnership or other entity engaged in a Permitted Business (other than an entity constituting a Wholly Owned Restricted Subsidiary of the Company) in which the Company or any of its Restricted Subsidiaries owns, directly or indirectly, at least 10% of the Equity Interests.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Los Angeles Property” means the Soho Warehouse property at 1000 South Santa Fe Avenue, Los Angeles, California.

“Los Angeles SPVs” means (1) L.A. 1000 Santa Fe LLC, (2) DTLA JV, LLC, (3) DTLA-

Tenant, LLC; (4) any other Restricted Subsidiary (a) whose sole business is the ownership of, or operation of (directly or indirectly), or both the ownership and operation of (directly or indirectly) the Los Angeles Property; and (b) that is not a Guarantor; and (5) any Subsidiary of any of (1) to (4) inclusive. Notwithstanding the foregoing, any Los Angeles SPV may be designated as an Unrestricted Subsidiary in accordance with the definition thereof.

“LTM Consolidated EBITDA” means Consolidated EBITDA for the Relevant Period ending on the most recent Quarter Date.

“**Management Agreement**” means any agreement entered into between the Parent Entity and the Sponsor or its Affiliates and/or HS Investments or its Affiliates and/or Raycliff or its Affiliates and any amendments thereto providing for management fees payable by the Parent Entity, the Company and its Subsidiaries.

“**Miami Loan to Value Ratio**” means, at any date of determination, the ratio of (x) the aggregate principal amount of the SPV Indebtedness of the Miami SPVs outstanding at such date to (y) the most recent total appraised market value of the Miami Property at such date; **provided that** such appraisal must be obtained from a third party appraiser of national standing and must be less than twelve (12) months old.

“**Miami Property**” means the Soho Beach House property in Miami, Florida.

“**Miami SPVs**” means Soho-Ryder Acquisition, LLC, Ryder Properties, LLC, Beach House JV, LLC, Beach House HoldCo, LLC, Beach House Owner, LLC, Operating Tenant (SHBH) Owner LLC, Operating Tenant (SHBH) Holdco, LLC, Soho House Beach House, LLC and any of their respective Subsidiaries.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“**Net Proceeds**” means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, and taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale, any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.K. GAAP and in the case of any Asset Sale by a Restricted Subsidiary of the Company, payments to holders of Equity Interests in such Restricted Subsidiary in such capacity (other than such Equity Interests held by the Company or any Restricted Subsidiary thereof) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Restricted Subsidiary held by the Company or any Restricted Subsidiary thereof.

“**Non-Core Asset**” means any asset or interest in any business or entity other than (a) a property owned from time to time by a Restricted Subsidiary, branded “Soho House” (or an equivalent variation thereof) and being operated from time to time by a Restricted Subsidiary under a subscription-based membership model (a “**Core Property**”), or (b) an interest in a Restricted Subsidiary operating or leasing a Core Property.

“**Non-Recourse Debt**” means Indebtedness:

- (1) as to which neither the Company nor any of its Restricted Subsidiaries (other than any relevant SPV Entity) (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise; **provided that** the Company may pledge equity interests or Indebtedness of an SPV Entity on a non-recourse basis so long as the pledge has no claim whatsoever against the Company or any Restricted Subsidiary (other than such SPV Entity) other than to obtain such pledged property, or (c) constitutes the lender;
- (2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries or any other SPV Entity to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

- (3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than the equity interests or Indebtedness of the relevant SPV Entity (except to the extent permitted by clause (1) of this definition)).

“Obligations” means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganisation or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), penalties, fees, expenses, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“Officer” means with respect to any Person, the Chairman of the Board, the Chief Financial Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary, any Vice-President or any director of such Person.

“Officers’ Certificate” means a certificate signed on behalf of the Company by two officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer or person holding an equivalent position, including without limitation, that meets the requirements set forth in this Agreement and is delivered to the Agent.

“Opinion of Counsel” means an opinion from legal counsel who is reasonably acceptable to the Agent. The counsel may be an employee of or counsel to the Company, the Parent or any Subsidiary of the Company.

“Parent” means Soho House & Co Limited, a limited company organised under the laws of Jersey.

“Parent Entity” means any Person of which the Parent or Company (as applicable) at any time is or becomes a direct or indirect Subsidiary and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent Entity.

“Permitted Business” means any business engaged in or proposed to be engaged in by the Company or any of its Restricted Subsidiaries on the date of this Agreement and any business or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Company and its Restricted Subsidiaries are engaged on the date of this Agreement.

“Permitted Holders” means:

- (1) the Initial Investors;
- (2) any Related Person of any Initial Investor;
- (3) Soho House Holdings Limited and the Parent; and

- (4) any Relevant Group, the members of which include one or more Permitted Holders set out in limbs (1) to (3) above (a “**Permitted Holder Group**”), so long as no Person or other Relevant Group other than one or more Permitted Holders directly or indirectly holds more than 50 per cent of the total voting power of the Voting Stock of the Company held directly or indirectly by the Permitted Holder Group.

“**Permitted Investments**” means:

- (1) any Investment:
- (a) by an Obligor in an Obligor;
 - (b) by any Restricted Subsidiary that is not an Obligor (a “**Non-Obligor**”) in a Restricted Subsidiary; and
 - (c) by an Obligor in an Non-Obligor to the extent necessary to finance a Permitted Investment by a Non-Obligor;
- (2) any Investment in cash or Cash Equivalents;
- (3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person (any such person, a “**Target**” and any such Investment, a “Permitted Acquisition”), if:
- (a) as a result of such Investment:
 - (i) such Target becomes a Restricted Subsidiary of the Company; or
 - (ii) such Target is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;
 - (b) such Target is engaged in a Permitted Business;
 - (c) such Target (A) has positive earnings before tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) for the twelve (12) month period prior to the date of the proposed Investment or (B) **provided that** such Investment does not exceed £25.0 million, as determined in good faith by the Company’s management, taking into account any synergies that the Company’s management considers in good faith to be reasonably achievable within twelve (12) months of such Investment (**provided that** such synergies shall not exceed 15 per cent. of Consolidated EBITDA) (“**Permitted Synergies**”), would have had positive earnings before tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) for the twelve (12) month period prior to the date of the proposed acquisition;
 - (d) *pro forma* for such Investment (including any Permitted Synergies), such Investment will not cause the Total Net Leverage Ratio to exceed 6.00:1;
 - (e) such Target does not have any material contingent liabilities other than any such liabilities which:
 - (i) have been covered by insurance provided by a reputable insurer or warranties or indemnities provided by a vendor or other entity with sufficient credit strength or credit support; or
 - (ii) to the extent not so covered by insurance or warranties or indemnities, the amount of such uncovered contingent liabilities has been quantified by a third party due diligence report provided by a reputable and experienced report provider, has been fully factored into the purchase price and does not exceed 25 per cent. of the aggregate amount of such Investment; and

- (f) if the amount of such Investment exceeds 5 per cent. of LTM Consolidated EBITDA (*pro forma* for such Investment, including Permitted Synergies), the Agent is provided with copies of due diligence reports (if any) commissioned or obtained by the Company or any Restricted Subsidiary at least three (3) Business Days prior to such Investment (on a non-reliance basis) **provided that** the Company shall use reasonable endeavours to procure (or, if the amount of such Investment exceeds 7.5 per cent. of LTM Consolidated EBITDA (*pro forma* for such Investment, including Permitted Synergies), shall procure) that the Company is granted reliance on such reports on reasonable commercial terms (to the extent customarily provided by such report providers),

and, in each case, any Investment held by such Target; **provided that** such Investment was not acquired by such Target in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under paragraph 1 (*Asset Sales*) or any non-cash consideration received in connection with a disposition of any assets excluded from the definition of “**Asset Sale**”;
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company **provided that** (A) the issuance of such Equity Interests does not result in a Change of Control; and (B) such Equity Interests are secured by substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) Transaction Security as exists in over the other Equity Interests in the Company;
- (6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons;
- (7) Investments represented by Hedging Obligations;
- (8) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed £1.0 million at any one time outstanding;
- (9) [Reserved];
- (10) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property (or information of intellectual property pursuant to joint marketing arrangements with other Persons), in each case in the ordinary course of business;
- (11) advances to customers, members or suppliers in the ordinary course of business;

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- (12) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
 - (13) any Investment existing, or made pursuant to binding commitments existing, on the date of this Agreement and any Investment that replaces, refinances or refunds any such Investment; **provided that** the new Investment is in an amount that does not exceed the amount replaced, refinanced or refunded other than as required by the terms of such Investment as in existence on the date of this Agreement, and is made in the same Person as the Investment replaced, refinanced or refunded;
 - (14) Investments in Joint Ventures in an aggregate principal amount at any time outstanding not to exceed £50.0 million plus 10 per cent. of LTM Consolidated EBITDA (with each Investment being valued as of the date made and without regard to subsequent changes in value) **provided that** if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to paragraph (3) of the definition of “Permitted Investments” and not this clause (without any further steps or conditions required to be fulfilled);
 - (15) Investments in respect of any SPV Transaction;
 - (16) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (16) that are at the time outstanding not to exceed £15.0 million plus 10 per cent. of LTM Consolidated EBITDA; and
 - (17) for the avoidance of doubt, any Investment in a Restricted Subsidiary constituting a guarantee of that Restricted Subsidiary’s obligations which guarantee constitutes Permitted Debt.

“Permitted Liens” means:

- (1) Liens on assets of the Company or any Restricted Subsidiary securing Indebtedness and other Obligations under (i) this Agreement and/or (ii) the Senior Facilities Agreement as in effect on the date of this Agreement (including, for the avoidance of doubt, pursuant to any incremental facility or additional facility ranking *pari passu* with the Senior Facilities made available thereunder after the date of this Agreement);
- (2) Liens in favour of the Company or the Guarantors;
- (3) Liens on property, assets or shares of a Person existing at the time such Person is merged or amalgamated with or into or consolidated with the Company or any Restricted Subsidiary of the Company; **provided that** such Liens were in existence prior to the contemplation of such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person merged or amalgamated into or consolidated with the Company or such Restricted Subsidiary;
- (4) Liens on assets or property (including Capital Stock) existing at the time of acquisition of the assets or property by the Company or any Restricted Subsidiary of the Company; **provided that** such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business, as well as obligations under the trade contracts and leases (exclusive of obligations for the payment of borrowed money);

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- (6) Liens to secure Indebtedness, mortgage financings or purchase money obligations (including Capital Lease Obligations) permitted by paragraph 3.2.4 covering only the assets acquired with or financed by such Indebtedness;
- (7) Liens existing on the date of this Agreement **provided that** no material Lien shall be permitted pursuant to this paragraph (7) if that Lien has not been disclosed to the Agent or the Arranger in writing on or prior to the date of this Agreement;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; **provided that** any reserve or other appropriate provision as is required in conformity with U.K. GAAP has been made therefor;
- (9) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, and Liens under extended retention of title arrangements (*verlängerter Eigentumsvorbehalt*), in each case, incurred in the ordinary course of business and liens on deposits in the ordinary course of business to secure liability to insurance carriers;
- (10) any statutory Lien (*gesetzliches Pfandrecht*) arising by operation of law under the German Civil Code (*Bürgerliches Gesetzbuch*) or the German Commercial Code (*Handelsgesetzbuch*), including without limitation under a lease agreement in favour of the relevant third party landlord (*Vermieterpfandrecht*) or under a warehousing agreement in favour of the relevant warehouse operator (*Pfandrecht des Lagerhalters*);
- (11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (12) Liens on the assets of the Company or any Restricted Subsidiary securing Indebtedness permitted by paragraph 3.2.3 of paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*);
- (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under this Agreement; **provided, however, that:**
- (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Indebtedness (plus improvements and accessions to, such property or proceeds or distributions thereof); and
 - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

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- (15) the interests of lessors under operating leases and licensors or sublicensors under license agreements;
 - (16) Liens in favour of custom and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
 - (17) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed £7.5 million at any one time outstanding; **provided that** such Lien so created does not encumber assets constituting Collateral;
 - (18) the filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under applicable jurisdiction) in connection with operating leases (other than any sale and leaseback transaction) or consignment of goods;
 - (19) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code (or equivalent statutes) on items in the course of collection and (ii) in favour of a banking institution arising as a matter of law or under customary general terms and conditions of a banking or other financial institution encumbering deposits and account balances (including the right of set-off) and which are within the general parameters customary in the banking industry;
 - (20) Liens on assets of any Restricted Subsidiary of the Company that is not a Guarantor securing Indebtedness incurred by any Restricted Subsidiary that is not a Guarantor; **provided that** such Lien so created does not encumber assets constituting Collateral;
 - (21) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business, in connection therewith;
 - (22) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within such proceedings may be initiated shall not have expired;
 - (23) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
 - (24) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;
 - (25) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;
 - (26) Liens securing Hedging Obligations incurred in reliance on paragraph 3.2.8 of paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*); and
 - (27) any encumbrance or restriction (including put and call arrangements) not securing Indebtedness contained in any Joint Venture agreement or similar agreement entered into by the Company or any Restricted Subsidiary with respect to Capital Stock issued by the relevant Joint Venture pursuant to any joint venture agreement or similar agreement; **provided that** such encumbrance or restriction shall extend only to the relevant Capital Stock;

provided that, in the case of paragraphs (1), (12) and (26) above, each of the secured parties to such Indebtedness (acting directly or through its respective creditor representative) shall have entered into an Approved Intercreditor Agreement and such Indebtedness shall be subject to an Approved Intercreditor Agreement, which shall provide that any such Indebtedness shall rank:

- (a) in the case of Indebtedness and related Liens incurred under paragraphs (1)(i), (12) or (26) above, as Super Senior Liabilities or Priority Credit Liabilities if such Lien secures Indebtedness which qualifies as Super Senior Liabilities or Priority Credit Liabilities pursuant to the Intercreditor Agreement); or
- (b) *pari passu* with the Facilities if such Lien secures Indebtedness which qualifies as *Pari Passu* Liabilities or Senior Secured Notes Liabilities pursuant to the Intercreditor Agreement.

“Permitted Parent Payments” means, without duplication as to amounts:

- (1) general corporate overhead expenses of such direct or indirect parent, including legal, accounting and administrative fees and expenses, in each case to the extent such fees and expenses are attributable to the ownership or operation of the Parent Entity, the Company and its Restricted Subsidiaries (**provided that** for so long as such direct or indirect parent entity owns no assets other than the Capital Stock in the Parent Entity, the Company or another direct or indirect parent entity of the Company, such fees and expenses shall be deemed for purposes of this paragraph (1) to be so attributable to such ownership or operation) and other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such direct or indirect parent and reasonable out-of-pocket expenses of the Board of Directors of such direct or indirect parent;
- (2) dividends or distributions to permit the payment of the Sponsor’s, HS Investments’ and/or Raycliff’s reasonable out-of-pocket expenses under the Management Agreement;
- (3) any dividends or distributions in amounts required for any direct or indirect parent of the Company to pay (a) franchise and excise taxes and other fees, taxes and expenses required to maintain their corporate existence; and (b) income taxes imposed on the direct or indirect equity holders of such parent entity by the United States and any political subdivision thereof, to the extent such income taxes are attributable to a “GILTI” inclusion under Section 951A of the Code on account of direct or indirect ownership of a Restricted Subsidiary or an actual or deemed distribution of earnings and profits of a Restricted Subsidiary; and
- (4) expenses incurred by any direct or indirect parent in connection with any public or private offering or other sale of Capital Stock or Indebtedness (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); **provided that:**

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;
- (3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Senior Facilities, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Senior Facilities on terms at least as favourable to the Senior Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and
- (4) such Indebtedness is incurred either by the Company or a Guarantor or, if a Restricted Subsidiary that is not a Guarantor is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged by any Restricted Subsidiary, by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

“Person” means any individual, corporation, partnership, joint venture, association, joint- stock company, trust, unincorporated organisation, limited liability company or government or other entity.

“Pound Equivalent” means, with respect to any monetary amount in a currency other than British pound sterling, at any time of determination thereof, the amount of British pound sterling obtained by converting such currency other than British pound sterling involved in such computation into British pound sterling at the spot rate for the purchase of British pound sterling with the applicable currency other than British pound sterling as published in the *Financial Times* in the “Currency Rates” section (or, if the *Financial Times* is no longer published, or if such information is no longer available in the *Financial Times*, such source as may be selected in good faith by the Company) on the date of such determination. Except as expressly provided otherwise, whenever it is necessary to determine whether the Company or any of its Restricted Subsidiaries have complied with any covenant or other provision in this Agreement denominated in British pound sterling and an amount is expressed in a currency other than British pound sterling, such amount will be treated as the Pound Equivalent determined as of the date such amount is initially determined in such non- British pound currency.

“Priority Credit Liabilities” has the meaning given to that term in the Intercreditor Agreement.

“Raycliff” means (1) Raycliff SH Holdings LLC, (2) any funds, partnerships or other entities owned, controlled, managed or advised by Raycliff SH Holdings LLC, and in each case (whether individually or as a group) Affiliates of (1) and/or (2) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“Related Person” with respect to any Permitted Holder, means:

- (1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;

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- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;
 - (3) any trust, corporation, partnership, limited liability company or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or
 - (4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“**Relevant Group**” means a group of persons within the meaning of section 13(d)(3) or section 14(d)(2) of the Exchange Act, or any successor provision.

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Subsidiary**” of a Person means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

“**Scorpios Property**” means any real property owned, leased, to be acquired or to be leased by any Scorpios SPV.

“**Scorpios SPVs**” means Sunshine AcquireCo Limited, Sunshine Mykonos Limited, Sunshine Future Projects Limited, Paraga, Q Hellas, OMO and each of their respective Subsidiaries.

“**Shareholder Funding**” means:

- (1) any cash contribution to the Company by any parent, any Permitted Holder or any Affiliate thereof (other than a member of the Group) in exchange for or pursuant to any security, instrument or agreement other than Capital Stock; **provided that** such security, instrument or agreement must (i) be unsecured, (ii) be expressly subordinated to the prior payment in full in cash then due with respect to all of the Company’s obligations under the Facilities, (iii) have a final maturity date at least ninety-one (91) days later than the final maturity date of the Facilities, and (iv) not require payment in cash of any interest or principal in respect thereof prior to the final maturity date of such security, instrument or agreement; and
- (2) any cash contribution to the Company by any parent, any Permitted Holder or any Affiliate thereof (other than a member of the Group) in exchange for or pursuant to any security, instrument or agreement other than Capital Stock for the purposes of short term liquidity and/or bridging finance, including, without limitation, in order to fund Permitted Investments, **provided that** the aggregate amount outstanding of all such contributions shall not exceed the greater of (x) £30.0 million and (y) an amount equal to 66% of LTM Consolidated EBITDA at any time; **provided that** such security, instrument or agreement must (i) be unsecured, (ii) be expressly subordinated to the prior payment in full in cash then due with respect to all of the Company’s obligations under the Facilities, and (iii) not require payment in cash of any interest or principal in respect thereof prior to the final maturity date of such security, instrument or agreement (“**Short-Term Shareholder Funding**”) **provided that** if such security, instrument or agreement is not repaid, redeemed or otherwise discharged in full within sixty (60) days of its incurrence or issuance, such security, instrument or agreement shall be amended on or prior to such 60th day so that it complies with paragraph (1) above and shall no longer constitute Short Term Shareholder Funding.

“**Soho Works Property**” means any real property owned, leased, to be acquired or to be leased by any Soho Works SPV.

“**Soho Works SPVs**” means Soho Works US AcquireCo, LLC, Soho Works North America, LLC, Soho Works Limited and any of their respective Subsidiaries.

“**Sponsor**” means (1) The Yucaipa Companies, LLC, (2) any funds, partnerships or other entities owned, controlled, managed or advised by The Yucaipa Companies, LLC, and in each case (whether individually or as a group) Affiliates of (1) or (2) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**SPV Entity**” means each Miami SPV, each Los Angeles SPV, each Soho Works SPV, each Scorpions SPV and any Restricted Subsidiary (1) whose sole business is the ownership of, or the operation of (directly or indirectly), or both the ownership and operation of (directly or indirectly), the relevant SPV Property; and (2) that is not a Guarantor. Notwithstanding the foregoing, any SPV Entity may be designated as an Unrestricted Subsidiary in accordance with the definition thereof.

“**SPV Indebtedness**” means, in relation to an SPV Entity, at any date of determination, the aggregate principal amount of all Indebtedness (including Refinancing Indebtedness) of that SPV Entity outstanding at such date.

“**SPV Loan to Value Ratio**” means, in relation to an SPV Entity, at any date of determination, the ratio of (x) the aggregate principal amount of the SPV Indebtedness of that SPV Entity outstanding at such date to (y) the total appraised market value of the SPV Property of such SPV Entity at such date; **provided that** such appraisal must be obtained from a third party appraiser of national standing and must be less than twelve (12) months old.

“**SPV Property**” means the property of an SPV Entity (or to be acquired by an SPV Entity) used or useful in a Permitted Business.

“**SPV Transactions**” means,

- (1) any transaction by the Company and/or any of its Restricted Subsidiaries in connection with the Miami Property, the Miami SPVs, the Los Angeles Property, the Los Angeles SPVs, any Scorpions Property, the Scorpions SPVs, any Soho Works Property and/or the Soho Works SPVs; and/or
- (2) in relation to any other SPV Entity, any transaction in connection with the SPV Property of that SPV Entity; **provided that** notwithstanding any other provision in this Agreement: (i) the Company and any Restricted Subsidiary may make Investments up to a maximum of £30.0 million at any one time outstanding in connection with any individual SPV Transaction and £180.0 million at any one time outstanding in connection with all SPV Transactions **provided that** any amounts specified for projects set out in the Financial Information shall not count towards such maximum amounts; (ii) the SPV Indebtedness of such SPV Entity shall be Non-Recourse Debt; and (iii) the SPV Loan to Value Ratio shall not exceed 80% at any time.

“**Stated Maturity**” means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of this Agreement, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Subsidiary**” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50 per cent. of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (ii) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“**Successor Parent**” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, Beneficially Owned by one or more Persons that Beneficially Owned more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person.

“**Super Senior Liabilities**” has the meaning given to that term in the Intercreditor Agreement.

“**U.K. GAAP**” means generally accepted accounting practices in the United Kingdom, which are in effect from time to time.

“**U.K. Government Obligations**” means direct obligations of, or obligations guaranteed by, the United Kingdom and the payment for the United Kingdom pledges its full faith and credit.

“**Uniform Commercial Code**” or “**UCC**” means the Uniform Commercial Code as in effect in the relevant jurisdiction from time to time.

“**Unrestricted Subsidiary**” means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by paragraph 7 (*Transactions with Affiliates*) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;
- (3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced by a Board Resolution giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the preceding conditions and was permitted by paragraph 2 (*Restricted Payments*). If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for the purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), the Company will be in default of such paragraph 3.

“**Voting Stock**” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of the Board of Directors of such Person.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

“**Wholly Owned Restricted Subsidiary**” means a Restricted Subsidiary, all of the Capital Stock of which (other than directors’ qualifying shares) is owned by the Company or another Wholly Owned Restricted Subsidiary.

ASSET COVER DEFINITIONS

“**Asset Cover Reference Date**” means:

- (a) if the relevant Test Date is on or about 31 December, the relevant Test Date; or
- (b) if the relevant Test Date is on or about 31 March, 30 June or 30 September in a calendar year, as at the Test Date on or about 31 December in the immediately preceding calendar year.

“**Asset Cover Value**” means, as at any Test Date, the sum (as determined in good faith by a Relevant Officer) of:

- (a) the Tangible Fixed Assets Value;
- (b) unless the relevant Test Date is on or about 31 December, the Freehold Assets Acquisition/Disposal Adjustment; and
- (c) the Cash Reinvestment Amount.

“**Cash Reinvestment Amount**” means, as at any Test Date, the sum (as determined in good faith by a Relevant Officer) of:

- (a) the amount of cash and Cash Equivalents held by the Group; and
- (b) the amount of cash and Cash Equivalents held by any Relevant Entity multiplied by the Relevant Percentage,

in each case as at the Asset Cover Reference Date, and to the extent that:

- (i) such cash and Cash Equivalents represent the proceeds of the sale, lease, conveyance or other disposition of tangible fixed assets of the Group or any Relevant Entity; and
- (ii) a Relevant Officer expects in good faith that such proceeds will be Reinvested.

“**Fair Market Value**” means the fair market value of the relevant asset(s) as determined in good faith by a Relevant Officer. In making such good faith determination, a Relevant Officer may use the most recently conducted valuation of such asset or may conduct a revaluation thereof, but shall not be required to conduct a revaluation unless a Relevant Officer considers in good faith that the fair market value of such asset has materially decreased since the most recent valuation thereof.

“**Freehold Assets**” means freehold land and buildings.

“**Freehold Assets Acquisition/Disposal Adjustment**” means, as at any Test Date (other than a Test Date ending on or about 31 December), a positive or negative amount (as determined in good faith by a Relevant Officer) equal to:

- (a) the net book value (or, at the Company’s option, the Fair Market Value) of any Freehold Assets acquired by the Group and/or any Relevant Entity following the Asset Cover Reference Date but on or prior to the relevant Test Date (and not disposed of prior to the relevant Test Date) (and in the case of any Relevant Entity, multiplied by the Relevant Percentage), without double-counting to the extent acquired with any cash or Cash Equivalents which have contributed to the Cash Reinvestment Amount as at the relevant Test Date; *less*

- (b) the contribution to the Tangible Fixed Assets Value as at the relevant Test Date of any Freehold Assets disposed of by the Group and/or any Relevant Entity following the Asset Cover Reference Date but on or prior to the relevant Test Date (and not re-acquired prior to the relevant Test Date) (and in the case of any Relevant Entity, multiplied by the Relevant Percentage), save to the extent that a Relevant Officer expects in good faith that the proceeds of such disposal will be Reinvested.

“**Leasehold Assets**” means leasehold land and buildings and capitalised property leases.

“**Reinvested**” in relation to the proceeds of any sale, lease, conveyance or other disposition of tangible fixed assets means:

- (a) such proceeds will be applied within three hundred and sixty (360) days after the receipt thereof to acquire tangible fixed assets; or
- (b) a binding agreement will be entered into within three hundred and sixty (360) days after receipt of the proceeds to apply such proceeds to acquire tangible fixed assets, and such application will occur within one hundred and eighty (180) days of the end of such 360-day period.

“**Relevant Entity**” means a corporation, limited liability company, partnership, other entity or person in which any member of the Group owns, directly or indirectly, Equity Interests.

“**Relevant Percentage**” means the aggregate percentage of the Equity Interests in a Relevant Entity owned directly or indirectly by one or more members of the Group as of the relevant Test Date, as determined in good faith by a Relevant Officer.

“**Relevant Officer**” means the chief financial officer, director of group reporting and **accounting** or finance director of the Group (or such other person as is performing the functions of the chief financial officer or finance director).

“**Tangible Fixed Assets Value**” means, as at any Test Date, the sum (as determined in good faith by a Relevant Officer) of:

- (a) the net book value of tangible fixed assets as shown in the Annual Financial Statements for the period ending on the Asset Cover Reference Date;
- (b) at the Company’s option in relation to the whole or any part of the Group’s Freehold Assets and/or Leasehold Assets, the amount by which the Fair Market Value as at the Asset Cover Reference Date (or, at the Company’s option in relation to any asset, as at the relevant Test Date) of any Freehold Assets and/or Leasehold Assets (if any) exceeds the contribution of such Freehold Assets and/or Leasehold Assets to paragraph (a) above;
- (c) the value of tangible fixed assets for each Relevant Entity, as determined in good faith by a Relevant Officer in accordance with the financial information used by the Group to equity account for its investments in such Relevant Entity (for the avoidance of doubt, reflecting the Relevant Percentage); and
- (d) at the Company’s option in relation to each Relevant Entity, the amount by which the Fair Market Value as at the Asset Cover Reference Date (or, at the Company’s option, as at the relevant Test Date) of the whole or any part of the Freehold Assets and/or Leasehold Assets of each Relevant Entity multiplied, in each case, by that Relevant Entity’s Relevant Percentage exceeds the contribution of such Freehold Assets and/or Leasehold Assets to paragraph (c) above.

SIGNATURES

PARENT

/s/ Bradford Nugent
Soho House & Co Limited

COMPANY

/s/ Bradford Nugent
Soho House Bond Limited

THE ORIGINAL BORROWERS

/s/ Peter McPhee

SHG Acquisition (UK) Limited

/s/ Peter McPhee

Soho House U.S. Corp.

THE ORIGINAL GUARANTORS

/s/ Bradford Nugent

Soho House & Co Limited

/s/ Bradford Nugent
Soho House Bond Limited

/s/ Bradford Nugent

BN MidCo Limited

/s/ Bradford Nugent
BN AcquireCo Limited

/s/ Peter McPhee

SHG Acquisition (UK) Limited

/s/ Peter McPhee

Soho House UK Limited

/s/ Peter McPhee

Cowshed Products Limited

/s/ Peter McPhee

Soho House Properties Limited

/s/ Peter McPhee

Soho House U.S. Corp.

/s/ Bradford Nugent

US AcquireCo, Inc.

/s/ Peter McPhee

Soho House New York LLC

/s/ Peter McPhee

Soho House West Hollywood LLC

/s/ Peter McPhee
Soho House, LLC

/s/ Peter McPhee

Soho House Chicago LLC

/s/ Peter McPhee

Little Beach House Malibu, LLC

/s/ Peter McPhee

Soho-Dumbo, LLC

/s/ Peter McPhee

Soho-Ludlow Tenant, LLC

/s/ Peter McPhee

Soho-Cecconi's (Water Street), LLC

/s/ Peter McPhee

Soho House Berlin GmbH

ARRANGER

/s/ Alison Barry

HSBC UK Bank PLC

ORIGINAL LENDER

/s/ Alison Barry

HSBC UK Bank PLC

AGENT

/s/ Lee Morrell

Global Loan Agency Services Limited

COLLATERAL AGENT

/s/ Lee Morrell

GLAS Trust Corporation Limited

23 March 2021

SOHO HOUSE & CO LIMITED
(as Parent)

SOHO HOUSE BOND LIMITED
(as Company)

THE COMPANIES LISTED IN PART 1 OF SCHEDULE 1
(as Original Guarantors)

THE FINANCIAL INSTITUTIONS LISTED IN PART 2 OF SCHEDULE 1
(as Original Notes Purchasers)

GLOBAL LOAN AGENCY SERVICES LIMITED
(as Agent)

and

GLAS TRUST CORPORATION LIMITED
(as Collateral Agent)

NOTES PURCHASE AGREEMENT

LATHAM & WATKINS

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THIS AGREEMENT is dated 23 March 2021 and made between:

- (1) **SOHO HOUSE & CO LIMITED** (formerly known as Soho House Group Limited), a company incorporated in Jersey with registered number 109634 (the “**Parent**”);
- (2) **SOHO HOUSE BOND LIMITED**, a company incorporated in Jersey with registered number 112133 (the “**Company**” and the “**Original Issuer**”);
- (3) **THE COMPANIES** listed in Part 1 of Schedule 1 (*The Original Parties*) as original guarantors (the “**Original Guarantors**”);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1 (*The Original Parties*) as original notes purchasers (the “**Original Notes Purchasers**”);
- (5) **GLOBAL LOAN AGENCY SERVICES LIMITED** as agent of the other Finance Parties (the “**Agent**”); and
- (6) **GLAS TRUST CORPORATION LIMITED** as security trustee and security agent for the Secured Parties (the “**Collateral Agent**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means:

- (a) each Finance Party or any Affiliate of a Finance Party (**provided that** such person is a bank or financial institution);
- (b) a bank or financial institution which has a long-term unsecured rating of BBB or higher by S&P or Fitch or Baa2 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (c) any other bank or financial institution approved by the Agent (acting on the instructions of the Majority Noteholders); or
- (d) any other bank or financial institution providing banking services to a business or entity acquired by a member of the Group, **provided that** such services are terminated and moved to a bank or financial institution falling under another limb of this definition within 3 months of completion of the relevant acquisition.

“**Accession Deed**” means a document substantially in the form set out in Schedule 5 (*Form of Accession Deed*).

“**Accounting Principles**” means generally accepted accounting principles in the United Kingdom, including IFRS.

“**Accounting Reference Date**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Additional Facility**” has the meaning given to that term in paragraph (a) of Clause 2.3 (*Additional Facility*).

“Additional Facility Commitment” means:

- (a) in relation to an Additional Facility Noteholder, the amount in the Base Currency set out in each Additional Facility Notice signed by that Additional Facility Noteholder and the amount of any other Additional Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Noteholder, the amount of any Additional Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*).

“Additional Facility Note” means a note issued or to be issued under an Additional Facility or the principal amount outstanding for the time being of that note.

“Additional Facility Noteholders” means, in relation to any Additional Facility, any person that signs an Additional Facility Notice and confirms its willingness to provide all or a part of that Additional Facility.

“Additional Facility Notes Subscription” means a subscription by the Additional Facility Noteholders (acting through the Agent) for Additional Facility Notes issued by an Issuer under an Additional Facility.

“Additional Facility Notice” has the meaning given to that term in Clause 2.3 (*Additional Facility*).

“Additional Guarantor” means a company which becomes an Additional Guarantor in accordance with Clause 29.4 (*Additional Guarantors*).

“Additional Issuer” means a company which becomes an Additional Issuer in accordance with Clause 29.2 (*Additional Issuers*).

“Additional Noteholder Accession Deed” means an agreement substantially in the form set out in Schedule 15 (*Form of Additional Noteholder Accession Deed*).

“Additional Obligor” means an Additional Issuer or an Additional Guarantor.

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company. For the purposes of Clause 22.31 (*Private Offering: No Integration or General Solicitation*) and Clause 46 (*Securities Representations by the Original Notes Purchasers*), “Affiliate” shall have the meaning set forth in Rule 405 under the U.S. Securities Act.

“Affiliate Transactions Schedule” means the list of transactions with certain affiliates of the Group provided to the Agent by the Company on or prior to the date of this Agreement.

“Agent’s Spot Rate of Exchange” means:

- (a) the Agent’s spot rate of exchange; or
- (b) (if the Agent does not have an available spot rate of exchange), the spot rate (or derived spot rate, as the case may be) for the purchase of the relevant currency with the Base Currency reported by Bloomberg L.P. which appears on Bloomberg Screen BFIX under caption “MID” at or about 11:00 a.m. on a particular day or, if such rate is not available, any other publicly available spot rate of exchange selected by the Agent (acting reasonably),

for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Agreed Security Principles**” means the principles set out in Schedule 10 (*Agreed Security Principles*).

“**Annual Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Anti-Bribery Laws**” means any applicable anti-bribery law, anti-corruption law, conflict of interest law, or any other applicable law, rule, regulation or other legally binding measure of any applicable jurisdiction of similar purpose and effect, including, where applicable:

- (a) the US Foreign Corrupt Practices Act, 15 U.S.C. §78-dd-1, et seq., as amended;
- (b) the UK Bribery Act 2010; and
- (c) any law, rule, regulation or other legally binding measure that implements the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or that otherwise prohibits bribery or corruption.

“**Article 55 BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means:

- (a) in relation to Facility A, the period from and including the date of this Agreement to (and including) the earlier of (i) the date falling 15 Business Days after the date of this Agreement (as such date may be extended from time to time with the consent of the Agent (acting on the instruction of the Noteholders (each acting reasonably))) and (ii) the Closing Date;
- (b) in relation to Facility A1, the period from and including the Closing Date to and including the first anniversary of the Closing Date; and
- (c) in relation to the Additional Facility, the period specified as such in the Additional Facility Notice relating to that Additional Facility, which shall not extend beyond the Termination Date for Facility A.

“**Available Commitment**” means, in relation to a Facility, a Noteholder’s Commitment minus:

- (a) the Base Currency Amount of the Note(s) then held by such Noteholder under that Facility; and
- (b) in relation to any proposed Notes Subscription, the Base Currency Amount of any other Notes that are due to be subscribed for by such Noteholder on or before the proposed Notes Subscription Date.

“**Available Facility**” means the aggregate for the time being of each Noteholder’s Available Commitment.

“**Babington House**” means Babington House, Babington, Frome, BA11 3RW with title number ST147998.

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

“**Base Currency**” means:

- (a) for Facility A (EUR), EUR;
- (b) for Facility A (GBP), GBP;
- (c) for Facility A (USD) and Facility A1, USD; and
- (d) in relation to any Additional Facility, as agreed between the Company and the applicable Additional Facility Noteholders.

“**Base Currency Amount**” means in relation to a Notes Subscription, the amount specified in the Notes Subscription Request delivered by or on behalf of an Issuer for that Notes Subscription (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Company’s election at (i) the Agent’s Spot Rate of Exchange on the date which is three (3) Business Days before the Notes Subscription Date or, if later, on the date the Agent receives the Notes Subscription Request in accordance with the terms of this Agreement or (ii) such other rate agreed between the Agent (acting on behalf of the relevant Noteholders) and the Company as is specified in the Notes Subscription Request) as adjusted to reflect any redemption, repayment, prepayment of any Notes or any consolidation or division of any Notes Subscription.

“**Budget**” means in relation to any period, any budget delivered by the Company to the Agent in respect of that period pursuant to Clause 23.4 (*Budget*).

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and (in relation to any date for payment or purchase of a currency) the principal financial centre of the country of that currency.

“**Cash**” means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Restricted Group with an Acceptable Bank and to which a member of the Restricted Group is alone (or together with other members of the Restricted Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand or within 30 days after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Restricted Group or of any other person whatsoever or on the satisfaction of any other condition (other than the giving of any notice);
- (c) there is no Security over that cash except for Transaction Security or any Permitted Lien (i) constituted by a netting or set-off arrangement entered into by members of the

Restricted Group in the ordinary course of their banking arrangements, or (ii) in relation to credit balances on bank accounts of the Restricted Group arising under the relevant account bank's standard terms in the ordinary course or by law; and

- (d) the cash is capable of being applied and (except as mentioned in paragraph (a) above) immediately made available to be applied in redemption of the Facilities.

"Cash Equivalents" has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

"CEO" means the chief executive officer of the Group, or, if no chief executive officer is appointed, such other person fulfilling the functions of the chief executive officer of the Group.

"CFC" has the meaning give to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

"CFC Debt" has the meaning give to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

"CFC Holdco" has the meaning give to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

"CFO" means the chief financial officer of the Group or, if no chief financial officer is appointed, such other person fulfilling the functions of the chief financial officer of the Group.

"Change of Control" has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

"Charged Property" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Closing Date" means the date of first Notes Subscription under Facility A.

"Code" means the U.S. Internal Revenue Code of 1986 (or any successor legislation thereto) as amended from time to time, and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

"Commitment" means a Facility A Commitment, a Facility A1 Commitment or an Additional Facility Commitment.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

"Company Security Interest" means the Transaction Security granted by the Parent over its shares and receivables in the Company.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

"Confidential Information" means all information relating to the Company, any Obligor, the Group, the Finance Documents or the Facilities of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facilities from either:

- (a) any member of the Group or its advisers; or

- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 40 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Confidentiality Undertaking**” means a confidentiality undertaking which is capable of being relied upon by the Company substantially in a recommended form of the LMA or in any other form agreed between the Company and the relevant Noteholder.

“**Consolidated EBITDA**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Coverage Test**” has the meaning given to that term in Clause 25.12 (*Guarantors*).

“**CTA**” means the Corporation Tax Act 2009.

“**Debt**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Debt Purchase Transaction**” means, in relation to a person, a transaction where such person:

- (a) purchases by way of transfer;
 - (b) enters into any sub-participation in respect of; or
 - (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,
- any Commitment or amount outstanding under this Agreement.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing, in each case as specified in Clause 26 (*Events of Default*)) be an Event of Default, **provided that** any such event or circumstance which expressly requires the satisfaction of any condition as to materiality before it becomes an Event of Default shall not be a Default unless and until that condition is satisfied.

“**Defaulting Noteholder**” means any Noteholder (other than a Noteholder which is an Investor Affiliate):

- (a) which has failed to subscribe for Notes in a Notes Subscription or has notified the Agent that it will not subscribe for Notes in a Notes Subscription by the Notes Subscription Date for those Notes in accordance with Clause 5.4 (*Noteholders' subscription*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within three (3) Business Days of its due date; or
- (ii) the Noteholder is disputing in good faith whether it is contractually obliged to make the payment in question and the Agent has notified the Company and the Noteholders that this is the case.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent. **"Designated Person"** means a person or entity:

- (a) designated on the OFAC list of "Specially Designated Nationals and Blocked Persons" or list of "Foreign Sanctions Evaders", the Consolidated List of Financial Sanctions Targets in the UK administered by HM Treasury, the European Union's Consolidated Financial Sanctions List or on any list of targeted persons issued under the Economic Sanctions Law of any other country;
- (b) that is, or is part of, a government of a Sanctioned Territory;
- (c) owned or controlled by, or acting on behalf of, any of the foregoing;
- (d) located within or operating from a Sanctioned Territory;
- (e) otherwise targeted under any Economic Sanctions Law; or
- (f) which a Finance Party has informed the Company in writing that it is prohibited from dealing with or otherwise engaging in any transaction by any Economic Sanctions Law.

"Disposal" means any sale, lease, transfer or other disposal of any assets, whether in a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with a Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**EBITDA**” means aggregate earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA).

“**Economic Sanctions Laws**” means: (a) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*), the Trading with the Enemy Act (50 U.S.C. App. §§ 1 *et seq.*), Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 or the Iran Sanctions Act, any similar law or regulation promulgated thereunder from time to time or any similar law enacted in the United States of America after the date of this Agreement and any other sanctions or trade embargo imposed, administered or enforced by OFAC or the US State Department or the US Department of Commerce; (b) any economic sanctions law or regulation promulgated by the United Nations or by any government authority of the UK or of the European Union or any member state thereof, including (without limitation) any of the foregoing relating to restrictive measures against specific countries; and (c) any applicable economic sanctions law or regulation promulgated by any government authority of any other applicable jurisdiction in which the Group operates.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**Effective Yield**” means, as of any date of determination, the sum of (without double counting):

- (a) the Margin applicable to the relevant Facility; and
- (b) the amount of any applicable original issue discount, upfront fees, closing payments, or similar payable in connection with the relevant Facility (converted to interest assuming a three-year average life and without any present value discount),

provided that when calculating Effective Yield, any underwriting, arrangement, structuring or other upfront fees or closing payments payable in connection with the relevant Facility but not paid away to the eventual noteholders thereof as an incentive for them to participate in the relevant Facility shall be excluded.

“**Employee Plan**” means an employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV or Section 302 of ERISA, or Section 412 of the Code, and in respect of which an Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Enforcement Event**” has the meaning given to that term in Schedule 11 (*Agreed Security Principles*).

“**ERISA**” means, at any date, the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

“**ERISA Affiliate**” means any person that for the purposes of Title I and Title IV of ERISA and Section 412 of the Code would be deemed at any relevant time to be a single employer with an Obligor, pursuant to Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“**ERISA Event**” means:

- (a) any reportable event, as defined in Section 4043 of ERISA, with respect to an Employee Plan, as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified of such event;
- (b) the filing of a notice of intent to terminate any Employee Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan or the termination of any Employee Plan under Section 4041(c) of ERISA;
- (c) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;
- (d) any failure by any Employee Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Employee Plan, in each case whether or not waived;
- (e) the failure to make a required contribution to any Employee Plan that would reasonably be expected to result in the imposition of an encumbrance under Section 412 of the Code, or a filing under Section 412(c) of the Code or Section 302(c) of ERISA of any request for a minimum funding variance, with respect to any Employee Plan or Multiemployer Plan;
- (f) an engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA;
- (g) the complete or partial withdrawal of any Obligor or any ERISA Affiliate from any Employee Plan or a Multiemployer Plan;
- (h) an Obligor or an ERISA Affiliate incurring any liability under Title IV of ERISA with respect to any Employee Plan or Multiemployer Plan (other than premiums due and not delinquent under Section 4007 of ERISA);
- (i) a determination that any Employee Plan is, or is expected to be, in “at risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); and
- (j) the receipt by an Obligor or any of its ERISA Affiliates of any notice of the imposition of withdrawal liability or of a determination that a Multiemployer Plan is, or is expected to be, “insolvent” within the meaning of Section 4245 of ERISA or in “endangered” or “critical” status within the meaning of Section 432 of the Code or Section 305 of ERISA.

“**Establishment Date**” means, in relation to an Additional Facility, the proposed Establishment Date (being any date when the relevant Additional Facility is committed or the notes under such Additional Facility are subscribed for or available for subscription) specified in the Additional Facility Notice relating to that Additional Facility.

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**EU Insolvency Regulation**” means The Council of the European Union Regulation (EU) No. 2015/848 on Insolvency Proceedings (recast).

“**Euro**” or “**EUR**” means the lawful single currency of the Participating Member States.

“**Event of Default**” means any event or circumstance specified as such in Clause 26 (*Events of Default*).

“**Excluded SPV**” means each Miami SPV, each Los Angeles SPV, each Soho Works SPV, each Scorpions SPV and each SPV Entity, as each such term is defined in Schedule 14 (*Restrictive Covenants*).

“**Excluded Swap Obligations**” means, with respect to any Guarantor, any obligation (a “**Swap Obligation**”) to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“**Existing Debt**” means:

- (a) the senior facilities agreement originally dated 22 April 2017 between, amongst others, Soho House & Co Limited as parent, Soho House Bond Limited as company, Global Loan Agency Services Limited as agent and GLAS Trust Corporation Limited as collateral agent, as amended and/or amended and restated from time to time; and
- (b) the outstanding indebtedness of the Group under the U.S. Small Business Administration Paycheck Protection Program.

“**Existing Indebtedness Schedule**” means a list of Indebtedness (other than the Existing Debt) incurred and outstanding or committed for incurrence by the Company and its Restricted Subsidiaries, in each case on the date of this Agreement.

“**Facility**” means Facility A, Facility A1 or an Additional Facility.

“**Facility A**” means Facility A (EUR), Facility A (GBP) and/or Facility A (USD).

“**Facility A Cash Margin**” means 2.0192 per cent. per annum.

“**Facility A Commitment**” means a Facility A (EUR) Commitment, a Facility A (GBP) Commitment and/or Facility A (USD) Commitment.

“**Facility A PIK Margin**” means:

- (a) for any period prior to (and excluding) the date falling 18 Months after the Closing Date, 6.1572 per cent. per annum; and
- (b) for any period from (and including) the date falling 18 Months after the Closing Date:

- (i) if a Listing has not occurred, 7.5826 per cent. per annum; and
- (ii) if a Listing has occurred, 6.1572 per cent. per annum.

“**Facility A Note**” means a Facility A (EUR) Note, a Facility A (GBP) Note and/or Facility A (USD) Note.

“**Facility A Noteholder**” means a Facility A (EUR) Noteholder, a Facility A (GBP) Noteholder and/or Facility A (USD) Noteholder.

“**Facility A Notes Subscription**” means a Facility A (EUR) Notes Subscription, a Facility A (GBP) Notes Subscription and/or Facility A (USD) Notes Subscription.

“**Facility A (EUR)**” means the notes facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*);

“**Facility A (EUR) Commitment**” means:

- (a) in relation to an Original Notes Purchaser, the amount set out in Part 2 of Schedule 1 (*The Original Parties*) as its Facility A (EUR) Commitment, and the amount of any other Facility A (EUR) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Noteholder, the amount of any Facility A (EUR) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*).

“**Facility A (EUR) Note**” means a note made or to be made under Facility A (EUR) or the principal amount outstanding for the time being of that note.

“**Facility A (EUR) Noteholder**” means any Noteholder who makes available a Facility A (EUR) Commitment or subscribes for a Facility A (EUR) Note, or otherwise becomes a holder of a Facility A (EUR) Note in accordance with the terms of the Finance Documents.

“**Facility A (EUR) Notes Subscription**” means a subscription by the Facility A (EUR) Noteholders (acting through the Agent) for Facility A (EUR) Notes issued by the Issuer under Facility A (EUR).

“**Facility A (GBP)**” means the notes facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*);

“**Facility A (GBP) Commitment**” means:

- (a) in relation to an Original Notes Purchaser, the amount set out in Part 2 of Schedule 1 (*The Original Parties*) as its Facility A (GBP) Commitment, and the amount of any other Facility A (GBP) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Noteholder, the amount of any Facility A (GBP) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*).

“**Facility A (GBP) Note**” means a note made or to be made under Facility A (GBP) or the principal amount outstanding for the time being of that note.

“Facility A (GBP) Noteholder” means any Noteholder who makes available a Facility A (GBP) Commitment or subscribes for a Facility A (GBP) Note, or otherwise becomes a holder of a Facility A (GBP) Note in accordance with the terms of the Finance Documents.

“Facility A (GBP) Notes Subscription” means a subscription by the Facility A (GBP) Noteholders (acting through the Agent) for Facility A (GBP) Notes issued by the Issuer under Facility A (GBP).

“Facility A (USD)” means the notes facility made available under this Agreement as described in paragraph (c) of Clause 2.1 (*The Facilities*);

“Facility A (USD) Commitment” means:

- (a) in relation to an Original Notes Purchaser, the amount set out in Part 2 of Schedule 1 (*The Original Parties*) as its Facility A (USD) Commitment, and the amount of any other Facility A (USD) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Noteholder, the amount of any Facility A (USD) Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*).

“Facility A (USD) Note” means a note made or to be made under Facility A (USD) or the principal amount outstanding for the time being of that note.

“Facility A (USD) Noteholder” means any Noteholder who makes available a Facility A (USD) Commitment or subscribes for a Facility A (USD) Note, or otherwise becomes a holder of a Facility A (USD) Note in accordance with the terms of the Finance Documents.

“Facility A (USD) Notes Subscription” means a subscription by the Facility A (USD) Noteholders (acting through the Agent) for Facility A (USD) Notes issued by the Issuer under Facility A (USD).

“Facility A1” means the notes facility made available under this Agreement as described in paragraph (d) of Clause 2.1 (*The Facilities*);

“Facility A1 Cash Margin” means 2.125 per cent. per annum.

“Facility A1 Commitment” means:

- (a) in relation to an Original Notes Purchaser the amount set out in Part 2 of Schedule 1 (*The Original Parties*) as its Facility A1 Commitment, and the amount of any other Facility A1 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Noteholder, the amount of any Facility A1 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*).

“Facility A1 PIK Margin” means:

- (a) for any period prior to (and excluding) the date falling 18 Months after the Closing Date, 6.375 per cent. per annum; and
- (b) for any period from (and including) the date falling 18 Months after the Closing Date:
 - (i) if a Listing has not occurred, 7.875 per cent. per annum; and

(ii) if a Listing has occurred, 6.375 per cent. per annum.

“Facility A1 Note” means a note made or to be made under Facility A1 or the principal amount outstanding for the time being of that note.

“Facility A1 Noteholder” means any Noteholder who makes available a Facility A1 Commitment or subscribes for a Facility A1 Note, or otherwise becomes a holder of a Facility A1 Note in accordance with the terms of the Finance Documents.

“Facility A1 Notes Subscription” means a subscription by the Facility A1 Noteholders (acting through the Agent) for Facility A1 Notes issued by the Issuer under Facility A1.

“Facility Office” means:

- (a) in respect of a Noteholder, the office or offices notified by that Noteholder to the Agent in writing on or before the date it becomes a Noteholder (or, following that date, by not less than five (5) Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Federal Reserve” means the Board of Governors of the Federal Reserve System of the United States.

“Fee or Closing Payment Letter” means:

- (a) the Initial Closing Payment Letter;
- (b) any letter or letters dated on or about the date of this Agreement between the Agent and the Company or the Collateral Agent and the Company setting out any of the fees or closing payments referred to in Clause 15 (*Fees and Closing Payments*);
- (c) any agreement setting out fees or closing payments payable to a Finance Party referred to in paragraph (e) of Clause 2.2 (*Increase*) of this Agreement or under any other Finance Document; and
- (d) any agreement setting out fees or closing payments payable in respect of an Additional Facility.

“Finance Document” means this Agreement, any Accession Deed, any Compliance Certificate, any Fee or Closing Payment Letter, the Intercreditor Agreement, any Resignation Letter, any Additional Facility Notice, any Transaction Security Document, any Notes Subscription Request and any other document designated as a “Finance Document” by the Agent and the Company.

“Finance Party” means the Agent, the Collateral Agent or a Noteholder.

“Financial Model” means the financial model delivered to the Agent pursuant to Clause 4.1 (*Initial conditions precedent*).

“Financial Quarter” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Financial Year” has the meaning given to that term in Clause 24.1 (*Financial definitions*). **“Fitch”** means Fitch Ratings Ltd or any successor to its rating business.

“Funds Flow Statement” means the funds flow statement delivered to the Agent pursuant to Clause 4.1 (*Initial conditions precedent*).

“German Resident” means each Obligor that qualifies as a German resident (*Inländer*) within the meaning of section 2 paragraph 15 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*).

“Government Authority” means (a) a national government, political subdivision thereof, or local jurisdiction therein; (b) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the aforementioned, however constituted; (c) a government-owned/government-controlled association, organisation, business or enterprise; or (d) a political party.

“Government Official” means (a) an employee, officer or representative of, or any person otherwise acting in an official capacity for or on behalf of a Government Authority; (b) a legislative, administrative or judicial official, regardless of whether elected or appointed; (c) an officer of, or individual who holds a position in, a political party; (d) a candidate for political office; (e) an individual who holds any other official, ceremonial, or other appointed or inherited position with a government or any of its agencies; or (f) an officer or employee of a supra-national or public international organization (e.g., World Bank, United Nations, International Monetary Fund, OECD).

“Group” means the Company and its Subsidiaries from time to time.

“Guarantor” means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 29 (*Changes to the Obligors*).

“Guarantor Jurisdiction” means any jurisdiction other than:

- (a) Turkey, Israel, China (excluding for this purpose the Special Administrative Region of Hong Kong) and Indonesia; and
- (b) any jurisdiction in Central America, South America or Africa.

“High Road House” means:

- (a) 162 & 164 Chiswick High Road, London, W4 1PR with title number NGL317735;
- (b) 166 Chiswick High Road, London, W4 1PR with title number NGL330524;
- (c) 168 Chiswick High Road, London, W4 1PR with title number MX398338;
- (d) Land at the Back of 168 Chiswick High Road, London, W4 1PR with title number AGL147982; and
- (e) 170 Chiswick High Road, London, W4 1PR with title number AGL66171.

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“Impaired Agent” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Noteholder) it is a Defaulting Noteholder under paragraph (a) or (b) of the definition of “Defaulting Noteholder”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within three (3) Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question and the Agent has notified the Company and the Noteholders that this is the case.

“Increase Confirmation” means a confirmation substantially in the form set out in Schedule 12 (*Form of Increase Confirmation*).

“Increase Noteholder” has the meaning given to that term in Clause 2.2 (*Increase*).

“Industry Competitor” means any person or entity (or any of its Affiliates) which is a competitor of a member of the Group who engages in a business substantially similar to any material business of the Group and any controlling shareholder of any such person, **provided that**, for the avoidance of doubt, this shall not include any person or entity (or any of its Affiliates or Related Funds) which is a bank, financial institution or trust, fund or other entity whose principal business or a material activity of whom is arranging, underwriting or investing in debt.

“Initial Closing Payment Letter” means the closing payment letter dated on or about the date of this Agreement between the Agent, the Original Notes Purchasers and the Company setting out the fees and closing payments referred to in Clause 15.1 (*Closing payment*).

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Intellectual Property” means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

“Intercreditor Agreement” means the intercreditor agreement dated 27 September 2013 and made between, among others, the Company, the Parent, the Debtors (as defined in the Intercreditor Agreement), the Collateral Agent and the Agent, as amended and/or amended and restated from time to time.

“Interest Period” means, in relation to a Notes Subscription, each period determined in accordance with Clause 14 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 13.4 (*Default interest*).

“Investment” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Investor Affiliate” means each of Yucaipa American Alliance (Parallel) Fund II, LP, Yucaipa American Alliance Fund II, LP, Richard Caring, Nick Jones and each of their Affiliates (together, the **“Investors”**), any trust of which an Investor is a trustee, any partnership of which an Investor is a partner and any trust, fund or other entity which is managed by, or is under the control of an Investor.

“IRS” means the U.S. Internal Revenue Service or any successor thereto.

“Issuer” means the Original Issuer or an Additional Issuer unless it has ceased to be an Issuer in accordance with Clause 29 (*Changes to the Obligors*).

“ITA” means the Income Tax Act 2007.

“Legal Opinion” means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or 29 (*Changes to the Guarantors*).

“Legal Reservations” means:

- (a) the principle that equitable remedies (or remedies that are analogous to equitable remedies in other jurisdictions) may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes (including a scheme of arrangement), moratoria, administration, examinership, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts and other applicable statutes of limitation, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

- (c) the accessory nature of certain German law governed Security;
- (d) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

“**Limitation Acts**” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“**Listing**” means the listing or the admission to trading of all or any part of the share capital of the Parent or any Parent Entity on any recognised investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any other exchange or market in any jurisdiction or country or any other sale or issue by way of listing, flotation or public offering or any equivalent circumstances in relation to the Parent or any Parent Entity in any jurisdiction or country (and, for the avoidance of doubt, where a listing, admission to trading, flotation, public offering or equivalent circumstances occur in relation to a Person prior to it becoming a Parent Entity, the transaction pursuant to which such Person becomes a Parent Entity shall constitute a “Listing”).

“**LMA**” means the Loan Market Association.

“**Loan to Own/Distressed Investor**” means any person (or any Affiliate or Related Fund of such person or any person acting on behalf of such person) whose principal business is in investment strategies that include the purchase of loans or other debt securities with the intention of (or view to) owning the equity or gaining control of a business (directly or indirectly) **provided that** any Original Notes Purchaser or any Affiliate or Related Fund of an Original Notes Purchaser which has the same or substantially the same investment strategy as that Original Notes Purchaser shall not be a Loan to Own/Distressed Investor.

“**LTM**” means last twelve Months.

“**Majority Noteholders**” means a Noteholder or Noteholders whose Commitments aggregate more than $66\frac{2}{3}$ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}$ per cent. of the Total Commitments immediately prior to that reduction).

“**Margin**” means:

- (a) in relation to a Facility A Note, the aggregate of:
 - (i) the Facility A Cash Margin; and
 - (ii) the Facility A PIK Margin; and
- (b) in relation to a Facility A1 Note, the aggregate of:
 - (i) the Facility A1 Cash Margin; and
 - (ii) the Facility A1 PIK Margin; and
- (c) in relation to any Additional Facility Note, the percentage rate per annum specified as such in the relevant Additional Facility Notice.

“**Margin Stock**” means “margin stock” within the meaning of Regulation U or “margin security” within the meaning of Regulation T of the Federal Reserve (or any successor).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Group taken as a whole;
- (b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents (taking into account the financial resources available to the Obligors from other members of the Group); or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents in a manner or to an extent materially adverse to the interests of the Noteholders taken as a whole under the Finance Documents.

“**Material Company**” means, at any time, a wholly-owned member of the Restricted Group (other than an Excluded SPV) incorporated in a Guarantor Jurisdiction which has EBITDA, representing 5 per cent. or more of Consolidated EBITDA or owns Babington House and/or High Road House (**provided that** any contribution by any Excluded SPV to the Consolidated EBITDA shall be excluded for such purposes) which shall be determined by reference to the most recent Annual Financial Statements of the Group, supplied under paragraph (a)(i) of Clause 23.1 (*Financial statements*) and the Compliance Certificate relating thereto **provided that**, if a Subsidiary has been acquired or disposed of since the date to which the most recent such Annual Financial Statements were prepared such financial statements shall be deemed to be adjusted in order to take into account such acquisition or disposal (that adjustment being certified by a director of the Company as representing an accurate reflection of the revised Consolidated EBITDA). A report by the auditors of the Company that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

“**Material Event of Default**” means an Event of Default under Clause 26.1 (*Non-payment*) (insofar as it relates to the non-payment of principal or interest under this Agreement), Clause

26.5 (*Insolvency*), 26.6 (*Insolvency proceedings*), Clause 26.7 (*U.S. insolvency proceedings*) or Clause 26.8 (*Creditors' process*).

“**Miami Loans**” means (each as amended and/or amended and restated and/or replaced or refinanced from time to time):

- (a) the mezzanine loan agreement dated on or about 27 February 2019 and made between Beach House Holdco, LLC, as borrower, and Citi Real Estate Funding Inc., as lender; and
- (b) the loan agreement dated on or about 27 February 2019 and made between Beach House Owner, LLC, as borrower, and Nonghyup Bank, acting in its capacity as the trustee of Kim Miami Hotel Private Placement Real Estate Investment Trust No. 2, as lender.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. “**Monthly**” shall be construed accordingly.

“**Monthly Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Moody’s**” means Moody’s Investor Services Limited or any successor to its rating business.

“**Multiemployer Plan**” means a “multiemployer plan” (as defined in Section (3)(37) of ERISA) that is subject to Title IV of ERISA that is contributed to for any employees of an Obligor or any ERISA Affiliate.

“**Net Proceeds**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**New Noteholder**” has the meaning given to that term in Clause 27.1 (*Transfers by the Noteholders*).

“**New Shareholder Injection**” means any amount subscribed for in cash in the Company after the Closing Date for any share issuance of the Company permitted or not prohibited by this Agreement or made available by way of Shareholder Funding.

“**Non-Consenting Noteholder**” has the meaning given to that term in Clause 39.4 (*Replacement of Noteholder*).

“**Non-Obligor**” means a Restricted Subsidiary which is not an Obligor.

“**Note**” means a Facility A (EUR) Note, a Facility A (GBP) Note, a Facility A (USD) Note, a Facility A1 Note or an Additional Facility Note, collectively, the “**Notes**”.

“**Noteholder**” means:

- (a) any Original Notes Purchaser; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Noteholder in accordance with Clause 2.2 (*Increase*), Clause 2.3 (*Additional Facility*) or 27 (*Changes to the Noteholders*),

“**Notes Certificate**” means a notes certificate in the form set out in Schedule 17 (*Form of Notes Certificate*) or in any other form agreed between the Agent and the Company (each acting reasonably).

“**Notes Listing Agent**” means Ogier Corporate Finance Limited or such other listing agent as may be notified by the Company to the Agent from time to time.

“**Notes Register**” has the meaning given to that term in Clause 7.1 (*Agent to maintain Notes Register*).

“**Notes Subscription**” means a Facility A Notes Subscription, a Facility A1 Notes Subscription or an Additional Facility Notes Subscription.

“**Notes Subscription Date**” means the date of a Notes Subscription, being the date on which the relevant Notes Subscription is to be made.

“**Notes Subscription Request**” means a notice substantially in the relevant form set out in Part 1 (*Notes Subscription Request*) of Schedule 3 (*Requests and Notices*) or any other form agreed between the Agent (acting reasonably) and the Company.

“**Notifiable Debt Purchase Transaction**” has the meaning given to that term in paragraph (b) of Clause 28.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates*).

“**Obligor**” means:

- (a) an Issuer; or
- (b) a Guarantor.

“**Obligors’ Agent**” means the Company to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.5 (*Obligors’ Agent*).

“**OECD**” means the Organisation for Economic Co-operation and Development.

“**OMO**” means OMO Mykonos S.A. (OMO Mykonos Anonymi Etaireia Ekmatalleushs Horon Diaskedasis, Estiashs Kai Psychagogias), a company incorporated in Greece under general commercial register number 147168801000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“**Optional Currency**” means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

“**Original Financial Statements**” means the consolidated financial statements of Soho House Holdings Limited for the financial year ended 31 December 2019.

“**Original Obligor**” means the Original Issuer or an Original Guarantor.

“**Paraga**” means Paraga Beach Catering And Entertainment Services Societe Anonyme S.A. (Paraga Beach Anonymi Etaireia Ekmatalleushs Horon Diaskedasis, Estiashs Kai Psychagogias), a company incorporated in Greece under general commercial register number 129775401000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“**Parent Entity**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Participating Member State**” means any Member State of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to this Agreement.

“**PBGC**” means the U.S. Pension Benefit Guaranty Corporation, or any entity succeeding to all or any of its functions under ERISA.

“**Perfection Requirements**” means the making or procuring of appropriate registrations, filings, endorsements, stampings, intimation in accordance with local laws and/or notifications of the Transaction Security Documents and/or the Transaction Security created thereunder.

“**Permitted Acquisition**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Permitted Debt**” has the meaning given to that term in paragraph 3.2 of Schedule 14 (*Restrictive Covenants*).

“**Permitted Joint Venture**” means any Joint Venture (as defined in Schedule 14 (*Restrictive Covenants*)) permitted or not prohibited by this Agreement.

“**Permitted Lien**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Permitted Payment**” means any payment permitted or not prohibited by paragraph 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*).

“**Permitted Refinancing Indebtedness**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Permitted Reorganisation**” means:

- (a) a solvent re-organisation (including, without limitation, pursuant to a solvent winding-up where the assets of the relevant company, after paying its liabilities, are distributed to its shareholders, as well as any amalgamation, demerger, merger, consolidation or other corporate reconstruction) involving the business or assets of, or shares of (or other interests in), any member of the Group (other than the Company) where:
 - (i) all of the business, assets and shares of (or other interests in) the relevant member of the Group continues to be owned directly or indirectly by the Company in the same or a greater percentage as prior to such reorganisation, save for:
 - (A) the shares of (or other interests in) any member of the Group which has been merged into another member of the Group or which has otherwise ceased to exist (including, for example, by way of the collapse of a solvent partnership or solvent winding up of a corporate entity) as a result of a such reorganisation; or
 - (B) any business, assets and shares of (or other interests in) relevant members of the Group which cease to be owned:
 - (1) as a result of a disposal or merger or other step permitted under, but subject always to the terms of, this Agreement; or
 - (2) as a result of a cessation of business or solvent winding up of a member of the Group in conjunction with a distribution of all or substantially all of its assets remaining after settlement of its liabilities to its immediate shareholder(s) or other persons directly holding partnership or other ownership interests in it; or
 - (3) as a result of a disposal of shares (or partnership or other ownership interests) in a member of the Group required to comply with applicable laws, **provided that** any such disposal is limited to the minimum amount required to comply with such applicable laws; and
 - (ii) the Finance Parties (or the Collateral Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods and other than from any entity

which has ceased to exist as contemplated in paragraph (i) above or is not or has ceased to be a member of the Group, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) guarantees and security over the same or substantially equivalent assets and over the shares (or other interests) in the transferee or the entity surviving as a result of such reorganisation save to the extent such assets or shares (or other interests) cease to exist or to be owned by members of the Group as contemplated in paragraph (i) above, in each case, to the extent such assets, shares or other interests are not disposed of as permitted under the terms of this Agreement,

provided that no Permitted Reorganisation pursuant to this paragraph (a) shall result in an Obligor which is incorporated in a member state of the European Union doing anything to change the location of its centre of main interests, for the purposes of EU Insolvency Regulation.

- (b) any reorganisation involving the business or assets of, or shares of (or other interests in) any member of the Group which is implemented to comply with any applicable law or regulation (including all intermediate steps or actions necessary to implement such reorganisation) **provided that** the Company shall use reasonable endeavours to ensure that the Finance Parties (or the Collateral Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods **provided further that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) guarantees and security over the same or substantially equivalent assets as immediately prior to any such reorganisation; or
- (c) any other reorganisation involving one or more members of the Group approved by the Majority Noteholders,

“Permitted Transaction” means:

- (a) any Indebtedness incurred, any guarantee, indemnity or Security or Quasi-Security given or arising under the Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group (other than the Parent or the Company) so long as any payments or assets of a member of the UK Group or the U.S. Group distributed as a result of such liquidation or reorganisation are distributed to (i) in the case of a member of the UK Group, SHG Acquisition (UK) Limited and its respective Restricted Subsidiaries within the UK Group; or (ii) in the case of a member of the U.S. Group, US AcquireCo, Inc. and its Restricted Subsidiaries within the U.S. Group, and where such liquidation or reorganisation is not materially prejudicial to the interests of the Finance Parties under the Finance Documents or the consolidation or merger of any Restricted Subsidiary where such consolidation or merger is permitted or not prohibited by the Finance Documents; or
- (c) any Permitted Reorganisation,

provided that, in all cases, following any Permitted Transaction pursuant to the above paragraphs, the Finance Parties (or the Collateral Agent on their behalf) continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) security over the shares (or other interests) in the Company thereafter, and further **provided that** no Permitted Transaction shall result in an Obligor which is incorporated in a member state of the European Union doing anything to change the location of its centre of main interests, for the purposes of the EU Insolvency Regulation.

“**PIK Capitalisation Date**” has the meaning given to that term in Clause 13.3 (*PIK Interest*).

“**PIK Interest**” means, in respect of a Note in a Notes Subscription for an Interest Period, the amount of interest on that Note for such Interest Period which is calculated by applying the relevant PIK Margin as a percentage rate per annum to that Note.

“**PIK Margin**” means the Facility A PIK Margin or the Facility A1 PIK Margin, as applicable.

“**Pro Forma**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Pro Forma Adjustment**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Q Hellas**” means Q Hellas P.C. a company incorporated in Greece under general commercial register number 124627701000 with its registered office at 63 Ipsilantou Street, 11521 Kolonaki, Athens, Attica, Greece.

“**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Qualifying Noteholder**” has the meaning given to that term in Clause 16.1 (*Definitions*).

“**Quarter Date**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Quarterly Financial Statements**” has the meaning given to that term in Clause 23 (*Information Undertakings*).

“**Quasi-Security**” means any transaction in which a member of the Restricted Group agrees to:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Restricted Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Regulation D**” means Regulation D promulgated under the U.S. Securities Act.

“**Regulation S**” means Regulation S promulgated under the U.S. Securities Act.

“**Regulations T, U and X**” means, respectively, Regulations T, U and X of the Federal Reserve (or any successor).

“**Related Fund**”, in relation to a trust, fund or other entity (the “**first fund**”), means a trust, fund or other entity which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a trust, fund or other entity whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund or is owned by the same person as the first fund.

“**Relevant Interbank Market**” means, in relation to euro, the European interbank market and in relation to any other currency, the London interbank market.

“**Relevant Jurisdiction**” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; and
- (c) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“**Relevant Period**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Repeating Representations**” means each of the representations set out in Clauses 22.2 (*Status*) to 22.7 (*Governing law and enforcement*), paragraph (a) of Clause 22.10 (*No default*), and paragraph (b) of Clause 22.12 (*Financial statements*) (in respect of the most recent financial statements prepared and delivered only), Clause 22.6 (*Federal Reserve regulations*), Clause 22.29 (*Investment companies*) and paragraphs (a) and (b) of Clause 22.30 (*Sanctions*).

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“**Resignation Letter**” means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Restricted Group**” means the Company and each Restricted Subsidiary.

“**Restricted Subsidiary**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Revolving Credit Facility Agreement**” means the super senior revolving facility agreement dated on or about 5 December 2019 by and among the Company, Global Loan Agency Services Limited as agent, the guarantors from time party thereto, the lenders party thereto and others, providing for revolving credit borrowings, including any related guarantees, Transaction Security Documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time, including any agreement or indenture extending the maturity hereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“**Rule 144**” means Rule 144 promulgated under the U.S. Securities Act.

“**Rule 144A**” means Rule 144A promulgated under the U.S. Securities Act.

“**Rule 501**” means Rule 501 under the U.S. Securities Act (or any successor provision), as it may be amended from time to time.

“**Rule 502**” means Rule 502 under the U.S. Securities Act (or any successor provision), as it may be amended from time to time.

“**S&P**” means Standard & Poor’s Ratings Services or any successor to its rating business.

“**Sanctioned Territory**” means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law, which countries and territories, as of the date of this Agreement, include Crimea, Cuba, Iran, North Korea and Syria.

“**Scorpions Property**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**Scorpions SPVs**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**SEC**” means the United States Securities and Exchange Commission or any successor thereto.

“**Secured Debt Documents**” has the meaning given to that term in the Intercreditor Agreement.

“**Secured Parties**” has the meaning given to that term in the Intercreditor Agreement.

“**Security**” means a mortgage, standard security, assignation, land charge, (*Grundschuld*) charge, pledge, lien assignment, transfer for securities purposes, extended retention of title arrangement (*verlängerter Eigentumsvorbehalt*) or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Selection Notice**” means a notice substantially in the form set out in Part 2 (*Selection Notice*) of Schedule 3 (*Requests and Notices*).

“**Shareholder Funding**” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“**SIR**” means the security interests register maintained under Part 8 of the Security Interests (Jersey) Law 2012.

“**Specified Time**” means a time determined in accordance with Schedule 9 (*Timetables*).

“**StaRUG**” means the German Stabilisation and Restructuring of Businesses Act, (*Unternehmensstabilisierungs- und Restrukturierungsgesetz*).

“**Sterling**”, “**£**” or “**GBP**” means the lawful currency of the United Kingdom.

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

“**Super Majority Noteholders**” means at any time a Noteholder or group of Noteholders whose Commitments aggregate more than 80 per cent. of the Total Commitments (or, if the Total Commitments having been reduced to zero, aggregated more than 80 per cent. of the Total Commitments immediately prior to that reduction).

“**Tax**” or “**Taxes**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Deduction**” has the meaning given to that term in Clause 16.1 (*Definitions*).

“**Tax Structure Memorandum**” means the “Soho House Debt Restructuring: Accounting and Tax Considerations” report prepared by PricewaterhouseCoopers LLP delivered to the Original Notes Purchasers on or prior to the Closing Date.

“**Termination Date**” means:

- (a) in relation to Facility A, the date falling 72 Months after the Closing Date;
- (b) in relation to Facility A1, the date falling 72 Months after the Closing Date; and
- (c) in relation to any Additional Facility, the date specified in the applicable Additional Facility Notice.

“**Total Additional Facility Commitments**” means the aggregate amount of the applicable and designated Additional Facility Commitments under any applicable Additional Facility Notice, being zero as at the date of this Agreement.

“**Total Commitments**” means the aggregate of the Total Facility A (EUR) Commitments, the Total Facility A (GBP) Commitments, the Total Facility A (USD) Commitments, the Total Facility A1 Commitments and the Total Additional Facility Commitments.

“**Total Facility A (EUR) Commitments**” means the aggregate of the Facility A (EUR) Commitments, being €62,000,000 as at the date of this Agreement.

“**Total Facility A (GBP) Commitments**” means the aggregate of the Facility A (GBP) Commitments, being £53,000,000 as at the date of this Agreement.

“**Total Facility A (USD) Commitments**” means the aggregate of the Facility A (USD) Commitments, being \$295,000,000 as at the date of this Agreement.

“**Total Facility A1 Commitments**” means the aggregate of the Facility A1 Commitments, being \$100,000,000 as at the date of this Agreement.

“**Total Net Leverage Ratio**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Collateral Agent and/or the Secured Parties (or any of them) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in Part 1 (*Conditions Precedent to first Notes Subscription*) of Schedule 2 (*Conditions Precedent*), together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents or the Secured Debt Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Transfer Certificate.

“**Trapped Cash**” means any cash required to be applied in mandatory redemption of the Facilities where:

- (a) it is or would be unlawful for such a redemption to be made and the proceeds so applied; or
- (b) it is or would be unlawful to make funds available to a member of the Group that could make such a redemption from the proceeds of such cash; or
- (c) if any member of the Group made funds available to, or received funds from, another member of the Group to enable such a redemption to be made it would incur a material cost or expense (including any material Tax liability) or it gives rise to a risk of liability for the entity concerned or its directors or officers; or
- (d) making such payment would give rise to a risk of criminal or civil liability for a member of the Group and/or its officers or directors (or gives rise to a risk of breach of fiduciary or statutory duties by any director or officer or a risk of personal liability).

“**UK Bail-In Legislation**” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“**UK Group**” means BN Midco Limited and each of its direct or indirect Subsidiaries.

“**Unfunded Pension Liability**” means the excess of an Employee Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that plan’s assets, determined in accordance with the assumptions used for funding the Employee Plan pursuant to Section 412 of the Code for the applicable plan year.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**Unrestricted Subsidiary**” means a member of the Group (other than the Company or an Obligor) which is a limited liability company and which is designated as an “**Unrestricted Subsidiary**” pursuant to and in compliance with the provisions of paragraph 8 (*Designation of Restricted and Unrestricted Subsidiaries*) of Schedule 14 (*Restrictive Covenants*).

“**U.S.**” or “**United States**” means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“**U.S. Bankruptcy Law**” means the United States Bankruptcy Code of 1978 (Title 11 of the United States Code) and any other United States federal or state bankruptcy, insolvency or similar law.

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended from time to time.

“**U.S. Exempt Noteholder**” shall mean a Noteholder that has provided a Withholding Tax Form (whether directly or attached to a W-8IMY, as appropriate) demonstrating a complete exemption from U.S. withholding tax and U.S. backup withholding with respect to payments under this Agreement.

“**U.S. Group**” means US AcquireCo, Inc. and each of its direct or indirect Subsidiaries.

“**U.S. Guarantor**” means a Guarantor whose jurisdiction of organisation is a state of the United States or the District of Columbia.

“**U.S. Issuer**” means (a) an Issuer that is or is treated as a U.S. Person and (b) upon a Listing, the Company.

“**U.S. Obligations**” has the meaning given to such term in Clause 21.14 (*Guarantee limitation – deemed dividends*).

“**U.S. Obligor**” means any U.S. Issuer or U.S. Guarantor.

“**U.S. Person**” means a United States person (as defined in Section 7701(a)(30) of the Code).

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended from time to time.

“**U.S. Tax Obligor**” means:

- (a) an Issuer which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for U.S. federal income tax purposes.

“**USD**”, “**\$**” or “**US dollar**” means the lawful currency of the United States of America.

“**VAT**” means:

- (a) any Tax imposed by the Value Added Tax Act 1994;
- (b) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other Tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

“**Withholding Tax Form**” has the meaning given to that term in paragraph (b) of Clause 16.8 (*U.S. Tax matters*).

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract

or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to the UK Bail-In Legislation any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (i) the “**Agent**”, any “**Finance Party**”, any “**Noteholder**”, any “**Obligor**”, any “**Party**”, any “**Secured Party**”, the “**Collateral Agent**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Collateral Agent, any person for the time being appointed as Collateral Agent or Collateral Agents in accordance with the Finance Documents;
 - (ii) a document in “**agreed form**” is a document which is previously agreed in writing by or on behalf of the Company and the Agent;
 - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
 - (iv) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated however fundamentally and includes (without limiting the generality of the foregoing) any variation, increase, extension or addition of or to any facility made available under such document or any variation of the purposes for which such facility may be made available from time to time;
 - (v) “**guarantee**” means (other than in Clause 21 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (vi) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

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- (vii) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a “**regulation**” includes any regulation, rule, official directive, request, order or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (ix) any matter or circumstance being “**permitted**” is to be construed as a reference to any matter or circumstance which is not expressly prohibited;
 - (x) a “**redemption**” of a Facility means a repayment or redemption of the Notes subscribed for by the Noteholders under that Facility;
 - (xi) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xii) a time of day is a reference to London time.
- (b) The determination of the extent to which a rate is “for a period equal in length” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
 - (c) Section, Clause and Schedule headings are for ease of reference only.
 - (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (e) A Default or an Event of Default is “**continuing**” if it has not been remedied or waived.
 - (f) For the avoidance of doubt, it is agreed that any Default in the form of the failure to deliver a document or perform an act within a period of time or on or by a specified date shall be capable of remedy and shall cease to be continuing once that document has been delivered or act performed.
 - (g) Any certificate provided by a person on behalf of the Company or any other member of the Group under the Finance Documents shall be provided without that person incurring any personal liability.
 - (h) A reference to “freehold property”, “heritable property” or “leasehold property” includes any equivalent type of property ownership.
 - (i) For the avoidance of doubt, in ascertaining the Majority Noteholders or Super Majority Noteholders or whether any given percentage of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents or for the purpose of the allocation of any redemption or for the purposes of taking any step, decision, direction or exercise of discretion which is calculated by reference to any Commitments not denominated in GBP (“**Non-GBP Commitments**”), those Non-GBP Commitments shall be deemed to be converted into GBP at (i) for any Facility A (EUR) Commitments, 1 EUR to 0.86 GBP, (ii) for any Facility A (USD) Commitments or any Facility A1 Commitments, 1 USD to 0.72 GBP or (iii) for any Additional Facility Commitments, the Agent’s Spot Rate of Exchange on the date the aggregate amount of the Non-GBP Commitments of the relevant Additional Facility was determined.

1.3 German terms

In this Agreement, where it relates to a German entity or other applicable term, a reference to:

- (a) a “**liquidator**”, “**receiver**”, “**administrative receiver**”, “**administrator**”, “**compulsory manager**” or other similar officer includes a restructuring agent (*Restrukturierungsbeauftragter*), an insolvency administrator (*Insolvenzverwalter*), interim insolvency administrator (*vorläufiger Insolvenzverwalter*), custodian (*Sachwalter*), interim custodian (*vorläufiger Sachwalter*), sequestrator (*Zwangsverwalter*) or creditor’s trustee (*Sachverwalter*);
- (b) a “**winding up**”, “**administration**” or “**dissolution**” includes a liquidation (*Liquidation*);
- (c) a “**step**” or “**procedure**” taken in connection with a moratorium for an entity to which German insolvency law applies includes the offer of a restructuring plan (*Restrukturierungsplan*) in accordance with section 17 StaRUG;
- (d) a “**moratorium**” includes, without limitation, stabilization orders (*Stabilisierungsanordnungen*) under the StaRUG, protective shield proceedings (*Schutzschirmverfahren*) and insolvency plan proceedings (*Insolvenzplanverfahren*);
- (e) a “**scheme of arrangement**” includes a restructuring plan (*Restrukturierungsplan*) in accordance with sections 2 et seqq. StaRUG;
- (f) “**director**” includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including but not limited to, in relation to a person incorporated or established in Germany, a *managing director* (*Geschäftsführer*) or *member of the board of directors* (*Vorstand*); and
- (g) a “**disposal**” includes:
 - (i) a *Verfügung*;
 - (ii) the entry into an agreement upon a priority notice (*Auflassungsvormerkung*);
 - (iii) an agreement on the transfer of title to a property (*Auflassung*) in whole or part; and
 - (iv) the partition of a ownership in a property (*Grundstücksteilung*).

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Intercreditor Agreement

This Agreement is subject to the Intercreditor Agreement. In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1.6 Baskets and thresholds

- (a) Any amounts incurred or paid on the basis of any basket, test or permission set by reference to a percentage of Consolidated EBITDA shall (**provided that** such amounts are, at the time of incurrence or payment, duly and properly incurred or paid in accordance with the relevant basket, test or permission) continue to be treated as duly and properly incurred or paid and shall not trigger a Default notwithstanding any subsequent decrease in such basket, test or permission by operation of the calculation of such basket, test or permission.
- (b) Subject, in the case of Indebtedness, to paragraph 3.4 of Schedule 14 (*Restrictive Covenants*), in the event that any Permitted Debt, Permitted Payment, Permitted Lien, Permitted Investment or other investment meets the criteria of more than one of the baskets or exceptions set out in this Agreement, the Company, in its sole discretion, will classify and may from time to time reclassify that amount or transaction to a particular basket or exception and will only be required to include that amount or transaction in one of those baskets or exceptions (and, for the avoidance of doubt, an amount or transaction may at the option of the Company be split between different baskets or exceptions) **provided that** at the time of such reclassification, the relevant member of the Group would be permitted to incur such indebtedness, make such investor payment, grant such security or enter into such acquisition or other investment under such exception.
- (c) If any basket or threshold is exceeded as a result of fluctuations in such basket or threshold (including due to fluctuations in Consolidated EBITDA of the Group or the relevant target company) or fluctuations in exchange rates or currency values subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or thresholds will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether transactions are permitted hereunder.

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement:

- (a) the Facility A (EUR) Noteholders make available to the Original Issuer a notes facility in an aggregate amount equal to the Total Facility A (EUR) Commitments, and irrevocably agree to subscribe for the notes to be issued by the Original Issuer under such facility;
- (b) the Facility A (GBP) Noteholders make available to the Original Issuer a notes facility in an aggregate amount equal to the Total Facility A (GBP) Commitments, and irrevocably agree to subscribe for the notes to be issued by the Original Issuer under such facility;
- (c) the Facility A (USD) Noteholders make available to the Original Issuer a notes facility in an aggregate amount equal to the Total Facility A (USD) Commitments, and irrevocably agree to subscribe for the notes to be issued by the Original Issuer under such facility; and
- (d) the Facility A1 Noteholders make available to the Original Issuer a notes facility in an aggregate amount equal to the Total Facility A1 Commitments, and irrevocably agree to subscribe for the notes to be issued by the Original Issuer under such facility.

- (a) The Company may by giving prior notice to the Agent by no later than the date falling 20 Business Days after the effective date of a cancellation of:
 - (i) the Available Commitments of a Defaulting Noteholder in accordance with Clause 10.5 (*Right of cancellation in relation to a Defaulting Noteholder*); or
 - (ii) the Commitments of a Noteholder in accordance with Clause 10.1 (*Illegality*),
request that the Total Commitments be increased (and the Total Commitments shall be so increased) in an aggregate Base Currency Amount of up to the amount of the Available Commitments or Commitments so cancelled as follows:
 - (iii) the increased Commitments will be assumed by one or more Noteholders or other banks, financial institutions, trusts, funds or other entities (each an “**Increase Noteholder**”) selected by the Company (each of which shall not be an Investor Affiliate or a member of the Group) and which is further acceptable to the Agent (acting reasonably) and each of which confirms its willingness to assume and does assume all the obligations of a Noteholder corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Notes Purchaser;
 - (iv) each of the Obligors and any Increase Noteholder shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Noteholder would have assumed and/or acquired had the Increase Noteholder been an Original Notes Purchaser;
 - (v) each Increase Noteholder shall become a Party as a “Noteholder” and any Increase Noteholder and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Noteholder and those Finance Parties would have assumed and/or acquired had the Increase Noteholder been an Original Notes Purchaser;
 - (vi) the Commitments of the other Noteholders shall continue in full force and effect; and
 - (vii) any increase in the Total Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Total Commitments will only be effective on:
 - (i) the execution by the Agent of an Increase Confirmation from the relevant Increase Noteholder;
 - (ii) in relation to an Increase Noteholder which is not a Noteholder immediately prior to the relevant increase:
 - (A) the Increase Noteholder entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (B) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Noteholder, the completion of which the Agent shall promptly notify to the Company and the Increase Noteholder.

- (c) Each Increase Noteholder, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Noteholder or Noteholders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (d) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Noteholder, the Company shall, on the date upon which the increase takes effect, pay to the Agent and the Collateral Agent the amount of all reasonable and documented costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Collateral Agent, by any Receiver or Delegate in connection with any increase in Commitments under this paragraph (d).
- (e) The Company may pay to the Increase Noteholder a fee or closing payment in the amount and at the times agreed between the Company and the Increase Noteholder in a Fee or Closing Payment Letter.
- (f) Clause 27.4 (*Limitation of responsibility of Existing Noteholders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Noteholder as if references in that Clause to:
 - (i) an “**Existing Noteholder**” were references to all the Noteholders immediately prior to the relevant increase;
 - (ii) the “**New Noteholder**” were references to that “Increase Noteholder”; and
 - (iii) a “**re-transfer**” were references to a “**transfer**”.

2.3 **Additional Facility**

- (a) Subject to the terms of this Clause 2.3, the Company may, with the prior consent of the Majority Noteholders, establish an Additional Facility under this Agreement by notice to the Agent (such notice, an “**Additional Facility Notice**”)
- (b) The Additional Facility Notice shall not be regarded as having been duly completed unless it is signed by each party thereto and specifies the following matters in respect of such Additional Facility:
 - (i) the Issuer for the Additional Facility;
 - (ii) the person(s) to become Additional Facility Noteholders in respect of the Additional Facility and the amount of the commitments of such Additional Facility allocated to each Additional Facility Noteholder;
 - (iii) the aggregate amount of the commitments of the Additional Facility and the currency being made available and any other or optional currency or currencies which are available for issuance under such Additional Facility;
 - (iv) the Margin applicable to the Additional Facility;
 - (v) the Establishment Date and Availability Period for the Additional Facility; and

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- (vi) the Termination Date and amortisation scheduled (if any) and any mandatory redemption provisions (including whether the Additional Facility will share rateably or less than rateably in mandatory redemptions).
 - (c) Nothing in this Clause 2.3 shall oblige any Noteholder to provide any Additional Facility Commitment at any time.
 - (d) Subject to the terms of this Clause 2.3, the Company may exercise its rights to request commitments for Additional Facilities on as many occasions as it wishes during the life of the Facilities.
 - (e) No person may become a Noteholder in respect of an Additional Facility unless such person is a U.S. Exempt Noteholder.
 - (f) If the Additional Facility Noteholders in respect of any Additional Facility Commitment (acting reasonably) and the Company so agree, those Additional Facility Commitments shall be made available on a certain funds basis in connection with an acquisition not prohibited by this Agreement, for such period and on such terms as the Company and those Additional Facility Noteholders shall agree.
 - (g) The establishment of an Additional Facility will only be effective on:
 - (i) the execution of the Additional Facility Notice relating to such Additional Facility by the Company and/or the relevant Issuer(s) and the relevant Additional Facility Noteholder(s) and delivery of such executed notice to the Agent; and
 - (ii) in respect of each Acceding Noteholder:
 - (A) the performance by the Agent of all necessary “know-your-customer” or similar checks under all applicable laws and regulations, the completion of which the Agent shall promptly notify to the Company; and
 - (B) that Acceding Noteholder entering into an Additional Noteholder Accession Deed.
 - (h) On the Establishment Date, the relevant Additional Facility shall come into effect and be established in accordance with its terms and:
 - (i) subject to the terms of this Agreement, the Additional Facility Noteholders make available to the relevant Issuer(s) a notes facility in an aggregate amount equal to the Additional Facility Commitments specified in the Additional Facility Notice, and irrevocably agree to subscribe for the notes to be issued under such facility;
 - (ii) each of the Obligor and each Additional Facility Noteholder shall assume obligations towards one another and/or acquire rights against one another as the Obligor and that Additional Facility Noteholder would have assumed and/or acquired had that Additional Facility Noteholder been an Original Notes Purchaser with respect to the Additional Facility Commitment specified opposite its name in the Additional Facility Notice;
 - (iii) each Additional Facility Noteholder and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Additional Facility Noteholder and those Finance Parties would have assumed and/or acquired had the Additional Facility Noteholder been an Original Notes Purchaser with respect to the Additional Facility Commitment specified opposite its name in the Additional Facility Notice;

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- (iv) each Additional Facility Noteholder shall become a Party as a "Noteholder"; and
 - (v) the Commitments of the other Noteholders shall continue in full force and effect.
 - (i) Each Obligor confirms:
 - (i) the authority of the Company to agree, implement and establish the Additional Facility in accordance with this Agreement; and
 - (ii) that its guarantee and indemnity recorded in Clause 21 (*Guarantee and Indemnity*) (or any applicable Accession Deed or other Finance Document), and all Transaction Security granted by it will, subject only to any applicable limitation on such guarantee and indemnity referred to in Clause 21 (*Guarantee and Indemnity*) and any Accession Deed pursuant to which it became an Obligor or the terms of the Transaction Security Documents, extend to include the relevant Additional Facility Notes and any other obligations arising under or in respect of the relevant Additional Facility Commitments.
 - (j) Each Finance Party agrees and empowers:
 - (i) the Agent promptly (upon request of (and as reasonably requested by) the Company) to acknowledge, execute and confirm acceptance of each Additional Facility Notice; and
 - (ii) the Agent and the Collateral Agent at the cost of the Obligors (provided such costs are reasonably incurred) to (and the relevant Obligor shall promptly upon request by the Agent or the Collateral Agent in accordance with the Agreed Security Principles) execute any necessary amendments to the Transaction Security Documents and other Finance Documents (including this Agreement and the Intercreditor Agreement) as may be required in order to ensure that any Additional Facility Commitments are made available on the terms contemplated in this Clause 2.3 and the Additional Facility Notice.
 - (k) The Agent and/or the Collateral Agent shall as soon as reasonably practicable send to the Company a copy of each executed Additional Facility Notice and, if applicable, Additional Noteholder Accession Deed and if applicable, the documentation required for the Additional Facility Noteholder to accede to the Intercreditor Agreement.
 - (l) The terms applicable to any Additional Facility will be those agreed by the Additional Facility Noteholders in respect of that Additional Facility and the Company. If there is any inconsistency between any such term agreed in respect of an Additional Facility and any other term of a Finance Document, the term agreed in respect of the Additional Facility shall prevail with respect to such Additional Facility.
 - (m) Each Additional Facility Noteholder by executing the Additional Facility Notice confirms, acknowledges, and agrees, that the Agent has authority to execute on its behalf any amendments or waiver that has been approved by or on behalf of the requisite Noteholder or Noteholders in accordance with this Agreement on or prior to the date on which the establishment of the Additional Facility becomes effective.

- (n) The Agent is authorised by the Group to disclose the terms of any Additional Facility Notice to any of the other Finance Parties and, upon request by the other Finance Parties, will promptly disclose such terms to the other Finance Parties.
- (o) Subject to the terms of this Clause 2.3, the Company may pay to an Additional Facility Noteholder a fee or closing payment in the amount and at the times agreed between the Company and the Additional Facility Noteholder.

2.4 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any Note or any other amount owed by an Obligor which relates to a Finance Party's Notes under a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.5 Obligors' Agent

- (a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Deed irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of an Issuer, any Notes Subscription Requests), to deliver any Additional Facility Notice, to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Notes Subscription Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.
- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of

another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

- (c) For this purpose each Obligor incorporated in Germany releases the Company to the fullest extent possible from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

3. PURPOSE

3.1 Purpose

- (a) The Original Issuer shall apply all amounts borrowed by it under Facility A in or towards (directly or indirectly):
- (i) refinancing certain outstanding indebtedness of the Parent and the Group, including without limitation the Existing Debt (together with any breakage costs, redemption premium, make-whole costs and other fees, closing payments, commissions, costs and expenses related thereto and in connection with the discharge of such indebtedness and related security and guarantees); and/or
 - (ii) general corporate purposes and/or working capital purposes of the Group.
- (b) The Original Issuer shall apply all amounts borrowed by it under Facility A1 in or towards (directly or indirectly) general corporate purposes and/or working capital purposes of the Group.
- (c) Each Issuer under an Additional Facility shall apply all amounts borrowed by it under the Additional Facility in or towards the purposes specified in the Additional Facility Notice relating to the relevant Additional Facility Commitments.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF NOTES SUBSCRIPTION

4.1 Initial conditions precedent

The Noteholders will only be obliged to comply with Clause 5.4 (*Noteholders' subscription*) in relation to any Notes Subscription if on or before the Notes Subscription Date for that Notes Subscription the Agent has received (or (acting on the instruction of the Majority Noteholders) has waived receipt of or is satisfied that it will, on or before the Closing Date, receive) all of the documents and other evidence listed in Part 1 (*Conditions Precedent to first Notes Subscription*) of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent (acting of the instructions of the Majority Noteholders, in each case, acting reasonably). The Agent shall notify the Issuer and the Noteholders promptly upon being so satisfied.

4.2 Further conditions precedent

Subject to Clause 4.1 (*Initial conditions precedent*), the Noteholders will only be obliged to comply with Clause 5.4 (*Noteholders' subscription*) in relation to a Notes Subscription if on the date of the Notes Subscription Request and on the proposed Notes Subscription Date:

- (a) no Event of Default is continuing or would result from the proposed Notes Subscription;
- (b) the Repeating Representations to be made by each Obligor are true and accurate in all respects (or, to the extent that the relevant representation does not include a materiality concept, are true and accurate in all material respects); and
- (c) with respect to Facility A1 only, no member of the Group has any outstanding Indebtedness under the U.S. Small Business Administration Paycheck Protection Program.

4.3 Conditions relating to Optional Currencies

- (a) A currency will constitute an Optional Currency in relation to a Notes Subscription if:
 - (i) in the case of Facility A1, it is GBP or EUR; or
 - (ii) it has been approved by the Agent (acting on the instructions of all the Noteholders under the relevant Facility) on or prior to receipt by the Agent of the relevant Notes Subscription Request for that Notes Subscription.
- (b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company no later than the Specified Time:
 - (i) whether or not the relevant Noteholders have granted their approval; and
 - (ii) if approval has been granted, the minimum amount for any subsequent Notes Subscription in that currency.

4.4 Maximum number of Notes Subscriptions

An Issuer may not deliver a Notes Subscription Request if, as a result of the proposed Notes Subscription:

- (a) Notes from more than one Facility A (EUR) Notes Subscription would be outstanding;
- (b) Notes from more than one Facility A (GBP) Notes Subscription would be outstanding;
- (c) Notes from more than one Facility A (USD) Notes Subscription would be outstanding; or
- (d) Notes from more than four Facility A1 Notes Subscriptions would be outstanding.

5. NOTES SUBSCRIPTION

5.1 Delivery of a Notes Subscription Request

An Issuer may utilise a Facility by delivery to the Agent of a duly completed Notes Subscription Request not later than the Specified Time (or such later time as the Agent may agree acting on the instructions of all the Noteholders).

5.2 Completion of a Notes Subscription Request for Notes

- (a) Each Notes Subscription Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Notes Subscription Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Notes Subscription comply with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed Interest Period complies with Clause 14 (*Interest Periods*).
- (b) Only one Notes Subscription may be requested in each Notes Subscription Request.
- (c) Notwithstanding any other provision of this Agreement, unless an Issuer has obtained the consent of the Jersey Financial Services Commission to the issue of Notes in accordance with the provisions of the Control of Borrowing (Jersey) Order 1958, no Notes shall be issued or transferred to any person if such issue or transfer would result in there being more than 10 holders of the Notes issued by such Issuer.

5.3 Currency and amount

- (a) The currency specified in a Notes Subscription Request must be the Base Currency or an Optional Currency.
- (b) The amount of the proposed Notes Subscription must be a minimum of:
 - (i) if the currency selected is GBP, GBP 1,000,000 or, if less, the Available Facility; or
 - (ii) if the currency selected is USD, \$1,000,000 or, if less, the Available Facility; or
 - (iii) if the currency selected is EUR, €1,000,000 or, if less, the Available Facility; or
 - (iv) if the currency selected is an Optional Currency other than USD, EUR or GBP, the minimum amount specified by the Agent pursuant to paragraph 4.3(b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

5.4 Noteholders' subscription

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 9.1 (*Redemption of Notes*), each Noteholder shall subscribe for the relevant Notes in a Notes Subscription by the Notes Subscription Date through its Facility Office.
- (b) The amount of each Noteholder's subscription for Notes in each Notes Subscription will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to subscribing for the relevant Notes.
- (c) The Agent shall determine the Base Currency Amount of each Notes Subscription which is to be issued and subscribed for in an Optional Currency and notify each Noteholder of the amount, currency and the Base Currency Amount of each Notes Subscription and the amount of its subscription for Notes in that Notes Subscription and, if different, the amount of that subscription to be made available in cash by the Specified Time.

5.5 Cancellation of Commitment

- (a) The Facility A Commitments in respect of which no subscription has been made shall be immediately cancelled at the end of the Availability Period for Facility A.
- (b) The Facility A1 Commitments in respect of which no subscription has been made shall be immediately cancelled at the end of the Availability Period for Facility A1.
- (c) The Additional Facility Commitments relating to the Additional Facility in respect of which no subscription has been made shall be immediately cancelled at the end of the Availability Period for the Additional Facility.

6. CONSTITUTION OF THE NOTES

6.1 Constitution of the Notes

The Notes will be:

- (a) issued in registered form;
- (b) issued in a minimum amount of:
 - (i) if the currency selected is GBP, £0.01;
 - (ii) if the currency selected is USD, \$0.01;
 - (iii) if the currency selected is EUR, €0.01;
 - (iv) if the currency selected is an Optional Currency other than USD, EUR or GBP, agreed between the relevant Issuer and the Agent; or
 - (v) in the case of any Additional Facility Notes, the minimum amount agreed between the relevant Issuer and the relevant Additional Facility Noteholders,and, in each case, integral multiples thereof;
- (c) considered issued when their details are registered in the Notes Register; and
- (d) subject to the terms and conditions of this Agreement.

7. NOTES REGISTER

7.1 Agent to maintain Notes Register

The Company authorises the Agent to maintain at its address referred to in Clause 35.2 (*Addresses*):

- (a) each Transfer Certificate referred to in Clause 27.5 (*Procedure for transfer*), each Increase Confirmation and each Additional Facility Notice delivered to and accepted by it; and
- (b) a register of the Notes (a “**Notes Register**”), which may be kept in electronic form.

- (a) The Agent shall record in the Notes Register details of the issue of:
 - (i) the Facility A (EUR) Notes;
 - (ii) the Facility A (GBP) Notes;
 - (iii) the Facility A (USD) Notes;
 - (iv) the Facility A1 Notes; and
 - (v) any Additional Facility Notes,
 on each relevant Notes Subscription Date.
- (b) The Agent shall maintain the Notes Register, which, for each Notes Subscription, shall show:
 - (i) that name of the Issuer;
 - (ii) the date of issue of the Notes pursuant to the relevant Notes Subscription;
 - (iii) the name and address of each relevant Noteholder;
 - (iv) the Commitment of each relevant Noteholder;
 - (v) the initial principal amount of the Notes in the relevant Notes Subscription;
 - (vi) amounts and dates of redemptions of principal;
 - (vii) amounts and dates of capitalisation or cash payments (if applicable) of interest;
 - (viii) the principal amount outstanding;
 - (ix) the Termination Date; and
 - (x) all subsequent transfers and changes of ownership of each Note,
 and the Agent shall promptly following receipt of such information amend and update the Notes Register as necessary in order to accurately record the foregoing information. The Agent will deliver to the Issuer a copy of the Notes Register within five Business Days of demand.
- (c) The entries in the Notes Register shall be conclusive and binding for all purposes, absent manifest error, and the Company, the Agent and the Noteholders shall treat each person whose name is recorded in the Notes Register as a Noteholder hereunder for all purposes of this Agreement.
- (d) Each Party to this Agreement irrevocably authorises and instructs the Agent to make the relevant entry in the Notes Register (and which the Agent shall do promptly) on its behalf for the purposes of this Clause 7.2 without any further consent of, or consultation with, such Party.
- (e) The Agent shall, upon request by an Existing Noteholder (as defined in Clause 27 (*Transfers by Noteholders*)) or a New Noteholder, confirm to that Existing Noteholder or New Noteholder whether a transfer from that Existing Noteholder or (as the case may be) to that New Noteholder has been recorded on the Notes Register (including details of the Commitment of that Existing Noteholder or New Noteholder in each Facility).

- (f) The Agent shall, promptly following each Notes Subscription Date and each PIK Capitalisation Date, provide the Company and the Notes Listing Agent with an up-to- date copy of the Notes Register.
- (g) Title to Notes shall pass upon the execution and delivery to the Agent of a Transfer Certificate in relation thereto in accordance with Clause 27 (*Changes to the Noteholders*).

8. NOTES CERTIFICATES

8.1 Issue of Notes Certificates

Subject to having received a Notes Certificate duly executed by an Issuer, the Agent shall, if requested to do so by any Noteholder following a Notes Subscription or a transfer in accordance with Clause 27 (*Changes to the Noteholders*), deliver a Notes Certificate to such Noteholder in respect of the Notes held by that Noteholder.

8.2 Signing Notes Certificates

A Notes Certificate shall not be considered to have been issued unless and until it has been signed by the relevant Issuer.

8.3 Status of Notes Certificate

A Notes Certificate shall serve as evidence of the relevant records in the Notes Register and shall not represent title to the Notes. In the event of a conflict between information in a Notes Certificate and information in the Notes Register, the information in the Notes Register will prevail.

8.4 Stocks of blank Notes Certificates

Each Issuer shall execute and deliver to the Agent such number of blank Notes Certificates, duly signed by it, as the Agent may from time to time reasonably require to comply with its obligations under this Agreement.

8.5 Delivery of replacements

Subject to receipt of sufficient blank Notes Certificates, the Agent shall, upon and in accordance with the instructions of the Company or the relevant Issuer (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity), complete and deliver replacement Notes Certificates.

8.6 Replacement Notes Certificates

The Agent shall not deliver any replacement Notes Certificate:

- (a) if the Notes Certificate being replaced has been mutilated or defaced otherwise than against the surrender of the same; and
- (b) until the claimant of the Notes Certificate has:
 - (i) provided to the Agent such evidence, security and indemnity as the relevant Issuer and/or Agent may reasonably require; and

- (ii) paid such costs and expenses as may be incurred in connection with such replacement.

8.7 Replacements to be numbered

Each replacement Notes Certificate shall bear a unique serial number.

8.8 Cancellation and destruction

The Agent shall cancel and destroy each mutilated or defaced Notes Certificate surrendered to it in respect of which a replacement Notes Certificate has been delivered.

8.9 Notification

The Agent shall notify the Company and relevant Issuer of the delivery by it of any replacement Notes Certificate surrendered to it in respect of which a replacement Notes Certificate has been delivered.

9. REDEMPTION

9.1 Redemption of Notes

- (a) The Issuer under Facility A shall redeem the Facility A Notes in full on the Termination Date in respect of Facility A.
- (b) The Issuer under Facility A1 shall redeem the Facility A1 Notes on the Termination Date in respect of Facility A1.
- (c) The Issuer shall redeem the aggregate Additional Facility Notes under an Additional Facility in accordance with the redemption terms set out in the relevant Additional Facility Notice.
- (d) No Issuer may reissue (and no Noteholder shall be obliged to subscribe for) Notes which have been redeemed.

10. ILLEGALITY, OPTIONAL REDEMPTION AND CANCELLATION

10.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Noteholder to perform any of its obligations as contemplated by this Agreement or subscribe for or continue to hold any Notes or it becomes unlawful for any Affiliate of a Noteholder for that Noteholder to do so:

- (a) that Noteholder shall promptly notify the Agent upon becoming aware of that event (such notice a “**Noteholder Illegality Notice**”);
- (b) upon the Agent notifying the Issuer, each Available Commitment of that Noteholder will be immediately cancelled; and
- (c) to the extent that the Notes held by that Noteholder have not been transferred pursuant to Clause 39.4 (*Replacement of Noteholder*), the Issuer shall redeem that Noteholder’s Notes to the extent necessary to comply with applicable laws on the last day of the Interest Period for the relevant Notes Subscription occurring after the Agent has notified the Company or, if earlier, the date specified by the Noteholder in the Noteholder Illegality Notice (being no earlier than the last Business Day of any applicable grace period permitted by law) and that Noteholder’s Commitments shall be cancelled in the amount of the portion of the Notes redeemed.

10.2 Voluntary cancellation

The Company may, if it gives the Agent not less than three Business Days' prior notice (or such shorter notice period as the Majority Noteholders may agree), cancel the whole or any part (being a minimum amount of GBP 2,000,000 or its equivalent in other currencies) of an Available Facility. Any cancellation under this Clause 10.2 shall reduce the Commitments of the Noteholders rateably under that Facility.

10.3 Optional redemption of Notes Subscription

- (a) Subject to paragraph (b) below, an Issuer may, if it or the Company gives the Agent not less than three Business Days' (or such shorter period as the Majority Noteholders may agree) prior notice, redeem some or all of the Notes in a Notes Subscription (but if in part, being an amount that reduces the Base Currency Amount of the relevant Notes Subscription by a minimum amount of GBP 2,000,000 or its equivalent in other currencies).
- (b) The relevant Issuer may elect to apply a redemption of Notes made under this Clause 10.3 against any or all of the Notes Subscriptions in such proportions as it selects in its sole discretion, but any such redemption with respect to a Notes Subscription shall be on a *pro rata* basis among the Notes in that Notes Subscription.

10.4 Right of cancellation and redemption in relation to a single Noteholder

- (a) If:
 - (i) any sum payable to any Noteholder by an Obligor is required to be increased under paragraph (c) of Clause 16.2 (*Tax gross-up*); or
 - (ii) any Noteholder claims indemnification from the Issuer or an Obligor under Clause 16.3 (*Tax indemnity*) or 17.1 (*Increased Costs*),the Company may, whilst the circumstance giving rise to such breach or the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Noteholder and its intention to procure the redemption of the Notes held by it.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Noteholder, the Commitment of that Noteholder shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Noteholder (or, if earlier, the date specified by the Company in that notice), the Issuer shall redeem that Noteholder's Notes, together with all interest and other amounts accrued under the Finance Documents.

10.5 Right of cancellation in relation to a Defaulting Noteholder

- (a) If any Noteholder becomes a Defaulting Noteholder, the Company may, at any time whilst the Noteholder continues to be a Defaulting Noteholder, give the Agent at least five (5) Business Days' notice of cancellation of each Available Commitment of that Noteholder.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Noteholder shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Noteholders.

11. MANDATORY REDEMPTION

11.1 Exit

If a Change of Control occurs:

- (a) the Company will notify the Agent within 10 Business Days after becoming aware of that event and the Agent will promptly notify the Noteholders thereafter (a “**notice of Change of Control offer**”);
- (b) within 60 days following the date of the notice of Change of Control offer, each Noteholder may request redemption of all Notes held by it, together with accrued interest, and payment of all other amounts accrued under the Finance Documents; and
- (c) within 10 Business Days of the election for redemption made by the relevant Noteholder in accordance with sub-paragraph (b) above, the Issuers shall make the required redemptions and payments to the Agent for the account of that Noteholder.

11.2 Disposals Proceeds

- (a) For the purposes of this Clause 11.2 and Clause 11.3 (*Application of mandatory redemption*)
 - “**Asset Sale**” has the meaning ascribed to such term in Schedule 14 (*Restrictive Covenants*).
 - “**Asset Sale Proceeds**” has the meaning ascribed to the term “Net Proceeds” in Schedule 14 (*Restrictive Covenants*).
 - “**Disposal Proceeds**” means the Asset Sale Proceeds in relation to any Asset Sale less Excluded Disposal Proceeds.
 - “**Excluded Disposal Proceeds**” means the Asset Sale Proceeds of any Asset Sale:
 - (i) which the Company or any Restricted Subsidiary elects (in its sole discretion) to apply for any of the purposes set out in and in accordance with paragraph 1.2 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*); or
 - (ii) which constitute Excess Proceeds (as defined in paragraph 1.5 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*)) where the aggregate amount of such Excess Proceeds is less than the greater of £5,000,000 and 6.7 per cent. of LTM Consolidated EBITDA (or its equivalent in other currencies).
- (b) Subject to paragraphs (c), (d) and (e) below, the Company shall ensure that the Issuers redeem Notes, and cancel Available Commitments, in amounts equal to the Disposal Proceeds the following amounts at the times and in the order of application contemplated by Clause 11.3 (*Application of mandatory redemptions*).
- (c) Redemption will not be required under this Clause 11.2 in respect of any Trapped Cash.
- (d) The Company shall use its, and shall procure that each member of the Group will use their, reasonable endeavours to overcome the circumstances resulting in an amount being Trapped Cash including, where the material costs and Taxes do not exceed five per cent. of the amount to be prepaid, using other Group cash which is not Trapped Cash to prepay an equivalent amount provided such redemption would not be materially prejudicial to overall Group liquidity or the availability thereof to members of the Group requiring funds. If, at any time, the circumstances resulting in an amount being Trapped Cash are removed or no longer subsisting, the amount which was Trapped Cash will be applied in redemption of the Facilities at the end of the next Interest Period thereafter.

- (e) Notwithstanding the terms of paragraph (b) above, if at a time when any redemption pursuant to paragraph (b) above would be required, any member of the Group is required to prepay or offer to repurchase or prepay any Indebtedness permitted to be incurred by a member of the Group under this Agreement ranking *pari passu* in right of repayment with the Facilities pursuant to the terms of the documentation governing such Indebtedness (including, for the avoidance of doubt, the Revolving Credit Facility Agreement) with the Disposal Proceeds (such Indebtedness required to be offered to be so repurchased or prepaid, the “**Other Applicable Indebtedness**”), then the relevant member of the Group may apply such Disposal Proceeds on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Facilities and Other Applicable Indebtedness at such time) to the redemption of the Facilities and to the repurchase, redemption or prepayment of Other Applicable Indebtedness, and the amount of redemption of the Facilities that would otherwise have been required pursuant to this Clause 11.2 shall be reduced accordingly.

11.3 Application of mandatory redemptions

- (a) A redemption of Notes or cancellation of Available Commitments made under Clause 11.2 above shall be applied in redemption of Notes under Facility A, Facility A1 and (unless specified to the contrary in the relevant Additional Facility Notice) any Additional Facility on a *pro rata* basis as contemplated in paragraphs (b) to (d) inclusive below.
- (b) Unless the Company makes an election under paragraph (c) below, the Issuers shall redeem Notes in the case of any redemption relating to the amounts of Disposal Proceeds promptly (and by no later than 10 Business Days) after the end of the relevant period described in paragraph 1.2 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*), **provided that** if the Company has conclusively determined that it will not apply or commit to apply such proceeds in compliance with such paragraph, such prepayment shall be made promptly (and by no later than 10 Business Days) after that determination.
- (c) Subject to paragraph (d) below, the Company may elect that any redemption under Clause 11.2 above be applied in redemption of any relevant Notes on the last day of the Interest Period for the relevant Notes Subscription. If the Company makes that election then the relevant Notes will be due and payable on the last day of that Interest Period.
- (d) If the Company has made an election under paragraph (c) above but an Event of Default has occurred and is continuing, that election shall no longer apply and the relevant Notes shall be immediately due and payable (unless the Majority Noteholders otherwise agree in writing).

11.4 Declining redemptions

- (a) Where a redemption of Notes is to be made under the provisions set out in Clause 11.3 (*Application of mandatory redemptions*), the Agent shall, once it has received a notice from the Company under either paragraphs (b) or (c) of Clause 11.3 (*Application of mandatory redemptions*) specifying that the Company has elected that this Clause 11.4 shall apply to such redemption, promptly notify the Noteholders of such redemption and a Noteholder may, if it notifies the Agent within five Business Days from the date that it receives such notice from the Agent, elect to waive all or a specified part of its share of such redemption. If a Noteholder fails to give the Agent such notice that Noteholder shall be deemed to have elected not to waive any part of its share of the relevant redemption and the Agent shall be entitled to proceed accordingly.

- (b) Redemptions waived by a Noteholder in accordance with paragraph (a) above will, at the Company's option, be offered to those Noteholders (if any) that did not waive such redemption *pro rata* to their share of Commitments under the relevant Facility and any remaining balance not so accepted by a Noteholder within two Business Days of such offer will be retained by the Group for its general corporate purpose.

12. RESTRICTIONS

12.1 Notices of cancellation or redemption

Any notice of cancellation, redemption, authorisation or other election given by any Party under Clause 10 (*Illegality, Optional redemption and Cancellation*) shall (subject to the terms of that Clause) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or redemption is to be made and the amount of that cancellation or redemption.

12.2 Interest and other amounts

Any redemption under this Agreement shall be made together with accrued interest on the amount redeemed and, subject to any redemption fee or payment arising under Clause 15.4 (*Redemption fee – Facility A and Facility AI*), without premium or penalty.

12.3 Re-issuance of Notes

No Issuer may reissue (and no Noteholder shall be obliged to subscribe for) Notes which have been redeemed.

12.4 Redemption in accordance with Agreement

No Issuer shall redeem all or any part of the Notes or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

12.5 No reinstatement of Commitments

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

12.6 Agent's receipt of notices

If the Agent receives a notice under Clause 10 (*Illegality, Optional redemption and Cancellation*), it shall promptly forward a copy of that notice or election to either the Company or the affected Noteholder, as appropriate.

12.7 Effect of redemption on Commitments

If one or more Notes are redeemed and are not available for reissuance, an amount of the Commitments (equal to the amount of Notes which are redeemed) will be deemed to be cancelled on the date of redemption.

13. INTEREST

13.1 Calculation of interest

The rate of interest on the Notes for each Interest Period is the percentage rate per annum equal to the applicable Margin.

13.2 Payment of interest

Subject to Clause 13.3 (*PIK Interest*), each Issuer shall pay accrued interest on the Notes issued by it in cash on the last day of each Interest Period (and, if the Interest Period is longer than three Months, on the dates falling at three Monthly intervals after the first day of the Interest Period).

13.3 PIK Interest

- (a) All PIK Interest due and owing in respect of a Note on the last day of the Interest Period for the relevant Notes Subscription will be capitalised, compounded and added to the unpaid principal amount of that Note on the last day of each Interest Period for that Notes Subscription (and, if the Interest Period is longer than three Months, on the dates falling at three Monthly intervals after the first day of the Interest Period) (the “**PIK Capitalisation Date**”).
- (b) Amounts representing PIK Interest accrued on a Note shall be treated as part of the principal amount of the relevant Note for the purpose of this Agreement and shall bear interest in accordance with this Clause 13.3.

13.4 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2 per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Notes Subscription in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 13.4 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Notes Subscription which became due on a day which was not the last day of an Interest Period relating to that Notes Subscription:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Notes Subscription; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 1 per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

13.5 Notification of rates of interest

The Agent shall promptly notify the Noteholders and the relevant Issuer (or the Company) of the determination of a rate of interest under this Agreement.

14. INTEREST PERIODS

14.1 Selection of Interest Periods and terms

- (a) The Issuer may select an Interest Period for the Notes in a Notes Subscription in the Notes Subscription Request for the relevant Notes or (if the Notes have already been issued) in a Selection Notice.
- (b) Each Selection Notice for the Notes in a Notes Subscription is irrevocable and must be delivered to the Agent by the relevant Issuer not later than the Specified Time.
- (c) If the Issuer fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three Months.
- (d) Subject to this Clause 14.1, an Issuer (or the Company on its behalf) may select an Interest Period of three Months or such other period agreed between the Company and the Agent (acting on the instructions of the Majority Noteholders) in relation to the relevant Note.
- (e) An Interest Period for a Notes Subscription shall start on the Notes Subscription Date for that Notes Subscription or (if already issued) on the last day of its preceding Interest Period.
- (f) An Interest Period for a Notes Subscription shall not extend beyond the relevant Termination Date.

14.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

14.3 Consolidation and division of Notes Subscriptions

- (a) If two or more Interest Periods:
 - (i) relate to Notes Subscriptions under the same Facility to be made to the same Issuer; and
 - (ii) end on the same date,those Notes Subscriptions will, if the Issuer so requests and **provided that** those Notes Subscriptions are denominated in the same currency, be consolidated into, and treated as, a single Notes Subscription in relation to that Facility, as applicable, on the last day of the Interest Period.
- (b) Subject to Clause 4.4 (*Maximum number of Notes Subscriptions*), and Clause 5.3 (*Currency and amount*), if an Issuer requests in a Selection Notice that a Notes Subscription for a Facility be divided into two or more Notes Subscriptions for that Facility, that Notes Subscription will, on the last day of its Interest Period, be so divided with Base Currency Amounts specified in that Selection Notice, having an aggregate Base Currency Amount equal to the Base Currency Amount of the Notes Subscription immediately before its division.

15. FEES AND CLOSING PAYMENTS

15.1 Closing payment

The Company shall pay (or procure the payment of) to the Agent (for the account of each Facility A Noteholder and Facility A1 Noteholder) one or more closing payments in the amounts and at the times agreed in the Initial Closing Payment Letter.

15.2 Agency fee

The Company shall pay (or procure the payment of) to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee or Closing Payment Letter.

15.3 Collateral Agent fee

The Company shall pay (or procure the payment of) to the Collateral Agent (for its own account) the Collateral Agent fee in the amount and at the times agreed in a Fee or Closing Payment Letter.

15.4 Redemption fee – Facility A and Facility A1

- (a) In respect of any redemption by the Original Issuer of Facility A Notes pursuant to Clause 10.3 (*Optional redemption of Notes Subscriptions*) or Clause 11.1 (*Exit*), the Original Issuer shall pay to the Agent for the account of the relevant Noteholders a redemption fee or payment equal to the per cent. of the principal amount of the Notes being redeemed, stated for the date of such redemption as follows:
 - (i) 1.9005 per cent. for the period beginning on (and including) the Closing Date and ending on (but excluding) the second anniversary of the Closing Date;
 - (ii) 0.9502 per cent. for the period beginning on (and including) the second anniversary of the Closing Date and ending on (but excluding) the third anniversary of the Closing Date; and
 - (iii) 0.00 per cent. for any date on or following the third anniversary of the Closing Date.
- (b) In respect of any redemption by the Original Issuer of Facility A1 Notes pursuant to Clause 10.3 (*Optional redemption of Notes Subscriptions*) or Clause 11.1 (*Exit*), the Original Issuer shall pay to the Agent for the account of the relevant Noteholders a redemption fee or payment equal to the per cent. of the principal amount of the Notes being redeemed, stated for the date of such redemption as follows:
 - (i) 2.00 per cent. for the period beginning on (and including) the Closing Date and ending on (but excluding) the second anniversary of the Closing Date;
 - (ii) 1.00 per cent. for the period beginning on (and including) the second anniversary of the Closing Date and ending on (but excluding) the third anniversary of the Closing Date; and
 - (iii) 0.00 per cent. for any date on or following the third anniversary of the Closing Date.

(c) Notwithstanding anything to the contrary in this Clause 15.4:

- (i) for the avoidance of doubt, no redemption fee or payment set out in paragraph (a) or (b) above shall apply to amounts that are redeemed pursuant to or by virtue of Clause 10.1 (*Illegality*), Clause 10.4 (*Right of cancellation and redemption in relation to a single Noteholder*), Clause 11.2 (*Disposals, Insurance and Recovery Proceeds*), Clause 26.12 (*Acceleration*), Clause 26.13 (*U.S. insolvency acceleration*) or Clause 39.4 (*Replacement of Noteholder*); and
- (ii) prior to the second anniversary of the Closing Date, the Original Issuer may elect to prepay up to 50 per cent. of the aggregate principal amount of Facility A Notes and Facility A1 Notes outstanding as at the date of redemption (and, for the avoidance of doubt, such redemption shall be made in accordance with Clause 10.3 (*Optional redemption of Notes Subscription*) and, in particular, there shall be no requirement for the Original Issuer to redeem on a *pro rata* basis across Facility A Notes and Facility A1 Notes) at a price equal to:
 - (A) for any Facility A Notes so redeemed, 100.9502 per cent. of the aggregate principal amount of the Facility A Notes so redeemed,
 - (B) for any Facility A1 Notes so redeemed, 101.00 per cent. of the aggregate principal amount of the Facility A1 Notes so redeemed,in each case, without being subject to the redemption fee contemplated by paragraph (a) or (b) above and **provided that** such redemption is made with the proceeds of a Listing or one or more New Shareholder Injections; and
- (iii) (notwithstanding paragraph (b) of Clause 13.3 (*PIK Interest*)), no redemption fee or payment set out in paragraph (a) above shall apply to amounts that are redeemed which represent PIK Interest accrued on a Note.

15.5 No deal, no fee

Notwithstanding any other provision of this Agreement or any other Finance Document, no fees, commissions, costs or expenses (other than reasonable and properly incurred legal fees (subject to an agreed cap) and expenses in connection with the drafting and the negotiating of the Finance Documents up to the amounts agreed between the Original Notes Purchasers and the Company under any Finance Document) shall be payable if the Closing Date does not occur.

16. TAX GROSS UP AND INDEMNITIES

16.1 Definitions

In this Agreement:

“**Bank Levy**” means an amount payable by a Finance Party or any of its Affiliates on the basis of or in relation to its balance sheet or capital base or any part of it or its liabilities or minimum regulatory capital or any combination thereof, including: (a)(i) the UK bank levy as set out in the Finance Act 2011, (ii) the French *taxe pour le financement du fonds de soutien aux collectivités territoriales* as set out in Article 235 ter ZE bis of the French Tax Code, (iii) the German bank levy as set out in the German Bank Restructuring Fund Act 2010 (Restrukturierungs Fondsgesetz, Fed. Law Gazette 1 2010, p.1900) in each case to the extent enacted and in force as at the date of this Agreement (together the “**Existing Bank Levies**”), and (b) any financial activities taxes (or other taxes) of a kind contemplated in the European

Commission consultation paper on financial sector taxation dated 22 February 2011 and any substantively similar bank levy or Tax in any other jurisdiction to the extent that such bank levy imposes obligations that are no more onerous than those imposed under the Existing Bank Levies.

“**Change of Law**” means any change which occurs after the date of this Agreement or, if later, after the date on which the relevant Noteholder became a Noteholder under this Agreement in (or in the interpretation, administration, or application of) any law, regulation or Treaty or any published practice or published concession of any relevant taxing authority in each case other than a change in a Relevant Covered Tax Agreement (or the interpretation, administration or application of a Relevant Covered Tax Agreement) that occurs pursuant to the MLI and in accordance with MLI Reservations or MLI Notifications made by (on the one hand) the MLI Noteholder Jurisdiction and (on the other hand) the MLI Issuer Jurisdiction, where each relevant MLI Reservation or MLI Notification satisfies the MLI Disclosure Condition.

“**Issuer DTTP Filing**” means an HM Revenue & Customs’ Form DTTP2 duly completed and filed by the relevant Issuer, which:

- (a) where it relates to a Treaty Noteholder that is an Original Notes Purchaser, contains the scheme reference number and jurisdiction of tax residence stated opposite that Noteholder’s name in Part 2 of Schedule 1 (*The Original Parties*), and
 - (i) where the UK Issuer is an Original Issuer, is filed with HM Revenue & Customs within 30 days of the date of this Agreement; or
 - (ii) where the UK Issuer is an Additional Issuer, is filed with HM Revenue & Customs within 30 days of the date on which that Issuer becomes an Additional Issuer; or
- (b) where it relates to a Treaty Noteholder that is a New Noteholder or an Increase Noteholder, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Noteholder in the relevant Transfer Certificate or Increase Confirmation, and
 - (i) where the UK Issuer is an Issuer as at the relevant Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect) is filed with HM Revenue & Customs within 30 days of that Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect); or
 - (ii) where the UK Issuer is not an Issuer as at the relevant Transfer Date (or date on which the increase in Commitments described in the relevant Increase Confirmation takes effect), is filed with HM Revenue & Customs within 30 days of the date on which that Issuer becomes an Additional Issuer.

“**MLI**” means the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting of 24 November 2016.

“**MLI Disclosure Condition**” means the freely accessible publication of the relevant MLI Reservation or MLI Notification on the OECD website (to the extent that such MLI Reservation or MLI Notification has not been withdrawn or superseded and taking into account any applicable amendments) no later than 10 Business Days prior to the date of this Agreement where the relevant Noteholder is an Original Notes Purchaser, or no later than 10 Business Days prior to the date on which the relevant Noteholder became a Noteholder pursuant to this Agreement where the relevant Noteholder is not an Original Notes Purchaser.

“**MLI Issuer Jurisdiction**” means the jurisdiction in which the relevant Issuer is treated as resident for the purposes of the Relevant Covered Tax Agreement.

“**MLI Noteholder Jurisdiction**” means the jurisdiction in which the relevant Noteholder is treated as resident for the purposes of the Relevant Covered Tax Agreement.

“**MLI Notification**” means a notification validly made pursuant to Article 29 of the MLI. “**MLI Reservation**” means a reservation validly made pursuant to Article 28 of the MLI.

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Qualifying Noteholder**” means:

- (a) a Noteholder which is beneficially entitled to interest payable to that Noteholder in respect of an advance under a Finance Document and is:
 - (i) a Noteholder:
 - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payment apart from section 18A of the CTA; or
 - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
 - (ii) a Noteholder which is:
 - (A) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (B) a partnership each member of which is:
 - (1) a company so resident in the United Kingdom; or
 - (2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;
 - (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
 - (iii) a Treaty Noteholder; or

- (b) a Noteholder which is a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Finance Document.

“Relevant Covered Tax Agreement” means a Covered Tax Agreement (as such term is defined under Article 2(1)(a) of the MLI) the parties to which are the MLI Noteholder Jurisdiction and the MLI Issuer Jurisdiction.

“Tax Confirmation” means a confirmation by a Noteholder that the person beneficially entitled to interest payable to that Noteholder in respect of an advance under a Finance Document is either:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
- (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

“Tax Credit” means a credit against, relief or remission for, or repayment of, any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“Tax Payment” means either the increase in a payment made by an Obligor to a Finance Party under Clause 16.2 (*Tax gross-up*) or a payment under Clause 16.3 (*Tax indemnity*).

“Treaty Noteholder” means a Noteholder which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Noteholder’s holding of the Notes is effectively connected; and
- (c) meets all the other conditions in the Treaty for full exemption from tax imposed by the United Kingdom on interest except that for this purpose it shall be assumed that any necessary procedural formalities have been completed.

“Treaty State” means a jurisdiction having a double taxation agreement (a **“Treaty”**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

“UK Issuer” means any Issuer tax resident in the United Kingdom.

“UK Non-Bank Noteholder” means a Noteholder which gives a Tax Confirmation in the Transfer Certificate, Additional Noteholder Accession Deed or Increase Confirmation which it executes on becoming a Party, and for the avoidance of doubt such Tax Confirmation shall at the same time be deemed to be given to the Company.

Unless a contrary indication appears, in this Clause 16 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination acting in good faith.

16.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Noteholder shall promptly notify the Agent on becoming so aware in respect of a payment payable to that Noteholder. If the Agent receives such notification from a Noteholder it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Subject to paragraph (e) below, a payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
 - (i) the payment could have been made to the relevant Noteholder without a Tax Deduction if the Noteholder had been a Qualifying Noteholder, but on that date that Noteholder is not or has ceased to be a Qualifying Noteholder other than as a result of any Change of Law; or
 - (ii) the relevant Noteholder is a Qualifying Noteholder solely by reason of falling within the definition of Qualifying Noteholder in paragraph (a)(ii) of Clause 16.1 (*Definitions*) and:
 - (A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a “**Direction**”) under section 931 of the ITA which relates to the payment and that Noteholder has received from the Obligor making the payment or from the Issuer a certified copy of that Direction; and
 - (B) the payment could have been made to the Noteholder without any Tax Deduction if that Direction had not been made; or
 - (iii) the relevant Noteholder is a Qualifying Noteholder solely by reason of falling within paragraph (a)(ii) of Clause 16.1 (*Definitions*) of the definition of Qualifying Noteholder and:
 - (A) the relevant Noteholder has not given a Tax Confirmation to the Company; and
 - (B) the payment could have been made to the Noteholder without any Tax Deduction if the Noteholder had given a Tax Confirmation to the Company, on the basis that the Tax Confirmation would have enabled the Company to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or

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- (iv) the relevant Noteholder is a Treaty Noteholder and the Obligor making the payment is able to demonstrate that the payment could have been made to the Noteholder without the Tax Deduction had that Noteholder complied with its obligations under paragraph (h) below.
 - (e) Notwithstanding paragraph (d) above, a payment shall be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom where such Tax Deduction arises as a result of a Change of Law in relation to section 882 of the ITA.
 - (f) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
 - (g) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA (if the Tax Deduction is in respect of Tax imposed by the United Kingdom) or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
 - (h)
 - (i) Subject to paragraph (h)(ii) below, a Treaty Noteholder and each Obligor which makes a payment to which that Treaty Noteholder is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
 - (ii)
 - (A) a Treaty Noteholder which becomes a Party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Part 2 of Schedule 1 (*The Original Parties*); and
 - (B) a New Noteholder or an Increase Noteholder that is a Treaty Noteholder that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Transfer Certificate, Additional Noteholder Accession Deed or Increase Confirmation which it executes,and, having done so, that Noteholder shall be under no obligation pursuant to paragraph (i) above.
 - (i) If a Noteholder has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (h)(ii) above and:
 - (i) a UK Issuer making a payment to that Noteholder has not made an Issuer DTTP Filing in respect of that Noteholder; or
 - (ii) a UK Issuer making a payment to that Noteholder has made the Issuer DTTP Filing in respect of that Noteholder but:

- (A) that Issuer DTTP Filing has been rejected by HM Revenue & Customs; or
 - (B) HM Revenue & Customs has not given that UK Issuer authority to make payments to that Noteholder without a Tax Deduction within 60 days of the date of the Issuer DTTP Filing,
 - (C) HM Revenue & Customs has given the UK Issuer authority to make payments to that Noteholder without a Tax Deduction but such authority has subsequently been revoked or expired,

and in each case, the UK Issuer has notified that Noteholder in writing, that Noteholder and the UK Issuer shall co-operate in completing any additional procedural formalities necessary for that UK Issuer to obtain authorisation to make that payment without a Tax Deduction.
- (j) If a Noteholder has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (h)(ii) above, no Obligor shall make the Issuer DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Noteholder's Commitment(s) or its subscription in any Notes Subscription unless that Noteholder otherwise agrees.
 - (k) A UK Issuer shall, promptly on making the Issuer DTTP Filing, deliver a copy of that Issuer DTTP Filing to the Agent for delivery to the relevant Noteholder.
 - (l) A UK Non-Bank Noteholder shall promptly notify the Company and the Agent if there is any change in the position from that set out in the Tax Confirmation.

16.3 Tax indemnity

- (a) The Company shall (or shall procure that an Obligor shall) (within five (5) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
 - (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction (or any political subdivision thereof) in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction (or any political subdivision thereof) in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction; or
 - (C) under the law of any jurisdiction (or any political subdivision thereof) in which that Finance Party is treated as having a permanent establishment for tax purposes in respect of amounts received or receivable in that jurisdiction,
- if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party or, in the case of a Tax imposed by the United States (or any of its political subdivisions), if that Tax is a franchise Tax (imposed in lieu of net income Taxes) or a branch profits Tax; or

- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 16.2 (*Tax gross up*);
 - (B) would have been compensated for by an increased payment under Clause 16.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 16.2 (*Tax gross-up*) applied or because the exclusion in paragraph (a) or (d) of Clause 16.8 (*U.S. Tax matters*) applied;
 - (C) is compensated for under Clause 16.6 (*Stamp taxes*) Clause 16.7 (*VAT*), or would have been so compensated but was not so compensated solely because one of the exclusions in the relevant clause applied;
 - (D) relates to a FATCA Deduction required to be made by a party; or
 - (E) is suffered or incurred by a Finance Party in respect of a Bank Levy.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 16.3, notify the Agent.

16.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

16.5 Noteholder status confirmation

Each Noteholder which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Additional Noteholder Accession Deed or Increase Confirmation which it executes on becoming a Party, and in each case for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

- (a) not a Qualifying Noteholder;
- (b) a Qualifying Noteholder (other than a Treaty Noteholder); or
- (c) a Treaty Noteholder;

If such a Noteholder fails to indicate its status in accordance with this Clause 16.5, then such a Noteholder shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Noteholder until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate, Additional Noteholder Accession Deed or Increase Confirmation shall not be invalidated by any failure of a Noteholder to comply with this Clause 16.5.

16.6 Stamp taxes

The Company shall pay (or shall procure that an Obligor shall) and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document, other than any such cost, loss or liability incurred in relation to stamp duty, registration and other similar Taxes payable upon the entry into a Transfer Certificate, Additional Noteholder Accession Deed or Increase Confirmation.

16.7 VAT

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is or becomes chargeable on such supply or supplies, and accordingly, subject to paragraph
- (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and that Finance Party is required to account to the relevant tax authority for the VAT, that Party shall pay to the Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall also reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this Clause 16.7, to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the Value Added Tax Act 1994, as may be amended or substituted from time to time), or to the person who is treated as making the supply, or (as appropriate) receiving the supply, under the grouping rules as provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by a Member State).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party’s VAT registration and such other information as is reasonably requested in connection with such Finance Party’s VAT reporting requirements in relation to such supply.

16.8

U.S. Tax matters

- (a) Notwithstanding any other provisions of this Clause 16, an Obligor shall be entitled to make a withholding with respect to any payment hereunder (without being required to make a gross-up payment under Clause 16.2 (*Tax gross-up*) or an indemnity payment under Clause 16.3 (*Tax indemnity*)) on account of any Tax imposed by the United States under any Finance Document in respect of an amount owed by a U.S. Issuer to a Noteholder to the extent that such Tax was required as a result of the failure by a Noteholder to provide any of the Withholding Tax Forms required by paragraphs (b),
- (c) or (d) of this Clause 16.8, unless such Noteholder ceases to be able to legally provide a Withholding Tax Form or withdraws a previously tendered Withholding Tax Form as a result of any change after the date it became a Noteholder under this Agreement in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority.
- (b) On the date a Noteholder becomes a Noteholder with respect to a Note for which the Issuer is a U.S. Issuer, or a Commitment extended to a U.S. Issuer (including as a result of such Noteholder becoming a Party to this Agreement or as a result of a Listing), such Noteholder shall provide, as relevant, (i) an IRS Form W-9, (ii) an IRS Form W-8ECI, (iii) an IRS Form W-8BEN-E claiming a complete exemption under an applicable double tax treaty from U.S. tax on income earned under this Agreement, (iv) an IRS Form W-8EXP, (v) an IRS Form W-8BEN-E accompanied by a certification that it is not a (1) a bank within the meaning of Section 881(c)(3)(A) of the Code, (2) ten percent shareholder of the Parent or the U.S. Issuer within the meaning of Section 871(h)(3)(B) of the Code and (3) it is not a controlled foreign corporation related to the Parent or the U.S. Issuer as described in Section 881(c)(3)(C) of the Code, or (vi) any other IRS forms or certifications that establish the Noteholder is entitled to a complete exemption from U.S. tax on income earned under this Agreement (each such IRS form along with any successor forms being a “**Withholding Tax Form**”). Withholding Tax Forms may be provided directly or attached to an IRS Form W-8IMY, as appropriate.
- (c) Each Noteholder in respect of a U.S. Issuer shall subsequently provide Withholding Tax Forms upon the Noteholder in respect of a U.S. Issuer taking any actions that cause the previously provided Withholding Tax Forms to no longer be accurate or as soon as practicable upon reasonable request of the U.S. Issuer, except to the extent the Noteholder is unable to do so because of a change after the date it became a Noteholder under this Agreement in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority.

- (d) Notwithstanding paragraphs (a) and (b) above, if a Noteholder transfers any of its rights or obligations under the Finance Documents, the transferee shall be entitled to the benefit of Clauses 16.2 (*Tax gross-up*) and 16.3 (*Tax indemnity*) with respect to a Tax imposed by the United States, other than to the extent the transferee or assignee is subject to greater amounts of such Tax than the transferor or assignor on payments made at the time of the transfer, provided the transferee or assignee delivers a Withholding Tax Form it is legally able to provide establishing any exemption or reduction in U.S. withholding taxes it is eligible for.
- (e) Each Noteholder hereby confirms that it is and will remain a U.S. Exempt Noteholder except as a result of any change in law after the date it became a Noteholder under this Agreement and agrees that the Issuer is entitled to net from the payments to the relevant Noteholder hereunder any United States federal withholding Taxes imposed on payments within the Group resulting from a breach of such confirmation and representation.

16.9 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Party to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

- (e) If an Issuer is a U.S. Tax Obligor, or where the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Noteholder shall, within ten Business Days of:
 - (i) where an Issuer is an Issuer on the date on which this Agreement is entered into and is a U.S. Tax Obligor and the relevant Noteholder is an Original Notes Purchaser, the date of this Agreement;
 - (ii) where an Issuer is a U.S. Tax Obligor on a date on which any other Noteholder becomes a Party as a Noteholder, that date;
 - (iii) the date a new U.S. Tax Obligor accedes as an Issuer; or
 - (iv) where the Issuer is not a U.S. Tax Obligor, the date of a request from the Agent, supply to the Agent:
 - (A) a withholding certificate on Form W-8 or Form W-9 (or any other relevant form) (as applicable); or
 - (B) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Noteholder under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Noteholder pursuant to paragraph (e) above to the relevant Issuer.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Noteholder pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Noteholder shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Noteholder to do so (in which case the Noteholder shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Issuer.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Noteholder pursuant to paragraph (e) to (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

16.10 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

17. INCREASED COSTS

17.1 Increased Costs

- (a) Subject to Clause 17.3 (*Exceptions*) the Company shall, within three (3) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement **provided that** notwithstanding anything herein to the contrary, Basel III and the Dodd—Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and shall in each case be deemed to be have been introduced after the date of this Agreement, regardless of the date enacted, adopted or issued.
- (b) In this Agreement “**Increased Costs**” means:
- (i) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
 - (ii) an additional or increased cost;
 - (iii) a reduction of any amount due and payable under any Finance Document; or
- which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

17.2 Increased Cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 17 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

17.3 Exceptions

- (a) Clause 17.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) attributable to any Bank Levy;
 - (iv) compensated for by Clause 16.3 (*Tax indemnity*) (or would have been compensated for under Clause 16.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 16.3 (*Tax indemnity*));

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- (v) is compensated for under Clause 16.6 (*Stamp taxes*), or would have been so compensated but was not so compensated solely because one of the exclusions in that clause applied, or is compensated for under Clause 16.7 (*VAT*);
 - (vi) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) but excluding any Increased Cost attributable to Basel III or any other law or regulation which implements Basel III (in each case, unless a Finance Party was or reasonably should have been aware of that Increased Cost on the date on which it became an Finance Party under this Agreement); or
 - (vii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;
 - (viii) attributable to the implementation or application of, or compliance with, Basel III or CRD IV to the extent that a Finance Party knew about the relevant Increased Cost on or prior to the date on which it became a Finance Party (**provided that**, if the Increased Cost was not fully quantifiable on or prior to the date on which it became a Finance Party, Clause 17.1 (*Increased Costs*) shall apply to that amount of the Increased Cost which was not, or could not reasonably be expected to have been, quantifiable).
- (b) In this Clause 17.3 reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 16.1 (*Definitions*).
- (i) “**Basel III**” means:
 - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
 - (B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
 - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;
 - (ii) “**CRD IV**” means EU CRD IV and UK CRD IV;

(iii) “**EU CRD IV**” means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;

(iv) “**UK CRD IV**” means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 548/2012 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**Withdrawal Act**”);
- (B) the law of the United Kingdom or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and
- (C) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act.

18. OTHER INDEMNITIES

18.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,that Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

18.2 Other indemnities

- (a) The Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:
 - (i) the occurrence of any Event of Default;
 - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 32 (*Sharing among the Finance Parties*);
 - (iii) subscribing or making arrangements to subscribe, for Notes in a Notes Subscription requested by the Issuer in a Notes Subscription Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (iv) a Notes Subscription (or part of a Notes Subscription) not being redeemed in accordance with a notice of redemption given by an Issuer or the Company.

18.3 Indemnity to the Agent

18.4 The Company shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default; or
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

19. MITIGATION BY THE NOTEHOLDERS

19.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 10.1 (*Illegality*), 16 (*Tax gross-up and indemnities*) or 17 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

19.2 Limitation of liability

- (a) The Company shall (or shall procure that an Obligor will) promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 19.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 19.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

20. COSTS AND EXPENSES

20.1 Transaction expenses

The Company shall (or shall procure that an Obligor will) (subject to any arrangements agreed with the Agent prior to the date of this Agreement) promptly on demand and in any event within three (3) Business Days of demand pay (or procure payment) to the Agent and the Collateral Agent the amount of all reasonable costs and expenses (including legal fees) and disbursements subject to the limits, if any, as agreed between the Noteholders and the Company reasonably incurred by any of them (and, in the case of the Collateral Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the date of this Agreement.

20.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 33.10 (*Change of currency*), the Company shall, within three (3) Business Days of demand, reimburse each of the Agent and the Collateral Agent for the amount of all reasonable costs and expenses (including legal fees subject to any applicable arrangements agreed in writing) reasonably incurred by the Agent and the Collateral Agent (and, in the case of the Collateral Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Enforcement and preservation costs

The Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Collateral Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

21. GUARANTEE AND INDEMNITY

21.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;

- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 21 if the amount claimed had been recoverable on the basis of a guarantee.

21.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

21.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored or returned in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 21 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

21.4 Waiver of defences

The obligations of each Guarantor under this Clause 21 will not be affected by an act, omission, matter or thing which, but for this Clause 21, would reduce, release or prejudice any of its obligations under this Clause 21 (without limitation and whether or not known to it or any Finance 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 of any member of the Group;
- (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 instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

In the event that any Issuer becomes subject to any proceeding under the U.S. Bankruptcy Code, each Guarantor agrees that, as between such Guarantor and the Finance Parties, all or any portion of the amounts owing under this Agreement by such Issuer may be declared to be forthwith due and payable as provided in Clause 26.13 (*U.S. insolvency acceleration*) of this Agreement (and shall be deemed to have become automatically due and payable in the circumstances described in Clause 26.13 (*U.S. insolvency acceleration*) of this Agreement) for purposes of this Clause 21, notwithstanding any stay (including under the U.S. Bankruptcy Code), injunction or other prohibition preventing the same as against such Issuer and that, in such event, all such amounts (whether or not due and payable by such Issuer) shall forthwith become due and payable by the Guarantor for purposes of this Clause 21.

21.5 Guarantor intent

Without prejudice to the generality of Clause 21.4 (*Waiver of defences*) each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business 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.

21.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 21. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

21.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 21.

21.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by

it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 21:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance 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 Guarantor has given a guarantee, undertaking or indemnity under Clause 21.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 33 (*Payment mechanics*).

21.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other Disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

21.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

21.11 Other limitations

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of section 678 or 679 of the Companies Act 2006 or any equivalent and applicable provisions under the law of the jurisdiction of incorporation of the relevant Guarantor and, with respect to any Additional Guarantor, is subject to any limitations set out in the Accession Deed applicable to such Additional Guarantor.

21.12 Guarantee limitation – Excluded Swap Obligations

- (a) Any term or provision of this Clause 21 or any other term in this Agreement or any Finance Document notwithstanding, the obligations guaranteed under this Clause 21 shall not include any Excluded Swap Obligation.
- (b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honour all of its obligations under the Finance Documents in respect of Swap Obligations (**provided, however, that** each Qualified ECP Guarantor shall only be liable under this paragraph (b) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Clause 21, or otherwise under the Finance Documents, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this paragraph
- (b) shall remain in full force and effect until the discharge or release of the guarantee pursuant to the terms of the Finance Documents. Each Qualified ECP Guarantor intends that this paragraph (b) constitute, and this paragraph (b) shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Finance Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

21.13 Guarantee limitation – fraudulent conveyance

Notwithstanding anything to the contrary contained herein, the maximum liability of any U.S. Guarantor hereunder shall be the lesser of (i) 95% of the Net Assets of such U.S. Guarantor and (ii) an amount equal to the largest amount that would not render such U.S. Guarantor’s obligations under this Agreement subject to avoidance under applicable United States federal or state fraudulent transfer, fraudulent conveyance or similar laws after giving full effect to the liability under such guarantee set forth this Clause 21 and its related contribution rights but before taking into account any liabilities under any other guarantee by such U.S. Guarantor. For such purpose, the term “**Net Assets**” of any such U.S. Guarantor shall mean the highest amount, determined as of any Determination Date, by which (a) all of such U.S. Guarantor’s property at fair valuation (within the meaning of Section 101(32)(A) of the U.S. Bankruptcy Code but excluding the capital stock or other ownership interests issued by any other Guarantor or by any other person that is required hereby to become a Guarantor) exceeds (b) such U.S. Guarantor’s debts (as defined in Section 101(12) of the U.S. Bankruptcy Code but excluding its obligations hereunder), and the term “**Determination Date**” shall mean each of (1) the date on which such U.S. Guarantor becomes obligated hereunder, (2) the date of the commencement of a case under the US Bankruptcy Code in which such U.S. Guarantor is a debtor and (3) the date of enforcement of the liabilities of such U.S. Guarantor hereunder.

21.14 Guarantee limitation - deemed dividends

Any term or provision of this Clause 21 or any other term in this Agreement or any Finance Document notwithstanding:

- (a) no member of the Group (other than the Parent and the Company) that is (i) a controlled foreign corporation for U.S. federal income tax purposes (a “**CFC**”); (ii) a direct or indirect subsidiary of a CFC, or (iii) a direct or indirect subsidiary of the Company substantially all of the assets of which consist of (x) equity interests in one or more CFCs (a “**CFC Holdco**”) and/or (y) intercompany loans, indebtedness or receivables owed by any CFC (“**CFC Debt**”) will have any obligation or liability, directly or indirectly, as guarantor or otherwise under this Agreement or any Finance Document with respect to any obligation or liability arising under any Finance Document of a U.S. Issuer (a “**U.S. Obligation**”);

- (b) not more than 65% of the stock or other equity interests (measured by the total combined voting power of the issued and outstanding voting stock or other equity interests) of, and none of the assets or property (which includes stock or equity interests in entities) of a member of the Group that is an entity described in paragraphs (a)(i), (ii) or (iii) above and no secured CFC Debt may be pledged or otherwise secured directly or indirectly as security for any U.S. Obligations;
- (c) any applicable guarantee or Transaction Security previously provided by any member of the Group shall be released without further action (or, in the case of any Transaction Security Document, at the Company's option, amended in order to ensure that such Transaction Security Document ceases to secure the Pari Passu Liabilities (as defined in the Intercreditor Agreement) relating to this Agreement) if the Company (i) is or becomes a U.S. Issuer and, in turn, triggers the application of clauses (a) or (b) above or (ii) determines that such guarantee or Transaction Security is reasonably expected to result in any non-*de minimis* adverse tax consequences to any member of the Group or any direct or indirect parent entity (**provided that** (x) if the Company is or becomes a U.S. Issuer, any Transaction Security over the stock or shares of any first-tier CFC or CFC Holdco owned by the Company (which, for the avoidance of doubt, does not for these purposes include the Company Security Interest) shall be limited to 65% as described in paragraph (b) above and (y) under no circumstances shall the Company Security Interest be required to be released under the preceding paragraphs (a) or (b) or this paragraph (c)); and
- (d) any entity released pursuant to this Clause 21.14 above (a "**Released Guarantor**") shall remain a "Guarantor" and an "Obligor" for the purposes of this Agreement but shall not, under any circumstances, be considered to provide any guarantee or (direct or indirect) collateral support for any U.S. Obligations and shall not be considered a "Guarantor" for any provision that relates to any guarantee or (direct or indirect) collateral support for U.S. Obligations.

21.15 Guarantee limitation – Germany

In this Clause 21.15:

"**German Guarantor**" means a Guarantor incorporated or established in Germany in the legal form of a limited liability company (*GmbH*) or a limited partnership with a limited liability company as general partner (*GmbH & Co. KG*).

"**Guarantee**" means the guarantee and indemnity granted pursuant to this Clause 21 and any other indemnities under any Finance Document.

"**Guarantee Obligation**" means any payment obligations of any Guarantor incurred pursuant to this Clause 21, any indemnity or any other payment obligation (other than a direct borrowing obligation) created under this Agreement.

"**Net Assets**" means an amount equal to the sum of the amounts of the German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) assets (to be determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") consistently applied by the German Guarantor in preparing its unconsolidated annual balance sheets (*Jahresabschluss*) according to section 42 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung* – "**GmbHG**") and in accordance with sections 30, 31 GmbHG (as applicable at the time of enforcement) and by only taking into account the sum of the values of the assets of the German Guarantor which

correspond to the items set forth in section 266 paragraph 2 A, B, C, D and E HGB) less the aggregate amount of such German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) liabilities (consisting of all liabilities and liability reserves which correspond to the items set forth in section 266 paragraph 3 B, C, D and E HGB and any amounts not available for distribution according to section 253 paragraph 6 HGB but, for the avoidance of doubt, excluding any liabilities under or relating to the Guarantee Obligations), save that any obligations (*Verbindlichkeiten*) of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner):

- (a) owing to any member of the Group or any other affiliated company which are subordinated by law or by contract to any Indebtedness outstanding under this Agreement (including, for the avoidance of doubt, obligations that would in an insolvency be subordinated pursuant to section 39 paragraph 2 of the German Insolvency Code (*Insolvenzordnung*) and including obligations under guarantees for obligations which are so subordinated); or
 - (b) incurred in wilful or gross negligent violation of any of the provisions of the Finance Documents,
- shall be disregarded.

The Net Assets shall be determined in accordance with the generally accepted accounting principles applicable from time to time in Germany (*Grundsätze ordnungsmäßiger Buchführung*).

"Protected Capital" means in relation to a German Guarantor the aggregate amount of:

- (a) its (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) share capital (*Stammkapital*) as registered in the commercial register (*Handelsregister*) **provided that** any increase registered after the date of this Agreement (or in the case of an Additional Guarantor, the date it has become party to this Agreement) shall not be taken into account unless (i) such increase has been effected with the prior written consent of the Agent (even if such increase is permitted under this Agreement or any other Finance Document) and (ii) only to the extent it is fully paid up; and
- (b) its (or when applicable where the German Guarantor is a GmbH & Co. KG, its general partner's) amount of profits (*Gewinne*) which are not available for distribution to its shareholder(s) in accordance with section 268 paragraph 8 HGB.

"Up-stream and/or Cross-stream Guarantee" means any Guarantee if and to the extent such Guarantee secures the obligations of an Obligor which is a shareholder of the German Guarantor (and/or, in the case of a GmbH & Co. KG, of its general partner) or an affiliated company (*verbundenes Unternehmen*) of such shareholder within the meaning of section 16, 17 or 18 of the German Stock Corporation Act (*Aktiengesetz*) (other than the German Guarantor and its Subsidiaries and, in the case of a GmbH & Co. KG, the general partner and its Subsidiaries), **provided that** it shall not constitute an Up-stream or Cross-stream Guarantee if and to the extent the Guarantee guarantees amounts outstanding under any Finance Document in relation to any financial accommodation made available under such Finance Document to any Issuer and on-lent to, or issued for the benefit of, the relevant German Guarantor or any of its Subsidiaries (and, where the German Guarantor is a GmbH & Co. KG, to, or for the benefit of, its general partner or any of its Subsidiaries) and outstanding from time to time.

- (a) This Clause 21.15 applies if and to the extent the Guarantee is given by a German Guarantor and is an Up-stream and/or Cross-stream Guarantee.

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- (b) Each Finance Party agrees that the enforcement of the Guarantee granted by a German Guarantor shall be limited if:
- (i) (and to the extent that) the Guarantee constitutes an Up-stream and/or Cross- Stream Guarantee; and
 - (ii) payment under the Guarantee would otherwise,
 - (A) have the effect of reducing the German Guarantor's (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) Net Assets to an amount that is lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital or, if the amount of the Net Assets is already lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital, cause the Net Assets to be further reduced; and
 - (B) thereby give rise to a violation of the capital maintenance requirement as set out in section 30 paragraph 1 of the GmbHG.
- (c) Within ten (10) Business Days after a Finance Party has made a demand under the Guarantee, the German Guarantor shall provide a certificate to the Agent signed by its managing director(s) confirming in writing if and to what extent the Guarantee is an Up-stream and/or Cross-stream Guarantee and an enforcement of the Guarantee would have the effects referred to in paragraph (b)(ii) above (the "**Management Determination**"). Such confirmation shall comprise an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, its general partner) and a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner). The relevant German Guarantor shall fulfil its obligations under the Guarantee within three (3) Business Days of providing the Management Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Management Determination would not cause the effects set out in paragraph (b)(ii) above (irrespective of whether or not the Agent agrees with the Management Determination).
- (d) If the Agent (acting on the instructions of the Majority Noteholders) disagrees with the Management Determination, it may within twenty (20) Business Days of its receipt request the German Guarantor to deliver, at its own cost and expense, within twenty (20) Business Days of such request an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner), drawn-up by an auditor appointed by the German Guarantor in consultation with the Agent, together with a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) (the "**Auditor's Determination**"). The German Guarantor shall fulfil its obligations under the Guarantee within three (3) Business Days of providing the Auditor's Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Auditor's Determination would not cause the effects set out in paragraph (b)(ii) above.
- (e) No reduction of the amount enforceable pursuant to this Clause 21.15 will prejudice the right of the Finance Parties to continue to enforce the Guarantee (subject always to the operation of the limitations set out above at the time of such enforcement) until full satisfaction of the claims guaranteed.

- (f) The Finance Parties shall upon written demand of the relevant German Guarantor to the Agent (on behalf of the Finance Parties) repay to the relevant German Guarantor any amount which the Agent would not have been entitled to enforce had the Management Determination or the Auditor's Determination been delivered in time or the difference between the amount paid and the amount payable resulting from the Auditor's Determination calculated as of the date the demand in respect of a Guarantee Obligation was made.
- (g) Each German Guarantor shall (and, in the case of a German Guarantor in the form of a GmbH & Co. KG, shall procure that its general partner will) do everything commercially justifiable and legally permitted to avoid the enforcement of the Guarantee becoming limited pursuant to the terms of this Clause 21.15 and shall in particular, within three (3) months after a written request of the Agent (such request not to be made except in a situation where that German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) does not have sufficient Net Assets to maintain its Protected Capital) realise at least at market value any of its (and, in the case of a GmbH & Co. KG, any of its general partner's) assets that is not necessary for its business (*nicht betriebsnotwendig*) (or, in the case of a GmbH & Co. KG, that of its general partner) and is shown in its (or, in the case of a GmbH & Co. KG, its general partner's) balance sheet with a book value that is in the reasonable opinion of the Agent significantly lower than the market value.

21.16 Jersey Law Waiver

- (a) Each Obligor irrevocably and unconditionally waives and abandons any and all rights or entitlement which it has or may have under the existing or future laws of Jersey, whether by virtue of the customary law rights of *droit de discussion* or otherwise, to require that recourse be had to the assets of an Obligor or any other person before any claim is enforced against it in respect of its obligations under any Secured Debt Document (as defined in the Intercreditor Agreement).
- (b) Each Obligor irrevocably and unconditionally waives and abandons any and all rights or entitlement which it has or may have under the existing or future laws of Jersey, whether by virtue of the customary law right of *droit de division* or otherwise, to require that any liability in respect of its obligations under this Clause 21 or in respect of any other obligations assumed by it under this Agreement or any other Secured Debt Document (as defined in the Intercreditor Agreement) be divided or apportioned with any other person or reduced in any manner.

22. REPRESENTATIONS

22.1 General

Save as expressly stated to the contrary, the Company and each Obligor (or, in the case of Clauses 22.11 (*Financial Model*) and 22.12 (*Financial statements*), the Company) makes the representations and warranties set out in this Clause 22 to each Finance Party at the times specified in Clause 22.32 (*Times when representations made*).

22.2 Status

- (a) It (and each of its Restricted Subsidiaries) is a limited liability corporation or limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It (and each of its Restricted Subsidiaries) has the power to own its material assets and carry on its business as it is being conducted.

22.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

22.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) the constitutional documents of any member of the Restricted Group or the Parent; or
- (c) any agreement or instrument binding upon it or any member of the Restricted Group or any of its or any member of the Restricted Group's assets or constitute a default or termination event (however described) under any such agreement or instrument, save to the extent such conflict, default or termination event does not and is not reasonably likely to have a Material Adverse Effect.

22.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.
- (b) No limit on its powers will be exceeded as a result of the issuing of Notes, grant of Security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

22.6 Validity and admissibility in evidence

- (a) All Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
 - (ii) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect except for those necessary to satisfy the Perfection Requirements which will be satisfied promptly after execution of the relevant documents and in any event within the time periods required by law or, if shorter, under the Agreed Security Principles.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of members of the Restricted Group and the Parent have been obtained or effected and are in full force and effect if the failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

22.7 Governing law and enforcement

Subject to the Legal Reservations:

- (a) the choice of governing law of the Finance Documents (to which it is a party) will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document (to which it is a party) in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

22.8 Insolvency

No:

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 26.6 (*Insolvency proceedings*); or
- (b) creditors' process described in Clause 26.8 (*Creditors' process*),

has been taken or, to the knowledge of the Company, threatened in relation to a member of the Restricted Group or the Parent and none of the circumstances described in Clause 26.5 (*Insolvency*) applies to a member of the Restricted Group or the Parent, where falling within paragraph (b) of the definition of Permitted Transaction.

22.9 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees (except for fees associated with the notarization of German law share pledge agreements) be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except for the Perfection Requirements and payment of associated fees which shall be completed and paid promptly (and in any event within the periods prescribed by law) after the date of the relevant Finance Document (except in respect of the SIR filing relating to each Transaction Security Document governed by Jersey law, which will take place on or before the date of that Transaction Security Document).

22.10 No default

- (a) No Event of Default and, on the date of this Agreement, no Default is continuing or is reasonably likely to result from the issuance of any Notes or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Restricted Subsidiaries or to which its (or any of its Restricted Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

22.11 Financial Model and information

- (a) So far as the Company is aware and save as disclosed to the Agent or the Original Notes Purchasers in writing prior to the date of this Agreement, any material financial projections and forecast contained in the Financial Model have, in all material respects, been prepared on the basis of recent historical information and on the basis of

assumptions believed in good faith to be reasonable in all material aspects at the time made (**provided that** each Finance Party hereby acknowledges that such projections (i) as to future events, are not to be viewed as facts, and are subject to significant uncertainties and contingencies, many of which are beyond the Company's control, that no assurance can be given that the projections will be realised and that actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and (ii) are not a guarantee of performance).

- (b) So far as the Company is aware as of the date of this Agreement:
 - (i) all material written factual information (other than the projections of the Group, forward looking information and information of a general economic or industry specific nature) furnished by or on behalf of the Company to the Original Notes Purchasers in writing in connection with the Facilities (the "**Information**"), when taken as a whole after giving effect to all supplements and updates provided thereto, is correct in all material respects on the date the Information is dated (where applicable) and/or as at the date at which the Information is provided and/or stated to be given, in each case by reference to the facts and circumstances existing on such date;
 - (ii) the Information does not omit to state any material fact that would result in the Information (taken as a whole) being untrue or misleading in any material respect in light of the circumstances under which it was made available (after giving effect to any supplements and updates thereto); and
 - (iii) the Affiliate Transactions Schedule is accurate in all material respects.

22.12 Financial statements

- (a) The Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied and give a true and fair view of the consolidated financial condition of the Group as at the end of, and the consolidated results of operations of the Group for, the financial year to which they relate (unless expressly disclosed to the Agent or the Original Notes Purchasers in writing to the contrary prior to the date of this Agreement).
- (b) The most recent financial statements of the Company delivered pursuant to Clause 23.1 (*Financial statements*) have been prepared in accordance with the Accounting Principles consistently applied and give a true and fair view of (if audited), or fairly present (if unaudited), its financial condition as at the end of, and consolidated results of operations of that Obligor for, the period to which they relate.
- (c) The Budgets supplied under this Agreement were arrived at after careful consideration and any material financial projections and forecast contained in the Budgets have, in all material respects, been prepared on the basis of recent historical information and on the basis of assumptions believed in good faith to be reasonable in all material aspects at the time made (**provided that** each Finance Party hereby acknowledges that such projections (i) as to future events, are not to be viewed as facts, and are subject to significant uncertainties and contingencies, many of which are beyond the Company's control, that no assurance can be given that the projections will be realised and that actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and (ii) are not a guarantee of performance).

22.13 No proceedings pending or threatened

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency, which is reasonably likely to be adversely determined and, if so determined, would have or is reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any of its Restricted Subsidiaries.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to be adversely determined and which, if adversely determined, is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any of its Restricted Subsidiaries.

22.14 No breach

- (a) It has not (and none of its Restricted Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (b) It has not (and none of its Restricted Subsidiaries has) breached any covenant or obligation which breach has or is reasonably likely to have, in respect of Babington House or High Road House, a material adverse effect on the value, saleability or use (as in use as of the date of this Agreement) of either of those properties.
- (c) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry) threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

22.15 Taxation

- (a) Save to the extent allowed in accordance with Government Authority guidance or concession, it is not (and none of its Restricted Subsidiaries is):
 - (i) overdue in the filing of any Tax returns; and
 - (ii) overdue in the payment of any amount in respect of Tax (other than where such payment or the Tax to which it relates is being contested in good faith by appropriate proceedings),except where, in each case, such circumstances do not and are not reasonably likely to have a Material Adverse Effect.
- (b) To the best of its knowledge and belief, no claims or investigations are being made or conducted against it (or against any of its Subsidiaries) with respect to Taxes such that a liability of or claim against it or any of its Restricted Subsidiaries could arise which has or is reasonably likely to have a Material Adverse Effect.

22.16 Security and Indebtedness

- (a) As at the Closing Date after application of the payments set forth in the Funds Flow Statement:
 - (i) no Security or Quasi-Security exists over all or any of the present or future assets of any member of the Restricted Group or the Parent other than as permitted or not prohibited under this Agreement; and

- (ii) no member of the Restricted Group or the Parent has any Indebtedness outstanding other than as permitted or not prohibited under this Agreement.
- (b) The Company has disclosed in writing to the Agent or the Original Notes Purchasers all material Liens granted by the Company and its Restricted Subsidiaries and in existence as at the date of this Agreement.
- (c) This Clause 22.16 shall not apply to any Security or guarantee or Indebtedness arising under or in connection with the Existing Debt **provided that** the Existing Debt is prepaid and cancelled in accordance with Clause 25.24 (*Conditions subsequent*).

22.17 Ranking

Subject to the Legal Reservations and Perfection Requirements, the Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security (other than as permitted or not prohibited by this Agreement).

22.18 Good title to assets

It and each of its Restricted Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted where failure to do so has or is reasonably likely to have a Material Adverse Effect or in respect of Babington House or High Road House only, a material adverse effect on the value, saleability or use (as in use as of the date of this Agreement) of either of those properties.

22.19 Legal and beneficial ownership

- (a) It and each of its Restricted Subsidiaries is the sole legal and beneficial owner of the respective shares, properties and other assets over which it purports to grant Security other than as a result of any Transaction Security or as expressly set out in the relevant Transaction Security Document.
- (b) The Company is legally and beneficially owned by the Parent free from any claims, third party rights or competing interests other than any Permitted Liens.

22.20 Shares

- (a) The shares of any member of the Restricted Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights.
- (b) The constitutional documents (amended, as the case may be, pursuant to the Transaction Security) of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security (other than to the extent of restrictions or inhibitions required by applicable law).
- (c) There are no agreements in force or corporate resolutions passed which provide for the issue or allotment of, or grant any person the right (whether conditional or otherwise) to call for the issue or allotment of, any share or loan capital of any member of the Restricted Group (including any option or right of pre-emption or conversion).

22.21 Intellectual Property

Other than as disclosed in writing to the Agent or the Original Notes Purchasers (other than any such written disclosure with respect to the brand name “Soho House”), it and each of its Restricted Subsidiaries:

- (a) is the beneficial owner of or has licensed to it on arm’s length terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted where the absence of the same has or is reasonably likely to have a Material Adverse Effect; and
- (b) does not, in carrying on its business, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and
- (c) has taken all formal or procedural actions (including payment of fees) reasonably required to maintain any material Intellectual Property owned by it (where failure to do so would or is reasonably likely to have a Material Adverse Effect).

22.22 Intellectual Property licences

In respect of any licences of Intellectual Property to or by the Company or any of its Restricted Subsidiaries:

- (a) each licence is in full force and effect and binding on the parties to it; and
- (b) the terms of the licences have been complied with by the parties, no disputes have arisen and no notice of termination has been received or served by the Company or relevant Restricted Subsidiaries and there are no grounds on which they might be terminated,

where failure to have a valid and binding licence or to comply with the terms of the licence, or where a dispute or service or receipt of a notice of termination, as set out in paragraphs (a) and

- (b) above, has or is reasonably likely to have a Material Adverse Effect.

22.23 Group structure chart

As of the date of this Agreement, the Group structure chart delivered to the Agent on or prior to the date of this Agreement is true, complete and accurate in all material respects.

22.24 Shareholder debt

No liabilities are owed by the Company or any Restricted Subsidiary to the Parent or any Holding Company of the Parent (or Affiliate who is not a member of the Group) other than:

- (a) any Shareholder Liabilities owed to a Shareholder Creditor (each as defined in the Intercreditor Agreement);
- (b) in respect of any Commitments held by an Investor Affiliate in accordance with the Finance Documents; and
- (c) any other liabilities **provided that** such liabilities shall not exceed an aggregate amount of £5,000,000 at any time.

22.25 Accounting Reference Date

The Accounting Reference Date of each member of the Restricted Group is on or about 31 December.

22.26 ERISA and Multiemployer Plans

- (a) No ERISA Event has occurred, is continuing, or is reasonably likely to occur with respect to which any Obligor or ERISA Affiliate has or is reasonably likely to incur any liability.
- (b) Each Employee Plan is in compliance in form and operation with ERISA and the Code and all other applicable laws and regulations save where any failure to comply would not reasonably be expected to have a Material Adverse Effect.
- (c) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the IRS to be so qualified or is in the process of being submitted to the IRS for approval or will be so submitted during the applicable remedial amendment period, and, nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of an Employee Plan with no determination, nothing has occurred that would materially adversely affect such qualification).
- (d) There exists no Unfunded Pension Liability with respect to any Employee Plan, except as would not be reasonably expected to have a Material Adverse Effect.
- (e) Neither any Obligor nor any ERISA Affiliate has incurred a complete or partial withdrawal from any Multiemployer Plan, and if each of the Obligors and each ERISA Affiliate were to withdraw in a complete withdrawal as of the date hereof, the aggregate withdrawal liability that would be incurred would not reasonably be expected to have a Material Adverse Effect.
- (f) There are no actions, suits or claims pending against or involving an Employee Plan (other than non-material routine claims for benefits) or threatened, which would reasonably be expected to be asserted successfully against any Employee Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to have a Material Adverse Effect.
- (g) Each Obligor and ERISA Affiliate has made all material contributions to or under each such Employee Plan it is required by law to make within the applicable time limits prescribed thereby, the terms of such Employee Plan, or any contract or agreement requiring contributions to an Employee Plan, except where any failure to comply would not reasonably be expected to have a Material Adverse Effect.
- (h) Neither any Obligor nor any ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4068(a) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Employee Plan subject to Section 4064(a) of ERISA to which it made contributions.
- (i) No Multiemployer Plan is or is reasonably likely to become “insolvent” (within the meaning of Section 4245 of ERISA) or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA), except as would not reasonably be expected to have a Material Adverse Effect.

22.27 Federal Reserve regulations

- (a) No Obligor is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

- (b) None of the proceeds of the Notes or other extensions of credit under this Agreement will be used, whether directly or indirectly and whether immediately, incidentally or ultimately, for the purpose of buying or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to buy or carry any Margin Stock or for any other purpose which might cause all or any Notes or other extensions of credit under this Agreement to violate Regulation T, U or Regulation X.

22.28 Anti-Bribery Laws

- (a) Neither it nor any of its Subsidiaries, nor any director or officer, of it or any Subsidiary or (to its knowledge) any employee or any person authorised to act on it or a Subsidiary's behalf has violated the Anti-Bribery Laws directly or indirectly through a third party, or has made any bribe, unlawful rebate or kickback or has otherwise corruptly paid, offered, promised or authorised the payment of money, a gift or anything of value, directly or indirectly or through a third party, to or for the use or benefit of any Government Official for the purpose of:
 - (i) improperly influencing any act or decision of such person in his/her official capacity;
 - (ii) inducing such person to act (including through action or omission) in violation of the lawful duty of such person;
 - (iii) securing any improper advantage; or
 - (iv) inducing such person to use his/her influence to improperly affect or influence any act or decision of a Government Authority,in order to assist it, any Subsidiary or any other third party in obtaining or retaining business for or with, or directing business to, any person, in each case of (i) through (iv), in violation of Anti-Bribery Laws.
- (b) It and each of its Subsidiaries has conducted its businesses in compliance with Anti- Bribery Laws.

22.29 Investment companies

No Obligor, person controlling an Obligor or Subsidiary of an Obligor is required to be registered as an "investment company" under the U.S. Investment Company Act of 1940 (the "**1940 Act**").

22.30 Sanctions

- (a) Neither it or any of its Subsidiaries, nor any of its or their respective directors or officers, or to the best of the Company's knowledge, employees, affiliates, agents or representatives:
 - (i) is, or is owned or controlled by, a Designated Person; or
 - (ii) has been engaged in any transaction, activity or conduct that could reasonably be expected to result in its being designated as a Designated Person.
- (b) The Company has taken reasonable measures to ensure compliance with Economic Sanctions Laws.
- (c) As of the date of this Agreement, the Company has disclosed to the Agent all material facts known to it regarding:

- (i) all claims, damages, liabilities, losses, penalties, actions and/or judgments that are asserted against, paid or payable by the Company in connection with non-compliance with any Economic Sanctions Laws by the Company; and
 - (ii) any investigations involving possible non-compliance with Economic Sanctions Laws by the Company.
- (d) The representations and warranties in this Clause 22.30 given by any German Resident (or any Obligor in relation to a German Resident) are made only to the extent that they do not result in (i) a violation of, conflict with or liability under EU Regulation (EC) 2271/96 or (ii) a violation of or conflict with Section 7 of the German Foreign Trade Regulation (AWV) (*Außenwirtschaftsverordnung*) or a similar anti-boycott statute.

22.31 Private Offering; No Integration or General Solicitation

- (a) Subject to compliance by the Original Notes Purchasers with the representations and warranties set forth in Clause 46 (*Securities Representations by the Original Notes Purchasers*), it is not necessary in connection with the offer and sale of the Notes to the Original Notes Purchasers in the manner contemplated by this Agreement, to register the Notes or the guarantees under the U.S. Securities Act or to qualify an indenture relating to the Notes or guarantees thereof under the U.S. Trust Indenture Act of 1939, as amended.
- (b) None of the Original Obligors or their Affiliates or any person acting on any of their behalf directly or indirectly, has offered, sold or solicited any offer to buy and will not, directly or indirectly, offer, sell or solicit any offer to buy, any security of a type or in a manner which would be integrated with the sale of the Notes or the guarantees thereof and require the Notes or the guarantees thereof to be registered under the U.S. Securities Act. None of the Original Obligors or their Affiliates or any person acting on any of their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502(c) under the U.S. Securities Act) in connection with the offering of the Notes. With respect to the Notes, if any, sold in reliance upon the exemption afforded by Regulation S:
 - (i) none of the Original Obligors or their Affiliates or any person acting on any of their behalf has engaged or will engage in any directed selling efforts within the meaning of Regulation S; and
 - (ii) each of the Original Obligors and their Affiliates and any person acting on any of their behalf has complied and will comply with the offering restrictions set forth in Regulation S.
- (c) The Notes are eligible for resale pursuant to Rule 144A and will not, at the Closing Date, be of the same class as securities listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act or quoted on a U.S. automated interdealer quotation system.
- (d) No member of the Group has paid, or is obligated to pay, to any person any brokerage or finder's fees in connection with the offering and sale of the Notes

22.32 Times when representations made

- (a) All the representations and warranties in this Clause 22 are made by each Original Obligor on the date of this Agreement and on the Closing Date.

- (b) The Repeating Representations are deemed to be made by each Obligor on:
 - (i) the date of each Notes Subscription Request,
 - (ii) each Notes Subscription Date;
 - (iii) the first day of each Interest Period;
 - (iv) the date of each Additional Facility Notice; and
 - (v) each Establishment Date.
- (c) The Repeating Representations contained in paragraphs (b) and (c) of Clause 22.12 (*Financial statements*) will only be made once in respect of each set of financial statements or Budget on the date such financial statements or Budget is delivered under this Agreement.
- (d) All the representations and warranties made in Clauses 22.2 (*Status*), 22.3 (*Binding obligations*), 22.5 (*Power and authority*) to 22.7 (*Governing law and enforcement*) inclusive, 22.10 (*No default*) (in respect of Events of Default only) are deemed to be made by each Additional Obligor with respect to it and its Restricted Subsidiaries on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor.
- (e) Each representation and warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.
- (f) Notwithstanding any other provisions to the contrary in this Clause 22, the representations and warranties set out in this Clause 22 (excluding, for this purpose, (i) the representations and warranties in paragraph (b) of Clause 22.11 (*Financial Model and information*), and (ii) insofar as they relate to the brand name “Soho House” only, the representations and warranties in Clauses 22.21 (*Intellectual Property*) and 22.22 (*Intellectual Property licences*)) shall be qualified by all of the information included in the Tax Structure Memorandum (including any annexes to such Tax Structure Memorandum) and any other information provided to the Original Notes Purchasers or the Agent in writing prior to the date of this Agreement.

23. INFORMATION UNDERTAKINGS

The undertakings in this Clause 23 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 23:

“**Annual Financial Statements**” means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 23.1 (*Financial statements*).

“**Monthly Financial Statements**” means the financial statements delivered pursuant to paragraph (c) of Clause 23.1 (*Financial statements*).

“**Quarterly Financial Statements**” means the financial statements for a Financial Quarter delivered pursuant to paragraph (b) of Clause 23.1 (*Financial statements*).

23.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Noteholders: (a)

- (i) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years, its audited consolidated financial statements for that Financial Year; and
 - (ii) if requested and only to the extent prepared, the financial statements (consolidated and/or audited if required by law or regulation) of any Obligor (other than the Company and the Parent) for that Financial Year, as soon as they are available; and
- (b) as soon as they are available, but in any event within 45 days after the end of each of its first three Financial Quarters in any Financial Year, its consolidated financial statements for that Financial Quarter; and
- (c) as soon as they are available, but in any event within 45 days after the end of each month, its consolidated management accounts for that month.

23.2 Provision and contents of Compliance Certificate

- (a) The Company shall supply a Compliance Certificate to the Agent with each set of its audited consolidated Annual Financial Statements and each set of its consolidated Quarterly Financial Statements.
- (b) The Compliance Certificate shall, amongst other things:
 - (i) set out the Consolidated EBITDA for the most recently completed Relevant Period; and
 - (ii) in the case of the Compliance Certificate delivered with the consolidated Annual Financial Statements, identify which members of the Restricted Group are Material Companies and confirm compliance with Clause 25.12 (*Guarantors*).
- (c) Each Compliance Certificate shall be signed by two directors or officers of the Company one of which is the CFO or CEO.

23.3 Requirements as to financial statements

- (a) The Company shall procure that each set of Annual Financial Statements and Quarterly Financial Statements includes a balance sheet, profit and loss account and (in the case of consolidated Group accounts only) a cash flow statement. In addition, the Company shall procure that:
 - (i) each set of Annual Financial Statements shall be audited by the auditors;
 - (ii) each set of Quarterly Financial Statements includes a cashflow forecast in respect of the Group relating to the 12 month period at the end of the relevant Financial Quarter or Financial Quarters; and
 - (iii) each set of Quarterly Financial Statements is accompanied by a statement by the directors of the Company commenting on the performance of the Group for the Financial Quarter to which the financial statements relate and the performance compared to the annual budget for such period and any material developments or proposals affecting the Group or its business.
- (b) Each set of financial statements delivered pursuant to Clause 23.1 (*Financial statements*):

- (i) shall be certified by a director or officer of the relevant company as giving a true and fair view of (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the audited Annual Financial Statements, and (subject to the Agent entering into an engagement letter with the auditors where so required by the auditors) a copy of any “letter to management” addressed to the management of the relevant company by the auditors in relation to those audited Annual Financial Statements shall be also be provided to the Agent in sufficient copies for the Noteholders, when received by such company (or, if later, promptly following entry by the Agent into an engagement letter with the auditors where so required by the auditors);
- (ii) in the case of the consolidated Quarterly Financial Statements or Annual Financial Statements of the Group, shall be accompanied by a statement by the directors or officers of the Company comparing actual performance for the period to which the financial statements relate, to:
 - (A) the projected performance for that period set out in the Budget; and
 - (B) the actual performance for the corresponding period in the preceding Financial Year of the Group;
- (iii) shall be prepared in accordance with the Accounting Principles unless, in relation to any set of financial statements, the Company notifies the Agent that there has been a material change in the Accounting Principles or the accounting practices and delivers to the Agent:
 - (A) a description of any change necessary for those financial statements to reflect the Accounting Principles or accounting practices upon which the Financial Model and the Original Financial Statements were prepared; and
 - (B) sufficient information, in form and substance as may be reasonably required by the Agent, to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

The Company shall, at the request of the Agent, authorise the auditors (at the expense of the Company) to prepare a report addressed to the Company confirming that the Company (or any other Obligor) has appropriately reflected the material change in the Accounting Principles or the accounting practices in those financial statements and shall provide copies of such report to the Agent on a “hold harmless” basis with the consent of the auditors and where so required by the auditors, subject to the Agent entering into an engagement with the auditors.

Any reference in this Agreement (other than in Clause 23.10 (*Reporting obligations in respect of a Listed Entity*)) to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Financial Model or, as the case may be, the Original Financial Statements were prepared.

- (c) The Company shall procure that the Monthly Financial Statements include a balance sheet, profit and loss account and cashflow statement and is accompanied by a statement by the directors of the Company commenting on the performance of the Group for the month to which the financial statements relate and any material developments or proposals affecting the Group or its business.

- (d) The Company shall be entitled to extend or reduce a Financial Year by up to one week in respect of such Financial Year from time to time solely for the purposes of aligning (as closely as possible) the end of that Financial Year with 31 December.
- (e) The Company in its sole discretion may satisfy its obligations under Clause 23.1 (*Financial statements*) by delivering financial statements consolidated at the level of any Holding Company of the Company (as determined at the discretion of the Company), **provided that**, if requested by the Majority Noteholders, the Company shall as soon as reasonably practicable following such request deliver details of any material adjustments that would be required for the applicable Relevant Period to exclude the results of each person which is consolidated in such financial statements but is not a member of the Group.
- (f) If the Company notifies the Agent of a change in accordance with paragraph (b)(iii) above, the Company and the Agent (acting on the instructions of the Majority Noteholders) shall enter into negotiations in good faith with a view to agreeing any amendments to this Agreement which are necessary as a result of the change. These amendments will be such as to ensure that the change does not result in any material alteration in the commercial effect of the obligations contained in this Agreement. If any amendments are agreed, they shall take effect and be binding on each of the Parties in accordance with their terms.
- (g) Whilst an Event of Default is continuing and the Majority Noteholders have reasonable grounds to believe that the financial information provided pursuant to this Agreement is incorrect, if the Agent (acting on the instructions of the Majority Noteholders) wishes to discuss the financial position of any member of the Restricted Group with the auditors, the Agent may notify the Company, stating the questions or issues which the Agent wishes to discuss with the auditors. In this event, the Company must ensure that the auditors are authorised (at the expense of the Company but subject to the Agent (acting on the instructions of the Majority Noteholders) entering into an engagement with the auditors):
 - (i) to discuss the financial position of each member of the Restricted Group with the Agent on request from the Agent; and
 - (ii) to disclose to the Agent for the Finance Parties any information which the Agent may reasonably request.

23.4 Budget

- (a) The Company shall supply to the Agent in sufficient copies for all the Noteholders as soon as the same become available but in any event within 30 days from the start of each of its Financial Years, an annual Budget for that Financial Year, with the first such Budget to be delivered in respect of the Financial Year commencing 1 January 2022.
- (b) The Company shall ensure that each Budget:
 - (i) includes a projected consolidated profit and loss account, balance sheet and cashflow statement for the Group, relevant key performance indicators and a capital expenditure plan together with commentary;
 - (ii) is prepared in accordance with the Accounting Principles and the accounting practices and financial reference periods applied to financial statements under Clause 23.1 (*Financial statements*) and is broken down on a monthly basis; and
 - (iii) has been approved by the board of directors of the Company.

- (c) If the Company updates or changes the Budget in any material respect, it shall promptly within ten Business Days of each Quarter Date deliver to the Agent, in sufficient copies for each of the Noteholders, such updated or changed Budget together with a written explanation of the main changes in that Budget which have been made in such immediately preceding Financial Quarter ending in such Quarter Date.

23.5 Unrestricted Subsidiaries

If any Subsidiaries of the Company have been designated as Unrestricted Subsidiaries, the information delivered under paragraph (a) and (b) of Clause 23.1 (*Financial statements*), Clauses 23.2 (*Provision and contents of Compliance Certificate*) and 23.4 (*Budget*) will include reasonably detailed information as to the financial condition of the Restricted Group separate from that of the Unrestricted Subsidiaries.

23.6 ERISA-Related information

The Company shall supply to the Agent (in sufficient copies for all the Noteholders, if the Agent so requests):

- (a) promptly and in any event within 15 days after any Obligor or any ERISA Affiliate files a Schedule B (or such other schedule as contains actuarial information) to IRS Form 5500 in respect of an Employee Plan with Unfunded Pension Liabilities, a copy of such IRS Form 5500 (including the Schedule B);
- (b) promptly and in any event within 15 days after any Obligor or any ERISA Affiliate knows or has reason to know that any ERISA Event which, individually or when aggregated with any other ERISA Event, would reasonably be expected to have a Material Adverse Effect has occurred, the written statement of the Chief Financial Officer of such Obligor or ERISA Affiliate, as applicable, describing such ERISA Event and the action, if any, which it proposes to take with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event; **provided that**, in the case of ERISA Events under paragraph (e) of the definition thereof, the 15-day period set forth above shall be a ten-day period, and, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event;
- (c) promptly, and in any event within 15 days, after becoming aware that there has been (i) a material increase in Unfunded Pension Liabilities, taking into account only Employee Plans with positive Unfunded Pension Liabilities; (ii) the existence of potential withdrawal liability under Section 4201 of ERISA, if each Obligor and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans; (iii) the adoption of, or the commencement of contributions to, any Employee Plan subject to Section 412 of the Code by any Obligor or any ERISA Affiliate; or (iv) the adoption of any amendment to an Employee Plan subject to Section 412 of the Code which results in a material increase in contribution obligations of any Obligor, a detailed written description thereof from the Chief Financial Officer of each affected Obligor or ERISA Affiliate, as applicable; and
- (d) copies of (i) any documents described in Section 101(k)(1) of ERISA that an Obligor or any ERISA affiliate may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that an Obligor or any ERISA Affiliate may request with respect to any Multiemployer Plan; **provided that**, the Obligor or the applicable ERISA Affiliate shall promptly make a request for such documents or notices from the administrator or sponsor of such Multiemployer Plan upon written request by the Noteholder, and shall provide copies of such documents and notices promptly after receipt thereof.

23.7 Information – miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Noteholders, if the Agent so requests):

- (a) as soon as reasonably practicable after they are dispatched, copies of all documents required by law to be dispatched by the Company to its shareholders generally (or any class of them) or dispatched by the Company or any Obligor to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Restricted Group and which would involve a liability, or a potential or alleged liability exceeding £10,000,000 (or its equivalent in other currencies);
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any member of the Group and which would involve a liability, or a potential or alleged liability, exceeding £10,000,000 (or its equivalent in other currencies);
- (d) promptly, such information as the Collateral Agent may reasonably require about the Charged Property and compliance of the Obligor with the terms of any Transaction Security Documents;
- (e) promptly on request, such further information regarding the financial condition, assets and operations of the Restricted Group and/or any member of the Restricted Group (including any requested amplification or explanation of any item in the financial statements or budgets provided by any Obligor under this Agreement or any changes to senior management of the Group) as any Finance Party through the Agent may reasonably request;
- (f) promptly such further information as may be required by applicable banking supervisory laws and regulations and/or in line with standard banking practice;
- (g) promptly upon the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with the provisions of this Agreement, the details of any such designation or redesignation; and
- (h)
 - (i) as soon as reasonably practicable following the earlier of: (i) notice of any event of default being received by the Company or Restricted Subsidiary and (ii) the Company or any Restricted Subsidiary becoming aware of any event of default, information on any default under the terms of the Miami Loans;
 - (ii) as soon as reasonably practicable upon request, reasonable details of any material amendment to the Miami Loans (including, for the avoidance of doubt, any extension of maturity, increase in commitments or insertion of financial covenants); and
 - (iii) as soon as reasonably practicable following delivery of the same, a copy of any compliance certificate delivered pursuant to the terms of the Miami Loans.

23.8 Notification of default

Each Obligor shall notify the Agent of any Default which is continuing (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

23.9 “Know your customer” checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed transfer by a Noteholder of any of its rights and/or obligations under this Agreement to a party that is not a Noteholder prior to such transfer which has entered into a Confidentiality Undertaking,

obliges the Agent or any Noteholder (or, in the case of paragraph (iii) above, any prospective new Noteholder) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Noteholder supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Noteholder) or any Noteholder (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Noteholder) in order for the Agent, such Noteholder or, in the case of the event described in paragraph (iii) above, any prospective new Noteholder to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (b) Each Noteholder shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied (acting reasonably) it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than five Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Noteholders) of its intention to request that one of its Restricted Subsidiaries becomes an Additional Obligor pursuant to Clause 29 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Noteholder to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Noteholder supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Noteholder) or any Noteholder (for itself or on behalf of any prospective new Noteholder which has signed a Confidentiality Undertaking) in order for the Agent or such Noteholder or any prospective new Noteholder to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Restricted Subsidiary to this Agreement as an Additional Obligor.

- (e) In relation to each Original Obligor that is not an Original Issuer, each Obligor shall promptly upon the request of the Agent or any Noteholder supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Noteholder) or any Noteholder in order for the Agent or such Noteholder to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

23.10 Reporting obligations in respect of a Listed Entity

- (a) Notwithstanding this Clause 23 and any other term of the Finance Documents, for so long as any member of the Group or any direct or indirect Holding Company of the Company remains listed on any recognised investment or other stock exchange (the “**Listed Entity**”), delivery to the Agent of a copy of each set of financial statements of the Listed Entity (**provided that** such financial statements are delivered on at least a quarterly basis) and (to the extent applicable) any *ad hoc* press release or filing of the Listed Entity which are delivered to the relevant regulators or disclosed in accordance with the applicable stock exchange rules (in each case promptly following the date on which such financial statements or *ad hoc* press release or filing has been delivered to the relevant regulators or disclosed in accordance with the applicable stock exchange rules), or notice to the Agent that such information has been filed with the relevant regulators or disclosed in accordance with the applicable stock exchange rules and confirming where the filings can be electronically assessed by the general public, shall be deemed to satisfy all reporting and other information obligations of this Agreement (including as regards the form of and requirements in relation to financial statements and any accompanying information, statements and management commentary) such that no further documents, statements or information shall be required to be delivered pursuant to this Agreement, **provided that**, where applicable, each Obligor shall still be required to comply with any obligation to:
 - (i) notify the Agent of any Default that is continuing in accordance with Clause 23.8 (*Notification of default*);
 - (ii) deliver Compliance Certificates with the Annual Financial Statements in accordance with Clause 23.2 (*Provision and contents of Compliance Certificate*);
 - (iii) deliver any “know your customer” information in accordance with Clause 23.9 (“*Know your customer*” checks); and
 - (iv) if the Listed Entity only delivers annual or semi-annual financial statements to public shareholders, deliver quarterly financial statements.
- (b) Notwithstanding this Clause 23 and any other term of the Finance Documents, all reporting and other information requirements in the Finance Documents (including, for the avoidance of doubt, the obligations of any member of the Group under paragraph (f) of Clause 23.3 (*Requirements as to financial statements*) above and Clause 25.7 (*Access*) below) shall be subject to any confidentiality, regulatory or other restrictions relating to the supply of information concerning the Group or otherwise binding on any member of the Group or any direct or indirect Holding Company of the Company and no such disclosure (other than the delivery of information pursuant to Clause 23.1 (*Financial statements*), Clause 23.2 (*Provision and contents of Compliance Certificate*), Clause 23.8 (*Notification of default*) and Clause 23.9 (“*Know your*”

customer” checks)) shall be required if as a result of such disclosure a member of the Group or any direct or indirect Holding Company of the Company would be obliged to make an announcement to the relevant listing authorities and/or stock exchange (or in accordance with applicable listing, disclosure and/or stock exchange rules) which it would not otherwise have been required to make or would contravene any applicable laws or regulations or stock exchange requirements.

23.11 Rule 144A Eligibility

The Company shall furnish to the Noteholders and to prospective purchasers of the Notes, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the U.S. Exchange Act by persons who are not “affiliates” under the U.S. Securities Act.

24. FINANCIAL CALCULATIONS

24.1 Financial definitions

“Accounting Reference Date” means on or around 31 December.

“Consolidated EBITDA” means for any Relevant Period, the operating profit or loss determined on the basis of the Accounting Principles of the Company and its Restricted Subsidiaries on a consolidated basis for such period:

- (a) **before deducting** taxes based on the income or profits of the Company and its Restricted Subsidiaries for such period;
- (b) **excluding** any depreciation (including lease depreciation charges) amortisation and impairment charges incurred by the Company and its Restricted Subsidiaries in that period (taking no account of the reversal of any previous impairment charge made in that period);
- (c) **excluding** the costs and expenses incurred by the Company and its Restricted Subsidiaries in relation to the opening of any new sites prior to the relevant final opening date of any such site for that period;
- (d) **before taking into account** the non cash element of any rent paid by the Company and its Restricted Subsidiaries in that period;
- (e) **before taking into account** any unrealised foreign currency gain or loss in respect of Indebtedness (including Hedging Obligations) of, or relating to the translation of assets and liabilities denominated in currencies other than GBP by, the Company and its Restricted Subsidiaries for that period;
- (f) **after adding back** the Company and its Restricted Subsidiaries’ share of the amount of profit and deducting the Company and its Restricted Subsidiaries’ share of the amount of any loss of any person that is not a member of the Restricted Group (including associates and joint ventures) in which the Company or any Restricted Subsidiary has an ownership interest in that period;
- (g) **before taking into account** any items (positive or negative) of a one-off, non- recurring, extraordinary or exceptional nature;
- (h) **after adding back** (to the extent otherwise deducted) any loss against book value incurred by the Company and its Restricted Subsidiaries on the disposal and/or revaluation of assets (other than the sale of trading stock or the sale of any investments in Cash Equivalents held by such Person in the ordinary course of business) during such period and any business interruption loss incurred which is covered by insurance proceeds received;

(i) **after deducting** (to the extent otherwise included) any gain over book value arising in favour of the Company and its Restricted Subsidiaries on the disposal and/or revaluation of any asset (other than the sale of trading stock or the sale of any investments in Cash Equivalents held by such Person in the ordinary course of business) during such period and any gain arising on any revaluation of any asset during such period; and

(j) **without taking into account** the net cash gain or loss from any write down, release or forgiveness of any Indebtedness,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profit or loss of the Company and its Restricted Subsidiaries on a consolidated basis in accordance with the Accounting Principles and so that no amount shall be included or excluded more than once.

“Consolidated Net Indebtedness” means, with respect to the Company and its Restricted Subsidiaries:

(a) Debt as of the relevant date of calculation; less

(b) the amount of cash and Cash Equivalents held by the Company and its Restricted Subsidiaries as of such date.

“Debt” means, at any time, the aggregate outstanding principal, capital or nominal amount of the Indebtedness of the Company and its Restricted Subsidiaries (on a consolidated basis) excluding (without double counting):

(a) the amount of all SPV Indebtedness;

(b) the amount of all Capital Lease Obligations;

(c) any Hedging Obligations (save to the extent the underlying liability has become due and payable and has not been paid);

(d) any Indebtedness of others secured by a Lien on the assets of the Company or any Restricted Subsidiary (save to the extent the underlying liability has become due and payable and has not been paid); and

(e) any guarantee of any Indebtedness of any other person (save to the extent the underlying liability has become due and payable and has not been paid).

“Financial Quarter” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“Financial Year” means each 52-week accounting period of the Company ending on or about the Accounting Reference Date in each year subject to paragraph (d) of Clause 23.3 (*Requirements as to financial statements*).

“Indebtedness” has the meaning given to that term in Schedule 14 (*Restrictive Covenants*).

“Pro Forma” means, with respect to any *pro forma* calculation or projection made or required to be made pursuant to the terms of this Agreement, a *pro forma* calculation or projection made in good faith by the Company’s chief financial officer (or such other person who is performing the functions of the chief financial officer or finance director).

“**Pro Forma Adjustment**” means, in respect of Consolidated EBITDA (including for the purpose of calculating the Total Net Leverage Ratio) for any Relevant Period, a *Pro Forma* adjustment for identifiable increases in Consolidated EBITDA resulting from cost synergies or costs savings arising in relation to any Permitted Acquisition which are reasonably achievable within 12 Months from the date of completion of that Permitted Acquisition, **provided that**:

- (a) in respect of the amount of each part of the *Pro Forma* increase in the Consolidated EBITDA of the Restricted Group which is attributable to such adjustment, such increase shall be certified by the chief financial officer of the Company with such certification accompanied by reasonably detailed analysis of such increase;
- (b) the aggregate amount of all such adjustments to Consolidated EBITDA, to the extent they result in an increase in Consolidated EBITDA, shall not exceed an aggregate amount equal to 15 per cent. of Consolidated EBITDA for the most recent Relevant Period; and
- (c) such cost savings or synergies will cease to be included in any calculation of Consolidated EBITDA as *Pro Forma* Adjustments once they are (or at any time have proved to not to be capable of being) realised or to the extent that they have not been realised within the 12 month period from the date of the relevant Permitted Acquisition.

“**Quarter Date**” means on or about each of 31 March, 30 June, 30 September and 31 December or such other dates which correspond to the quarter end dates within the Financial Year.

“**Relevant Period**” means (a) (if ending on a Quarter Date) each period of four consecutive Financial Quarters ending on that Quarter Date or (b) (if ending on the day of a month not being a Quarter Date) the period of twelve consecutive months ending on the last day of a calendar month.

“**Total Net Leverage Ratio**” of the Company means, as of any date of determination, the ratio of (1) the Consolidated Net Indebtedness as of the end of the most recent quarterly period for which financial statements are available to (2) Consolidated EBITDA for the most recent four quarters for which financial statements are available, in each case with applicable *Pro Forma* Adjustment.

24.2 Calculation

- (a) For the purposes of this Clause 24 in respect of any Relevant Period, the exchange rates for determination of Consolidated Net Indebtedness for that Relevant Period shall be (i) with respect to Indebtedness for which the Restricted Group has entered into cross currency swaps, the rate at which such swap has been entered into and (ii) with respect to all other Indebtedness, the exchange rate used in the calculation of Consolidated EBITDA in accordance with paragraph (c) below.
- (b) For the purposes of Clause 24 (*Financial Calculations*), the exchange rates used in the calculation of Consolidated EBITDA in respect of any Relevant Period shall be the weighted average exchange rates for the Relevant Period determined in accordance with the Accounting Principles.
- (c) For the purposes of calculating Consolidated EBITDA under this Agreement for any period, if during such period the Company or any Restricted Subsidiary (by merger or otherwise) has made a Permitted Acquisition, the Company shall be permitted to calculate Consolidated EBITDA for the Relevant Period after giving effect to a *Pro Forma* Adjustment as if such Permitted Acquisition had occurred on the first day of such period.

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- (d) In relation to the definitions set out in Clause 24.1 (*Financial definitions*) and all other related provisions of the Finance Documents (including this Clause 24.2):
- (i) all calculations will be as determined in good faith by the chief financial officer or finance director of the Restricted Group (or such other person as is performing the functions of the chief financial officer or finance director), including in respect of savings and synergies;
 - (ii) all calculations in respect of synergies and savings (in each case actual or anticipated) may be made as though the full run-rate effect of such synergies and savings were realised on the first day of the relevant period, **provided that** such cost savings and synergies will cease to be included in any calculation of Consolidated EBITDA as *Pro Forma* Adjustments once they are (or at any time have proved to not be capable of being) realised or to the extent that they have not been realised within the 12 month period from the date of completion of the relevant Permitted Acquisition; and
 - (iii) notwithstanding any provision of this Agreement, any cost synergies and cost savings included on a *pro forma* basis must comply with the limits contained in the definition of “*Pro Forma* Adjustment”.
- (e) In the event that:
- (i) any Accounting Reference Date is adjusted by the Company for the sole purpose of avoiding an Accounting Reference Date falling on a day which is not a Business Day and/or to ensure that an Accounting Reference Date falls on a particular day of the week; or
 - (ii) there is any adjustment to a scheduled payment date to avoid payments becoming due on a day which is not a Business Day, if that adjustment results in any amount being paid in a Relevant Period in which it would otherwise not have been paid, for the purpose of calculating any financial definition or ratio under the Finance Documents the Company may treat such amount as if it was paid in the Relevant Period in which it would have been paid save for any such adjustment.
- (f) Unless a contrary indication appears, a reference to Consolidated EBITDA is to be construed as a reference to the Consolidated EBITDA of the Company and its Restricted Subsidiaries on a consolidated basis.
- (g) In relation to any lease, concession, license of property or other arrangement (or guarantee thereof) which would be considered an operating lease (“**Operational Leases**”) under the Accounting Principles as applied in the Original Financial Statements (the “**Original Accounting Principles**”), to the extent such Operational Leases are subsequently treated as a finance lease or capital lease as a result of any change to the treatment of such leases or other arrangements under the Accounting Principles as opposed to operating leases, such obligations shall be, unless the Company elects otherwise, treated in accordance with the Original Accounting Principles.
- (h) Notwithstanding any other term of any Finance Document, any Short-Term Shareholder Funding shall be excluded from cash or Cash Equivalents for the purposes of calculating Consolidated Net Indebtedness (for the avoidance of doubt, only so long as it constitutes Short-Term Shareholder Funding in accordance with the definition thereof).

25. GENERAL UNDERTAKINGS

The undertakings in this Clause 25 remain in full force and effect from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

25.1 Authorisations

Each Obligor shall promptly:

- (a) do all such things as are necessary to maintain its status as a legal entity;
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation:
 - (i) of a Relevant Jurisdiction to enable it to perform its obligations under the Finance Documents to which it is a party;
 - (ii) of a Relevant Jurisdiction to ensure (subject to the Perfection Requirements and Legal Reservations) the legality, validity, enforceability or admissibility in evidence of any Finance Document to which it is a party; and
 - (iii) of a Relevant Jurisdiction or any jurisdiction where it conducts its business to carry on its business except to the extent that failure to so do does not have and is not reasonably likely to have a Material Adverse Effect.

25.2 Compliance with laws

Each Obligor shall (and the Company shall ensure that each member of the Group will):

- (a) comply in all material respects with (i) all U.S. federal and state privacy and data protection laws concerning customer information, (ii) the UK Data Protection Act 2018, and (iii) any applicable privacy and data protection laws concerning customer information promulgated by any government authority of any other applicable jurisdiction in which the Group operates; and
- (b) comply in all respects with all other laws to which it may be subject, if failure to so comply has or is reasonably likely to have a Material Adverse Effect.

25.3 Taxation

- (a) Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) pay and discharge all Taxes imposed upon it or its assets (including any Taxes imposed on an Unrestricted Subsidiary or its assets where the relevant member of the Restricted Group would be made liable for payment of such Taxes by virtue of being jointly and severally liable with such Unrestricted Subsidiary for such Taxes) within the time period allowed (taking into consideration Government Authority guidance or concession) without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 23.1 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not and is not reasonably likely to have a Material Adverse Effect.

- (b) No Obligor shall (and the Company shall ensure that no member of the Restricted Group will) change its residence for Tax purposes except to the extent that such change would not be materially and adversely prejudicial to the Finance Parties.

25.4 Change of business

The Company shall procure that no substantial change is made to the general nature of the business of the Restricted Group taken as a whole from that carried on by the Group at the date of this Agreement.

25.5 Preservation of assets

Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

25.6 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

25.7 Insurance

Each Obligor shall (and the Company shall ensure that each member of the Restricted Group will) maintain insurances (with reputable independent insurance companies or underwriters) on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

25.8 Pensions

Each Obligor shall comply (and the Company shall procure that each of its Restricted Subsidiaries complies) with all applicable laws and regulations in respect of the pension schemes operated by or maintained for the benefit of any member of the Group and/or any of their employees where failure to do so has or is reasonably likely to have a Material Adverse Effect.

25.9 Access

Whilst an Event of Default is continuing, each Obligor shall, and the Company shall ensure that each member of the Restricted Group and the Parent will permit the Agent and/or the Collateral Agent and/or accountants or other professional advisers of the Agent or Collateral Agent access at all reasonable times and on reasonable notice at the risk and cost of the Obligors to:

- (a) inspect the headquarters of the Company and/or each of the Issuers;
- (b) inspect the assets, books, accounts and records of each member of the Restricted Group and the Parent and to take copies and extracts from such books, accounts and records (but not, for the avoidance of doubt, to make physical inspections thereof at the headquarters or other premises of any such member of the Restricted Group other than each of the Issuers as provided under paragraph (a) above); and

- (c) meet and discuss matters with senior management,

provided that in exercising such rights the Agent, the Collateral Agent and/or its accountants or professional advisers shall have regard for the need to keep disruption to the business to a minimum.

25.10 Intellectual Property

- (a) Each Obligor shall, and the Company shall procure that each member of the Restricted Group will take reasonable steps to:
 - (i) take action against infringers of its material Intellectual Property which is necessary for the business of the relevant Restricted Group member;
 - (ii) make registrations and pay all registration fees and taxes necessary to maintain the material Intellectual Property in full force and effect; and
 - (iii) not discontinue the use of any material trade marks,
where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor shall not and the Company shall procure that each member of the Restricted Group shall not, notwithstanding anything to the contrary in any Transaction Security Document and save for any Permitted Liens (excluding for this purpose any Permitted Liens under paragraphs (6), (12) (unless such Lien constitutes Transaction Security), (17), (20), (26) (unless such Lien constitutes Transaction Security) and (28)), sell, dispose of or encumber (other than under a Transaction Security Document or a lease or licence) the brand name “Soho House” or any derivative name of “Soho House”.

25.11 Shareholder loans

The Company will ensure that any amounts lent into the Group by the Parent or any Holding Company of the Parent shall be made by way of Shareholder Funding from the Parent (or any Successor Parent or Parent Entity, as applicable) to the Company.

25.12 Guarantors

- (a) The Company shall ensure that, subject to the Agreed Security Principles, each member of the Restricted Group identified in Part 3 (*Post-Closing Guarantors*) of Schedule 2 (*Conditions Precedent*) as an Obligor shall become an Additional Guarantor and shall grant the Transaction Security specified opposite the name of that member of the Group in Part 4 (*Post-Closing Transaction Security Documents*) of Schedule 2 (*Conditions Precedent*) within 30 Business Days of the Closing Date.
- (b) The Company shall ensure that, subject to the Agreed Security Principles, as soon as reasonably practicable and in any event within 90 days of the due date for delivery of the Compliance Certificate in respect of each of the Annual Financial Statements (commencing with the Compliance Certificate to be delivered in respect of the Annual Financial Statements for the Financial Year ending 31 December 2021):
 - (i) all Material Companies and all wholly-owned direct Holding Companies of the Material Companies are Guarantors; and

- (ii) the aggregate EBITDA of the Guarantors (calculated on an unconsolidated basis, excluding the EBITDA of any member of the Restricted Group that generates negative EBITDA, and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group), represents not less than 80 per cent. of Guarantor Jurisdictions EBITDA (as defined below) tested annually and calculated by reference to the most recent annual financial statements of the members of the Restricted Group (the test referred to in this Clause 25.12 (being the “**Coverage Test**”)). For the purpose of determining whether the Coverage Test has been complied with, the Annual Financial Statements shall be adjusted to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and Disposals of companies, undertakings and businesses which have taken place prior to the last day of the period covered by such Financial Statements and, where this test has to be satisfied in order for a Disposal or resignation of an Obligor to be permitted hereunder, to give *pro forma* effect to the relevant Disposal or resignation,
- (c) Subject to the Agreed Security Principles, the Company shall ensure that any member of the Restricted Group that is or becomes a guarantor under the Revolving Credit Facility Agreement (other than a Released Guarantor) shall promptly become an Additional Guarantor pursuant to Clause 29.4 (*Additional Guarantors*).
- (d) An Obligor which is a Guarantor on the Closing Date may not resign as a Guarantor under this Agreement unless (i) it is being disposed of in accordance with the terms of this Agreement, or (ii) as otherwise agreed by the Majority Noteholders.
- (e) Notwithstanding anything else in this Agreement there shall be no requirement for an Excluded SPV to accede to this Agreement as a Guarantor, and each Excluded SPV’s contribution to Guarantor Jurisdictions EBITDA shall be disregarded for the purposes of calculating the Coverage Test in paragraph (ii) above.
- (f) For the purposes of this Clause 25.12, “**Guarantor Jurisdictions EBITDA**” means the EBITDA of wholly-owned members of the Restricted Group incorporated in Guarantor Jurisdictions (calculated on a consolidated basis and excluding the EBITDA of any Excluded SPV and any other member of the Restricted Group that is not required to or cannot become a Guarantor due to legal prohibitions or the Agreed Security Principles).

25.13 Compliance with ERISA

No Obligor shall:

- (a) allow, or permit any of its ERISA Affiliates to allow, (i) any Employee Plan with respect to which any Obligor or any of its ERISA Affiliates may have any liability to terminate, (ii) any Obligor or ERISA Affiliates to withdraw from any Employee Plan or Multiemployer Plan, (iii) any ERISA Event to occur, or (iv) any Employee Plan to fail to satisfy the minimum funding standard (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, to the extent that any of the events described in (i), (ii), (iii) or (iv), singly or in the aggregate, could have a Material Adverse Effect;
- (b) allow, or permit any of its ERISA Affiliates to allow, (i) the aggregate amount of Unfunded Pension Liability among all Employee Plans (taking into account only Employee Plans with positive Unfunded Pension Liability) at any time to be in an amount that would reasonably be expected to have a Material Adverse Effect; or (ii) the aggregate potential withdrawal liability under Section 4201 of ERISA, if the Company and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans, to be in an amount that would reasonably be expected to have a Material Adverse Effect; or

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- (c) fail, or permit any of its ERISA Affiliates to fail, to comply in any material respect with ERISA or the related provisions of the Code, if any such non-compliance, singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

25.14 Compliance with U.S. Regulations

No Obligor shall be required to be registered as “investment company” as such terms are defined in the 1940 Act. Neither the issuance of any Note, or the application of the proceeds or redemption of any Notes any Obligor nor the consummation of the other transactions contemplated by this agreement will cause the Obligor to violate any provision of the 1940 Act or any rule, regulation or order of the SEC under the 1940 Act.

25.15 Further assurance

- (a) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each member of the Restricted Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may reasonably require in favour of the Collateral Agent or its nominee(s)):
- (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution and/or registration of a mortgage, charge, assignment or other Security in any Guarantor Jurisdiction over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Collateral Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and/or
 - (ii) to confer on the Collateral Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any Guarantor Jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) following the occurrence of an Event of Default that is continuing and in respect of which notice has been given under paragraph (b) of Clause 26.12 (*Acceleration*) or an event specified under Clause 26.13 (*U.S. insolvency acceleration*) has occurred, to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each member of the Restricted Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Collateral Agent or the Finance Parties by or pursuant to the Finance Documents.

25.16 Further covenants

In addition to the covenants contained in this Clause 25, the Company and each Obligor covenant and agree as set forth in Schedule 14 (*Restrictive Covenants*) hereto.

25.17 Unrestricted Subsidiaries

- (a) Nothing in this Agreement shall restrict an Issuer from designating a member of the Group as an Unrestricted Subsidiary (**provided that** such Subsidiary meets the requirements for such designation set out in Schedule 14 (*Restrictive Covenants*)).
- (b) If a member of the Group is designated as an Unrestricted Subsidiary, each Obligor will ensure that the Unrestricted Subsidiary does not (and will, for so long as it is an Unrestricted Subsidiary, not) legally or beneficially own shares in any Restricted Subsidiary.
- (c) Each Obligor will ensure that no Excluded SPV legally or beneficially owns any shares in an Obligor, and that no Excluded SPV legally or beneficially owns any shares in an entity that is a Restricted Subsidiary (other than an Excluded SPV).

25.18 Change in Accounting Reference Date

No Obligor shall change its Accounting Reference Date to a date which is not on or around 31 December.

25.19 Centre of main interests

No Obligor which is incorporated in a member state of the European Union shall do anything to change the location of its centre of main interests, for the purposes of EU Insolvency Regulation.

25.20 Sanctions

- (a) The Company and its Subsidiaries will not directly or indirectly use any proceeds from any Note, or lend, contribute or otherwise make available such proceeds to any other person, entity, joint venture or organisation: (i) to fund, finance or facilitate any agreement, transaction, dealing or relationship with or for the benefit of any Designated Person (or involving any property thereof), involving any Sanctioned Territory; or (ii) in any other manner that could reasonably be expected to result in a violation of Economic Sanctions Law by any person, including any person participating in the transactions contemplated in the Finance Documents, whether as Finance Party, adviser or otherwise.
- (b) The undertaking in paragraph (a) above given by any German Resident (or any Obligor in relation to a German Resident) is made only to the extent that it does not result in (i) a violation of, conflict with or liability under EU Regulation (EC) 2271/96 or (ii) a violation of or conflict with Section 7 of the German Foreign Trade Regulation (AWV) (*Außenwirtschaftsverordnung*) or a similar anti-boycott statute.

25.21 Anti-Bribery Laws

- (a) No Obligor nor any of its directors, officers nor, to its knowledge, any employee nor any person authorised to act on its behalf will (and the Company shall ensure that no Subsidiary nor any of its directors or officers nor, to its knowledge, employees nor any person authorised to act on its behalf, will) violate the Anti-Bribery Laws directly or indirectly through a third party, or will make any bribe, unlawful rebate or kickback or will otherwise corruptly pay, offer, promise, or authorize the payment of money, a gift or anything of value, directly or indirectly, to any Government Official for the purpose of:

- (i) improperly influencing any act or decision of such person in his/her official capacity;
 - (ii) inducing such person to act (including through action or omission) in violation of the lawful duty of such person;
 - (iii) securing any improper advantage; or
 - (iv) inducing such person to use his/her influence to improperly affect or influence any act or decision of a Government Authority, in order to assist an Obligor, any Subsidiary or any other third party in obtaining or retaining business for or with, or directing business to, any person, in each case of (i) through (iv), in violation of Anti-Bribery Laws.
- (b) Each Obligor shall (and the Company shall ensure that each Subsidiary shall) maintain reasonable policies and procedures designed to promote and achieve compliance with Anti-Bribery Laws.

25.22 Qualifying listing / ratings trigger

- (a) Notwithstanding anything to the contrary in this Agreement or any other Finance Document, during the period (if any) that a Ratings Condition (as defined in paragraph (d)(ii) below) is satisfied (the “**Suspension Period**”) (or permanently following satisfaction of the Qualifying IPO Condition), the following obligations and restrictions shall be suspended and shall not apply:
- (i) the requirement to make mandatory redemptions under Clause 11.2 (*Disposal Proceeds*);
 - (ii) (1) the requirement to deliver an annual budget under Clause 23.4 (*Budget*) or any other forward looking financial information to the Noteholders (or any other Finance Party) pursuant to Clause 23.1 (*Information Undertakings*) and any requirement in this Agreement to provide information that is referable back to such annual budget or other forward looking financial information; and (2) the requirement to provide monthly financial statements and provide presentations to the Noteholders pursuant to Clause 23 (*Information Undertakings*);
 - (iii) the requirements of Clause 25.12 (*Guarantors*) and any other requirement under this Agreement for any member of the Group to accede as an Additional Guarantor or provide Transaction Security;
 - (iv) the restrictions under paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*);
 - (v) the restrictions under paragraph 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*) together with any other restriction under this Agreement or any other Finance Document on the distribution of dividends, return of share capital or other type of shareholder, Investor or an Affiliate of an Investor remuneration or payment;
 - (vi) the restrictions under paragraph 3 (*Incurrence of Indebtedness and issuance of preferred stock*) of Schedule 14 (*Restrictive Covenants*);

- (vii) the restrictions under paragraph 7 (*Transactions with Affiliates*) of Schedule 14 (*Restrictive Covenants*); and
 - (viii) restrictions under paragraph 9 (*Passive Holding Company*) of Schedule 14 (*Restrictive Covenants*).
- (b) If at any time after a Ratings Condition has been satisfied and a Ratings Condition subsequently ceases to be satisfied, any breach of this Agreement or any other Finance Documents that arises as a result of any of the obligations, restrictions or other terms referred to in paragraph (a) above ceasing to be suspended or amended shall not (**provided that** it did not constitute an Event of Default at the time the relevant event or occurrence took place) constitute (or result in) a breach of any term of this Agreement or any other Finance Documents, a Default or an Event of Default, **provided that** any such contractual commitments were entered into during the Suspension Period and not in anticipation of the Ratings Condition no longer being satisfied. All Indebtedness incurred during the Suspension Period will be deemed to have been outstanding on the date of this Agreement and included in the schedule of Indebtedness delivered as a condition precedent pursuant to Clause 4.1 (*Initial conditions precedent*), so that it is classified as permitted under paragraph 3.2.2 of Schedule 14 (*Restrictive Covenants*).
- (c) In respect of any amount which has not been applied in mandatory redemption of the Facilities in accordance with Clause 11 (*Mandatory redemption*) as a result of the Ratings Condition being satisfied (the “**Released Amounts**”), if the Release Condition subsequently ceases to be satisfied after the date the redemption would have been required had the Ratings Condition not been satisfied, the failure to apply the Released Amounts in redemption shall not result in a breach of any term of this Agreement or any other Finance Document.
- (d) For the purposes of this Clause 25.22, the “**Release Condition**” means satisfaction of the following conditions (or, in each case, if an Event of Default is continuing on such date, as and from the first date thereafter on which no Event of Default is continuing):
- (i) a Listing has occurred which does not constitute a Change of Control and the Total Net Leverage Ratio (adjusted so that the proceeds of that Listing received by the Group which are, at the Company’s election, to be applied in redemption of the Facilities are deemed to have been applied in redemption of the Facilities on the last day of that Relevant Period) is equal to or less than 4.00:1 (the “**Qualifying IPO Condition**”); or
 - (ii) the long-term corporate credit rating of the Group is equal to or better than Baa3 according to Moody’s Investor Services Limited and BBB- according to Standard & Poor’s Rating Services (the “**Ratings Condition**”).

25.23 People with Significant Control regime

Each Obligor incorporated in England and Wales shall (and the Company shall ensure that each other Restricted Subsidiary that is incorporated or established in England and Wales will):

- (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
- (b) promptly provide the Collateral Agent with a copy of that notice.

25.24 Maintenance of Listing

The Company shall use its commercially reasonable endeavours to obtain and maintain the listing of the Notes on the Official List of The International Stock Exchange for so long as the Notes are outstanding; **provided that** if the Company is unable to obtain admission to such listing or if at any time the Company determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain (prior to the delisting of the Notes from The International Stock Exchange if the Notes are so listed), and thereafter use its commercially reasonable efforts to maintain, a listing of such Notes on another “recognized stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

25.25 U.S. Small Business Administration Paycheck Protection Program

The Company shall ensure that no member of the Group incurs any Indebtedness under the U.S. Small Business Administration Paycheck Protection Program.

25.26 Conditions subsequent

The Company shall ensure that within one Business Day following the Closing Date, it has prepaid and cancelled (or procured the prepayment and cancellation) in full of all amounts outstanding under, and all commitments under, the Existing Debt.

26. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 26 is an Event of Default (save for Clause 26.12 (*Acceleration*) and Clause 26.13 (*U.S. insolvency acceleration*)).

26.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless (i) in the case of principal and interest, such non-payment is made within three Business Days of its due date or (ii) in the case of any other amount, payment is made within five Business Days of its due date.

26.2 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in 26.1 (*Non-payment*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the Company or (ii) the relevant Obligor becoming aware of the failure to comply.

26.3 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading (in the case of any representation or statement which is not subject to a materiality threshold in accordance with its terms, in any material respect) when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply (or the circumstances leading to the failure to comply) is capable of remedy and is remedied within 15 Business Days of the earlier of the Agent giving written notice to the Company or the Company or any other Obligors becoming aware of the failure to comply.

26.4 Cross default

- (a) Any Indebtedness of any member of the Restricted Group or the Parent is not paid when due at its specified maturity nor within any originally applicable grace period.
- (b) Any Indebtedness of any member of the Restricted Group or the Parent is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Indebtedness of any member of the Restricted Group or the Parent is cancelled or suspended by a creditor of any member of the Restricted Group or the Parent as a result of an event of default (however described).
- (d) No Event of Default will occur under this Clause 26.4 if the aggregate amount of Indebtedness or commitment for Indebtedness falling within paragraphs (a) to (c) above is less than GBP 15,000,000 (or its equivalent in any other currency or currencies) and excluding in any case any Indebtedness to the extent owed by the Parent or one member of the Restricted Group to another member of the Restricted Group or the Parent or under Shareholder Funding.

26.5 Insolvency

- (a) Any Obligor or Material Company is unable or admits inability to pay its debts as they fall due (or is deemed to or declared to be unable to pay its debts under applicable law), suspends or threatens to suspend making payments on its debts generally or, by reason of actual financial difficulties, commences negotiations with its creditors generally (except for the Finance Parties) with a view to the general rescheduling of its indebtedness or in particular a member of the Group incorporated in Germany is unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of section 17 of the Germany Insolvency Code (*Insolvenzordnung*) or threatens to become unable to pay its debts (*drohend zahlungsunfähig*) within the meaning of section 18 of the German Insolvency Code (*Insolvenzordnung*), or is over-indebted (*überschuldet*) in the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*) and/or Article 3 of the Greek Bankruptcy Code.
- (b) A moratorium is declared in respect of any indebtedness of any Obligor or Material Company. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

26.6 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other formal procedure or step is taken (other than by a Finance Party) in relation to:
 - (i) the suspension of payments on its debts generally, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Material Company;
 - (ii) a composition, compromise, assignment or arrangement with its creditors generally (other than any Finance Party) of any Obligor or Material Company for reasons of actual financial difficulty of that Obligor or Material Company;

- (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, Viscount of the Royal Court of Jersey or other similar officer in respect of any Obligor or Material Company or any of its assets;
 - (iv) enforcement of any Security over any assets of any Obligor or Material Company having an aggregate value of £15,000,000 (or its equivalent in other currencies); or
 - (v) any action taken by a restructuring court (*Restrukturierungsgericht*) under section 29 paragraph 2 StaRUG, or any analogous procedure or step is taken in relation to an Obligor or Material Company in any jurisdiction, including, without limitation, (a) the making of an application for the opening of insolvency proceedings for the reasons set out in sections 17 to 19 of the German Insolvency Code (*Insolvenzordnung*) (*Antrag auf Eröffnung eines Insolvenzverfahrens*) or the taking of actions pursuant to section 21 of the German Insolvency Code (*Insolvenzordnung*) (*Anordnung von Sicherungsmaßnahmen*), (b) any filing for preliminary proceedings according to sections 270a (*Antrag: Eigenverwaltungsplanung*) and 270b (*Anordnung der vorläufigen Eigenverwaltung*) German Insolvency Code (*Insolvenzordnung*) and (c) any proceedings are commenced or other steps are taken for any Obligor to be made subject to, or the subject of, any grant, declaration, decision or winding-up to which reference is made in Article 8 (Meaning of Bankruptcy) of the Interpretation (Jersey) Law 1954.
- (b) Paragraph (a) shall not apply to:
- (i) any winding-up petition or to any analogous procedures or step in any jurisdiction which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement; or
 - (ii) any Permitted Transaction; or
 - (iii) any U.S. Obligor.

26.7 U.S. insolvency proceedings

- (a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction in the United States seeking:
- (i) relief in respect of any U.S. Obligor, or of a substantial part of the property or assets of any U.S. Obligor, under U.S. Bankruptcy Law;
 - (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any U.S. Obligor or for a substantial part of the property or assets of any U.S. Obligor; or
 - (iii) the winding-up or liquidation of any U.S. Obligor,
- and such proceeding or petition shall continue undismissed for 30 days or an order or decree approving or ordering any of the foregoing shall be entered.
- (b) Any U.S. Obligor shall:
- (i) voluntarily commence any proceeding or file any petition seeking relief under U.S. Bankruptcy Law;

- (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (a) above;
- (iii) consent to the entry of an order for relief against it in an involuntary case under U.S. Bankruptcy Law;
- (iv) make a general assignment for the benefit of its creditors;
- (v) apply for or consent to the appointment, pursuant to the laws of the United States or any state thereof, of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of the property or assets of any Obligor; or
- (vi) take any comparable action to that described in sub-paragraphs (i) to (v) (inclusive) of this paragraph (b) under any foreign laws relating to insolvency.

26.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor or Material Company having an aggregate value of £15,000,000 (or its equivalent in other currencies) and is not discharged within 15 Business Days.

26.9 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor or any other member of the Group or any lender under any document evidencing Shareholder Funding that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents or, subject to the Legal Reservations and Perfection Requirements any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful.
- (b) Any obligation or obligations of any Obligor under any Finance Documents or any other member of the Group or any lender under any document evidencing Shareholder Funding that is a party thereto under the Intercreditor Agreement are not or cease to be, subject to the Legal Reservations, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.
- (c) Subject to the Legal Reservations, any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

26.10 Intercreditor Agreement

- (a) Any member of the Group, Investor Affiliate or Subordinated Creditor (as defined in the Intercreditor Agreement) party to the Intercreditor Agreement fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement in any material respect; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect, and, if the non-compliance or failure to perform or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within fifteen (15) Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or failure to perform or misrepresentation.

26.11 Repudiation and rescission of agreements

- (a) An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security Documents or evidences an intention to rescind or repudiate a Finance Document or a Transaction Security Document.
- (b) Any Obligor rescinds or purports to rescind or repudiates or purports to repudiate the Intercreditor Agreement in whole or in part where to do so has or is, in the reasonable opinion of the Majority Noteholders, could reasonably be expected to have a material adverse effect on the interests of the Noteholders (taken as a whole) under the Finance Documents.

26.12 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Noteholders, by notice to the Issuer:

- (a) cancel the Total Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Notes, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Notes be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Noteholders; and/or
- (d) exercise or direct the Collateral Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

26.13 U.S. insolvency acceleration

If an Event of Default under Clause 26.5 (*Insolvency*) or Clause 26.6 (*Insolvency proceedings*) shall occur in respect of an Issuer in a U.S. court of competent jurisdiction, then automatically and without notice to such Issuer or any other act by the Agent or any other person,

- (a) the Total Commitments in relation to such Issuer shall immediately be cancelled; and
- (b) all of the advances made to such Issuer, accrued interest thereon, and any other sum then payable under this Agreement and any of the other Finance Documents by such Issuer shall be immediately due and payable,

in each case without presentment, demand, protest or notice of any kind, all of which are expressly waived.

26.14 Clean-Up Period

For the purpose of this Agreement, for the period from the date of completion of a Permitted Investment in a person who, pursuant to such Permitted Investment, becomes a member of the Group (such a person, a “**Subsequent Target**”) or is an acquisition of a business or undertaking (such business or undertaking, a “**Subsequent Target Asset**”) until the date falling 60 days after the Permitted Investment in a Subsequent Target and/or acquisition of a Subsequent Target

Asset (the “**Clean-Up Period**”), if any matter or circumstance exists in respect of such Subsequent Target or Subsequent Target Asset which would constitute a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default (a “**Relevant Default**”), that Relevant Default shall not constitute a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default (as the case may be) and the Agent shall not be entitled to give any notice under Clause 26.12 (*Acceleration*) with respect to that Relevant Default until (if that Relevant Default is then continuing) the date immediately after the end of the Clean-Up Period, **provided that** such Relevant Default:

- (a) is capable of being remedied within the Clean-Up Period and the Company is taking appropriate steps to remedy such breach or Event of Default;
- (b) does not have a Material Adverse Effect; and
- (c) was not procured or approved by the Company or any other member of the Group.

Notwithstanding the above, if the Relevant Default is continuing after the expiry of the Clean-Up Period, there shall be a breach of a representation, undertaking or any other term or condition or a Default or an Event of Default, as the case may be (and without prejudice to any rights and remedies of the Finance Parties). The Company shall promptly notify the Agent upon becoming aware of the occurrence or existence of any Relevant Default and the steps, if any, being taken to remedy it.

26.15 Excluded matters

Notwithstanding any other term of the Finance Documents to the contrary:

- (a) none of the steps, transactions, reorganisations or events set out in or contemplated by the Tax Structure Memorandum or arising as a result of a Permitted Reorganisation; and
- (b) prior to the end of the Business Day following the Closing Date, no breach of any representations, warranty, undertaking or other term or (or default or event of default under) any document relating to the existing financing arrangements of any member of the Group or the Parent (including the Existing Debt) arising as a direct or indirect result of any person entering into and/or performing its obligations under any Finance Document (or carrying out the transactions contemplated thereby),

shall be deemed to constitute or result in a breach of any representation, warranty, undertaking or other term in the Finance Documents or a Default or an Event of Default.

27. CHANGES TO THE NOTEHOLDERS

27.1 Transfers by the Noteholders

Subject to this Clause 27 (*Changes to the Noteholders*) and to Clause 28 (*Restriction on Debt Purchase Transactions*), a Noteholder (the “**Existing Noteholder**”) may:

- (a) transfer by novation any of its rights and obligations; or
- (b) enter into a sub-participation in respect of any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of subscribing for, purchasing or investing in notes, securities or other financial assets (the “**New Noteholder**”) **provided that** no Investor Affiliate may be a New Noteholder without the prior consent of the Agent (acting on the instructions of the Majority Noteholders).

27.2 Conditions of transfer

- (a) An Existing Noteholder must obtain the prior written consent of the Company (such consent not to be unreasonably withheld or delayed if requested following the Closing Date) before it may make a transfer or sub-participation in accordance with Clause 27 (*Transfers by the Noteholders*) unless the transfer or sub-participation is:
- (i) to an Affiliate or Related Fund of the relevant Existing Noteholder; or
 - (ii) made at a time when a Material Event of Default is continuing,

provided that:

- (A) in all cases (notwithstanding paragraphs (i) and (ii) above) in the case of a transfer or sub-participation to any of the following persons, the prior written consent of the Company (in its sole discretion and never deemed granted) must be obtained:
 - (I) an Industry Competitor;
 - (II) a Loan to Own/Distressed Investor (unless a Material Event of Default is continuing); or
 - (III) any person that (to the extent the relevant Existing Noteholder and/or the Agent is aware) is (or would, upon becoming a Noteholder, be) a Defaulting Noteholder;
 - (B) in the case of a transfer or sub-participation of an Existing Noteholder's Available Commitments under any Facility, the prior written consent of the Company (in its sole discretion and never deemed granted) must be obtained; and
 - (C) in the case of a transfer or sub-participation to a transferee under paragraph (a)(i) above, the transferee or sub-participant (x) remains an Affiliate or Related Fund of the Existing Noteholder (in the case of a transfer or sub-participation pursuant to paragraph (a)(i)), or (y) such transferee or sub-participant transfers promptly (and in any event within three Business Days of ceasing to satisfy either clause (x)) all of its rights and obligations under any Finance Document to the Existing Noteholder in accordance with Clause 27.5 (*Procedure for transfer*) but without reference to the conditions set out in paragraph (a) above.
- (b) Where this Clause 27 provides that the Company's prior written consent is required for a transfer or sub-participation (a "**Transfer Request**"), the following provisions shall apply:
- (i) if the Company fails to respond to a Transfer Request given under paragraph (a) above (but not, for the avoidance of doubt, a Transfer Request given under sub-paragraph (A) or (B) of the proviso to paragraph (a) above) (the "**Initial Transfer Request**") by the date falling 10 Business Days after receipt thereof by the Company (which shall require, for this purpose, delivery of a copy to legal@sohohouse.com) (such date, the "**Initial Transfer Request Expiry Date**"), the relevant Noteholder shall be entitled to, during the period starting on the Initial Transfer Request Expiry Date and ending on the date falling five Business Days thereafter, deliver to the Company a second request in respect of the same transfer and on the same terms (the "**Second Transfer Request**").

If the Company fails to respond to the Second Transfer Request within five Business Days of receipt thereof by the Company (which shall require, for this purpose, delivery of a copy to legal@sohohouse.com), the relevant consent requested therein shall be deemed granted strictly on the terms of the Second Transfer Request; and

- (ii) the Company shall not be deemed to have unreasonably withheld or delayed its consent to a Transfer Request if the Company has, acting reasonably and in good faith, requested further information in connection with the relevant transfer or sub-participation, in which case paragraph (i) above shall cease to apply to the relevant Transfer Request and the relevant Existing Noteholder shall promptly deliver such information to the Company together with a revised Transfer Request (which transfer request shall, for the purpose of paragraph (i) above, be deemed to be an Initial Transfer Request).
- (c) In the event a Noteholder enters into a transfer or sub-participation without complying with the requirements of paragraph (a) above, that transfer or sub-participation shall not be effective and neither its Commitments and/or holdings (but only to the extent of such transfer) nor those of any relevant purported transferee shall be included for the purpose of calculating whether a certain percentage of Total Commitments or Notes has been obtained to approve an amendment, waiver or similar under any of the Finance Documents.
- (d) The amount of the Existing Noteholder's Commitment transferred must be a minimum of £5,000,000 (or its equivalent in other currencies) unless the transfer is:
 - (i) to another Noteholder or an Affiliate of a Noteholder;
 - (ii) if the Existing Noteholder is a fund, to a fund which is a Related Fund of the Existing Noteholder;
 - (iii) made at a time when an Event of Default is continuing; or
 - (iv) of all of the relevant Existing Noteholder's Commitment (and not part thereof).
- (e) For the purposes of paragraph (d) above, in the case of concurrent transfers, releases and accessions by an Existing Noteholder to two or more Related Funds or Affiliates, the Commitments of these Related Funds and Affiliates shall be aggregated.
- (f) A transfer will only be effective if the New Noteholder enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 27.5 (*Procedure for transfer*) is complied with.
- (g) Any transfer by an Existing Noteholder to a New Noteholder shall only be effective if it transfers the Existing Noteholder's share of the relevant Facility *pro rata* against the Existing Noteholder's Available Commitment and holding of Notes in Notes Subscriptions under that Facility.
- (h) If:
 - (i) a Noteholder transfers or sub-participates any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the transfer, sub-participation or change occurs, an Obligor would be obliged to make a payment to the New Noteholder or Noteholder acting through its new Facility Office under Clause 16 (*Tax Gross Up and Indemnities*) or Clause 17 (*Increased costs*),

then the New Noteholder or Noteholder acting through its new Facility Office is only entitled to receive payment under the relevant Clause to the same extent as the Existing Noteholder or Noteholder acting through its previous Facility Office would have been if the transfer, sub-participation or change had not occurred. This paragraph (i) shall not apply in relation to Clause 16.2 (*Tax gross-up*), to a Treaty Noteholder that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with paragraph 16.2(h)(ii)(A) of Clause 16.2 (*Tax gross-up*) if the Obligor making the payment has not made an Issuer DTTP Filing in respect of that Treaty Noteholder in accordance with its obligations under paragraphs (h) and (i) Clause 16.2 (*Tax gross-up*).

- (i) Each New Noteholder, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Noteholder or Noteholders in accordance with this Agreement on or prior to the date on which the transfer becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Noteholder would have been had it remained a Noteholder.

27.3 Transfer fee

Unless the Agent otherwise agrees, the New Noteholder shall, on the date upon which a transfer takes effect, pay to the Agent (for its own account) a fee of £3,500 (unless such New Noteholder is an Affiliate or Related Fund of the Existing Noteholder).

27.4 Limitation of responsibility of Existing Noteholders

- (a) Unless expressly agreed to the contrary, an Existing Noteholder makes no representation or warranty and assumes no responsibility to a New Noteholder for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any member of the Group of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Noteholder confirms to the Existing Noteholder, the other Finance Parties and the Secured Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Noteholder or any other Finance Party in connection with any Finance Document or the Transaction Security; and

- (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Noteholder to:
 - (i) accept a re-transfer from a New Noteholder of any of the rights and obligations transferred under this Clause 27; or
 - (ii) support any losses directly or indirectly incurred by the New Noteholder by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

27.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of transfer*), a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Noteholder and the New Noteholder and the Agent makes a corresponding entry in the Notes Register pursuant to Clause 7 (*Notes Register*). Where the Existing Noteholder holds a Notes Certificate and not all the Notes are the subject of the transfer, upon request of the Existing Noteholder and subject to Clause 8 (*Notes Certificates*), a new Notes Certificate will be issued by the Agent for the balance of the existing Notes held by the Existing Noteholder. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and make such corresponding entry in the Notes Register.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Noteholder and the New Noteholder and make such corresponding entry in the Notes Register once it is satisfied it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to the transfer to such New Noteholder.
- (c) Subject to Clause 27.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Noteholder seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Noteholder shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Noteholder shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Noteholder have assumed and/or acquired the same in place of that Obligor and the Existing Noteholder;
 - (iii) the Agent, the Original Notes Purchasers, the Collateral Agent, the New Noteholder and the other Noteholders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Noteholder

been an Original Notes Purchaser with the rights, benefits and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Original Notes Purchasers, the Collateral Agent, the other Noteholders and the Existing Noteholder shall each be released from further obligations to each other under the Finance Documents; and

- (iv) the New Noteholder shall become a Party as a “Noteholder”.

27.6 Copy of Transfer Certificate, Increase Confirmation to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Increase Confirmation, send to the Company a copy of that Transfer Certificate or Increase Confirmation.

27.7 Sub-participation

- (a) At any time, the prior written consent of the Company is required for any sub- participation by a Noteholder unless:
 - (i) the proposed sub-participation is permitted by Clause 27.2 (*Conditions of transfer*) (including, for the avoidance of doubt, by reason of a consent granted or deemed granted by the Company in accordance with the terms of that Clause);
 - (ii) the Noteholder remains liable under this Agreement and the other Finance Documents in relation to those obligations;
 - (iii) such Noteholder retains exclusive control over all rights and obligations in relation to the Notes and Commitments that are the subject of the relevant agreement or arrangement, including all voting rights (for the avoidance of doubt, free of any agreement or understanding pursuant to which it is required to or will consult with any other person in relation to the exercise of any such rights and/or obligations), unless the proposed sub-participant is a person to whom the relevant rights and obligations could have been transferred in accordance with the terms of this Clause 27 and, unless made (x) at a time when an Event of Default has occurred and is continuing or (y) to an Affiliate or a Related Fund of such Noteholder, seven Business Days prior to entering into the relevant agreement or arrangement the relevant Noteholder provides the Company with full details of that proposed sub-participant and any voting, consultation or other rights to be granted to the sub-participant;
 - (iv) the relationship between the Noteholder and the proposed sub-participant is that of a contractual debtor and creditor (including in the bankruptcy or similar event of the Noteholder or an Obligor);
 - (v) the proposed sub-participant will have no proprietary interest in the benefit of this Agreement or any of the other Finance Documents or in any monies received by the relevant Noteholder under or in relation to this Agreement or any of the other Finance Documents (in its capacity as sub-participant under that arrangement); and
 - (vi) the proposed sub-participant will under no circumstances: (A) be subrogated to, or be substituted in respect of, the relevant Noteholder’s claims under this Agreement or any of the other Finance Documents; or (B) otherwise have any contractual relationship with, or rights against, the Obligors under or in relation to this Agreement or any of the other Finance Documents (in its capacity as sub-participant under that arrangement).

- (b) A Noteholder shall promptly notify the Company of any sub-participation entered into by it, unless the proposed sub-participant is an Affiliate or Related Fund of that Noteholder.
- (c) Each Noteholder that sells a sub-participation shall, acting solely for this purpose as a non-fiduciary agent of any Issuer, shall maintain a register for the recording of the name and address of each sub-participant and the principal amount (and stated interest) of each sub-participant's interest in the Commitments or obligations owing to such sub-participant (the "**Participant Register**"); **provided that** no Noteholder shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any sub-participant or any information relating to a sub-participant's interest in any commitments, loans or any other of its obligations) to any Person except to the extent that such disclosure is necessary to establish that such commitment, note or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in a Participant Register shall be conclusive absent manifest error, and the Noteholder maintaining such Participant Register shall treat each person whose name is recorded in the Participant Register as the owner of the sub-participation for all purposes of this Agreement, notwithstanding any notice to the contrary.

27.8 Security over Noteholders' rights

In addition to the other rights provided to Noteholders under this Clause 27, each Noteholder may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document, to secure obligations of that Noteholder including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Noteholder which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Noteholder as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Noteholder from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Noteholder as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Noteholder under the Finance Documents.

27.9 Pro rata interest settlement

If the Agent has notified the Noteholders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Noteholders and New Noteholders then (in respect of any transfer pursuant to Clause 27.5 (*Procedure for transfer*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant holding which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Noteholder up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Noteholder (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six (6) Months, on the next of the dates which falls at six (6) Monthly intervals after the first day of that Interest Period); and

- (b) the rights transferred by the Existing Noteholder will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Noteholder; and
 - (ii) the amount payable to the New Noteholder on that date will be the amount which would, but for the application of this Clause 27.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

28. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

28.1 Prohibition on Debt Purchase Transactions by the Group

The Company shall not, and shall procure that each other member of the Group shall not, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Noteholder or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction.

28.2 Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates

- (a) For so long as an Investor Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:
 - (i) in ascertaining the Majority Noteholders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or the agreement of any specified group of Noteholders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and
 - (ii) such Investor Affiliate or the person with whom it has entered into such sub- participation, other agreement or arrangement shall be deemed not to be a Noteholder for the purpose of paragraph (i) above (unless in the case of a person not being an Investor Affiliate it is a Noteholder by virtue otherwise than by beneficially owning the relevant Commitment).
- (b) Each Noteholder shall, unless such Debt Purchase Transaction is a transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction (a “**Notifiable Debt Purchase Transaction**”), such notification to be substantially in the form set out in Part 1 of Schedule 13 (*Form of Notifiable Debt Purchase Transaction Notice*).
- (c) A Noteholder shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:
 - (i) is terminated; or
 - (ii) ceases to be with an Investor Affiliate,

such notification to be substantially in the form set out in Part 2 of Schedule 13 (*Form of Notifiable Debt Purchase Transaction Notice*).

- (d) Each Investor Affiliate that is a Noteholder agrees that:
- (i) in relation to any meeting or conference call to which all the Noteholders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same;
 - (ii) in its capacity as Noteholder, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Noteholders; and
 - (iii) to the extent and for so long as its Commitment, participation in any loan or sub-participation or other agreement or arrangement relating to a Commitment, including, without limitation, following a Debt Purchase Transaction, could result in the subordination of claims of any other Noteholder under the Notes pursuant to any law regarding the subordination of shareholder loans or similar claims or prejudice or adversely affect the Transaction Security or guarantee and indemnity pursuant to Clause 21 (*Guarantee and Indemnity*) (or their enforceability) in any way, the relevant Subordinated Noteholder shall not be a secured or guaranteed party (however described) under and for the purposes of any Finance Document and no amount owing to it under any Finance Document shall be secured by the Transaction Security Documents (unless the subordination ceases to apply or subsequently or at the same time applies to the Noteholders generally (other than where such subordination of the Noteholders generally is caused by a Debt Purchase Transaction by a Subordinated Noteholder)).

28.3 Investor Affiliates' notification to other Noteholders of Debt Purchase Transactions

Any Investor Affiliate which is or becomes a Noteholder and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into that Debt Purchase Transaction, notify the Agent of the extent of the Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Noteholders.

29. CHANGES TO THE OBLIGORS

29.1 Assignment and transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

29.2 Additional Issuers

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 23.9 (*"Know your customer" checks*), the Company may request that any of its wholly owned Subsidiaries becomes an Additional Issuer. That Subsidiary shall become an Issuer under a Facility if:
- (i) all the Noteholders under the relevant Facility approve the addition of that Subsidiary as an Issuer;

- (ii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed;
 - (iii) the Subsidiary is (or becomes) a Guarantor prior to (or simultaneously with) becoming an Issuer; and
 - (iv) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions Precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions Precedent*) in relation to that Additional Issuer, each in form and substance satisfactory to the Agent (acting reasonably).
- (b) The Agent shall notify the Company and the Noteholders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

29.3 Resignation of an Issuer

- (a) In this Clause 29.3, Clauses 29.5 (*Resignation of a Guarantor*) and 29.7 (*Resignation and release of security on disposal*), “**Third Party Disposal**” means the disposal of an Obligor to a person which is not a member of the Restricted Group where that Disposal is permitted or not prohibited under paragraph 1 (*Asset Sales*) of Schedule 14 (*Restrictive Covenants*) and the Intercreditor Agreement or made with the prior written consent of the Majority Noteholders.
- (b) If an Issuer (or a Holding Company of an Issuer) is the subject of a Third Party Disposal or a Permitted Reorganisation, the Company may request that such Issuer (other than the Company) ceases to be an Issuer by delivering to the Agent a Resignation Letter.
- (c) The Agent shall accept a Resignation Letter and notify the Company and the other Finance Parties of its acceptance if:
- (i) the Company has confirmed that no Event of Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) the Issuer is under no actual or contingent obligations as an Issuer under any Finance Documents; and
 - (iii) where the Issuer is also a Guarantor (unless its resignation has been accepted in accordance with Clause 29.5 (*Resignation of a Guarantor*)), its obligations in its capacity as Guarantor continue to be (subject to the Legal Reservations) legal, valid, binding and enforceable and in full force and effect and the amount guaranteed by it as a Guarantor is not decreased (and the Company has confirmed this is the case).
- (d) Upon notification by the Agent to the Company of its acceptance of the resignation of an Issuer, that company shall cease to be an Issuer and shall have no further rights or obligations under the Finance Documents as an Issuer except that the resignation shall not take effect (and the Issuer will continue to have rights and obligations under the Finance Documents) until the date on which the Third Party Disposal takes effect.
- (e) The Agent may (acting reasonably), at the cost and expense of the Company, require a legal opinion from counsel to the Agent confirming the matters set out in paragraph (c)(ii) above and the Agent shall be under no obligation to accept a Resignation Letter until it has obtained such opinion in form and substance satisfactory to it (acting reasonably).

29.4 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 29.3 (*"Know your customer" checks*), the Company may request that any of its Subsidiaries which is incorporated in a Guarantor Jurisdiction become a Guarantor.
- (b) A member of the Group shall become an Additional Guarantor if:
 - (i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Deed; and
 - (ii) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions Precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent, acting reasonably.
- (c) The Agent shall notify the Company and the Noteholders promptly upon being satisfied that it has received (in form and substance satisfactory to it, acting reasonably) all the documents and other evidence listed in Part 2 (*Conditions Precedent required to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions Precedent*).

29.5 Resignation of a Guarantor

- (a) The Company may request that a Guarantor (other than the Parent or the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:
 - (i) that Guarantor (or a Holding Company of that Guarantor) is being disposed of by way of a Third Party Disposal (as defined in Clause 29.3 (*Resignation of an Issuer*)) or a Permitted Reorganisation as a result of the disposal of Charged Property that is otherwise permitted or not prohibited under Schedule 14 (*Restrictive Covenants*) or the Intercreditor Agreement and the Company has confirmed this is the case; or
 - (ii) subject to clause 26 (*Consents, Amendments and Override*) of the Intercreditor Agreement, the Majority Noteholders have consented to the resignation of that Guarantor;
- (b) Subject to paragraph (c) of clause 19.16 (*Resignation of a Debtor*) of the Intercreditor Agreement, the Agent shall accept a Resignation Letter and notify the Company and the Noteholders of its acceptance if:
 - (i) the Company has confirmed that no Event of Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) no payment is due from the Guarantor under Clause 21.1 (*Guarantee and indemnity*);
 - (iii) where the Guarantor is also an Issuer, it is under no actual or contingent obligations as an Issuer and has resigned and ceased to be an Issuer under Clause 29.3 (*Resignation of an Issuer*).
- (c) The resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal, disposal of Charged Property, Permitted Reorganisation or other such event contemplated by paragraph (a) above, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

29.6 Repetition of Representations

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (c) of Clause 22.32 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29.7 Resignation and release of security on disposal or resignation

If an Issuer or Guarantor (or Holding Company of that Issuer or Guarantor) is or is proposed to be the subject of a Third Party Disposal, or is otherwise to resign as an Issuer or a Guarantor as permitted by and in accordance with Clause 29.3 (*Resignation of an Issuer*) and/or (as applicable) Clause 29.5 (*Resignation of a Guarantor*) (a “**Resignation**”), or there is a disposal of Charged Property that is otherwise permitted or not prohibited under Schedule 14 (*Restrictive Covenants*) or the Intercreditor Agreement then:

- (a) where that Issuer or Guarantor created Transaction Security over any of its assets or business (or Transaction Security otherwise exists over the Charged Property to be disposed of) in favour of the Collateral Agent, or Transaction Security in favour of the Collateral Agent was created over the shares (or equivalent) of that Issuer or Guarantor, the Collateral Agent shall, at the cost and request of the Company, release those assets, business or shares (or equivalent) from the Transaction Security and issue certificates of non-crystallisation;
- (b) to the extent the subject of a Resignation or a Third Party Disposal, that Obligor shall cease to be an Obligor upon such Disposal occurring and shall have no further rights or obligations under the Finance Documents as an Obligor;
- (c) the resignation of that Issuer or Guarantor and/or release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that Disposal (or, if applicable, resignation); and
- (d) to the extent the subject of a Third Party Disposal, if the disposal of that Issuer or Guarantor (or Holding Company of that Issuer or Guarantor) is not made, the Resignation Letter of that Issuer or Guarantor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Issuer or Guarantor and the Transaction Security created or intended to be created by or over that Issuer or Guarantor shall continue in such force and effect as if that release had not been effected.

29.8 Release of Security following the occurrence of a 956 Transaction Security Release Event

- (a) Notwithstanding anything to the contrary in any Finance Document, the Security Agent (on behalf of the Secured Parties) is hereby authorised and instructed and shall promptly following the occurrence of a 956 Transaction Security Release Event release or amend (or procure that any party acting as security trustee or as agent in relation to the Transaction Security Documents releases or amends) any Transaction Security and/or the Intercreditor Agreement (including any consequential changes in relation thereto) as is necessary to comply with Clause 21.14 (*Guarantee limitation - deemed dividends*) and the Security Agent shall (at the cost and expense of the Company but without the need for any further authority from the Secured Parties) enter into such documentation and take such other action as the Company (acting reasonably) shall require to give effect to such release or amendment.

- (b) For the purpose of this Clause 29.8, “**956 Transaction Security Release Event**” means any event or circumstance in connection with which any Transaction Security has been or is required to be, or the Company reasonably anticipates that such Transaction Security will be required to be, released in accordance with paragraph (c) of Clause 21.14 (*Guarantee limitation - deemed dividends*).

30. ROLE OF THE AGENT, THE COLLATERAL AGENT AND OTHERS

30.1 Appointment of the Agent

- (a) Each of the Noteholders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Noteholders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions. Each Finance Party hereby relieves the Agent from the restrictions pursuant to section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Finance Party. A Finance Party which is barred by its constitutional documents or by-laws from granting such exemption shall notify the Agent accordingly.
- (c) Each other Finance Party confirms that the Agent and each Original Notes Purchaser has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Original Notes Purchaser or Agent) the terms of any reliance letter or engagement letters relating to any report or letters provided by any person in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 7 (*Notes Register*) and Clause 27.6 (*Copy of Transfer Certificate or Increase Confirmation to Company*), paragraph (a) above shall not apply to any Transfer Certificate or any Increase Confirmation.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee or closing payment payable to a Finance Party (other than the Agent, the Original Notes Purchasers or the Collateral Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (f) The Agent’s duties under the Finance Documents are solely mechanical and administrative in nature.

- (g) The Agent shall provide to the Company, within ten (10) Business Days of a request by the Company (but no more frequently than once per six (6) month period), a list (which may be in electronic form) setting out the names of the Noteholders as at the date of that request, their respective Commitments, the last known address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Noteholder for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Noteholder to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Noteholder for any payment to be distributed by the Agent to that Noteholder under the Finance Documents.

30.3 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent or the Collateral Agent as a trustee or fiduciary of any other person.
- (b) With the exception of the Original Notes Purchaser, neither the relationship described in this letter nor the services provided by the Original Notes Purchaser respective Affiliates or Related Funds to the Company or its Affiliates or any other matter will give rise to any fiduciary or equitable duties which could prevent or hinder the Original Notes Purchaser respective Affiliates or Related Funds providing similar services to other customers, or otherwise acting on behalf of other customers or for their own account.
- (c) None of the Agent or the Collateral Agent shall be bound to account to any Noteholder for any sum or the profit element of any sum received by it for its own account.

30.4 Business with the Group

The Agent or the Collateral Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

30.5 Rights and discretions

- (a) The Agent and the Collateral Agent may rely on:
 - (i) any representation, notice or document (including, without limitation, any notice given by a Noteholder pursuant to paragraph (b) and (c) of Clause 28.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Investor Affiliates*)) believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent and the Collateral Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Noteholders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Noteholders has not been exercised;

- (iii) any notice or request made by the Company (other than a Notes Subscription Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligor; and
- (iv) no Notifiable Debt Purchase Transaction:
 - (A) has been entered into;
 - (B) has been terminated; or
 - (C) has ceased to be with an Investor Affiliate.
- (c) The Agent and the Collateral Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent and the Collateral Agent may act in relation to the Finance Documents through its personnel and agents including the personnel and agents of its Affiliates if necessary.
- (e) The Agent and the Collateral Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (e) above, the Agent and the Collateral Agent may disclose the identity of a Defaulting Noteholder to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Noteholders.
- (g) Without prejudice to the generality of paragraph (f) above, the Agent:
 - (i) may disclose; and
 - (ii) on the written request of the Company or the Majority Noteholders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Noteholder to the Company and to the other Finance Parties.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent or the Collateral Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

30.6 Majority Noteholders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Noteholders (or, if so instructed by the Majority Noteholders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Noteholders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Noteholders will be binding on all the Finance Parties other than the Collateral Agent.
- (c) The Agent may refrain from acting in accordance with the instructions of any Party (including, without limitation, bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received such indemnification and/or security as it may in its sole discretion require (whether by way of payment in advance or otherwise) for any costs, losses and/or liabilities whatsoever (together with any associated VAT or similar tax) which it may incur in so acting.

- (d) The Agent may refrain from doing anything which might, in its sole opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its sole opinion, is necessary or desirable to comply with any applicable law or regulation.
- (e) In the absence of instructions from the Majority Noteholders (or, if appropriate, the Noteholders), the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Noteholders.
- (f) The Agent is not authorised to act on behalf of a Noteholder (without first obtaining that Noteholder's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

30.7 Responsibility for documentation

Neither the Agent nor the Collateral Agent:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, an Obligor or any other person given in or in connection with any Finance Document or the Financial Model or the transactions contemplated in the Finance Documents;
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.8 No duty to monitor

The Agent or Collateral Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

30.9 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 33.11 (*Disruption to payment systems, etc.*)), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct.

- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 30.9 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent to carry out any “know your customer” or other checks in relation to any person on behalf of any Noteholder and each Noteholder confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.
- (e) Notwithstanding any provision of the Finance Documents to the contrary, the Agent shall not in any event be liable for special damages, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable.

30.10 Noteholders’ indemnity to the Agent

- (a) Each Noteholder shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent’s gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to payment systems, etc.*)) notwithstanding the Agent’s negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Company shall within 5 Business Days of demand reimburse any Noteholder for any payment that Noteholder makes to the Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Noteholder claims reimbursement relates to a liability of the Agent to an Obligor.

30.11 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.

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- (b) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent, the Agent may, without consultation with or consent of the Company and the Noteholders (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent), agree with the proposed successor Agent amendments to this Clause 30 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with the current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
 - (c) Alternatively the Agent may resign by giving 30 days' notice to the other Finance Parties and the Company, in which case the Majority Noteholders (after consultation with the Company) may appoint a successor Agent acting through an office in the United Kingdom.
 - (d) If the Majority Noteholders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).
 - (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. Any of the above listed documents shall be provided at the cost of the retiring Agent **provided that** the Agent resigns by its own decision (and, for the avoidance of doubt, not in the event that the Majority Noteholders require it to resign pursuant to paragraph (a) of Clause 30.12 (*Replacement of the Agent*)).
 - (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
 - (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
 - (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three Months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Document, either:
 - (i) the Agent fails to respond to a request under Clause 16.9 (*FATCA information*) and the Company or a Noteholder reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 16.9 (*FATCA information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

- (iii) the Agent notifies the Company and the Noteholders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Noteholder reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Noteholder, by notice to the Agent, requires it to resign.

30.12 Replacement of the Agent

- (a) After consultation with the Company, the Majority Noteholders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Noteholders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Noteholders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Noteholders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

30.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to disclose to any other person
 - (i) any confidential information or
 - (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

30.14 Relationship with the Noteholders

- (a) The Agent may treat the person shown in its records as Noteholder at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Noteholder acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and

- (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Noteholder to the contrary in accordance with the terms of this Agreement.

- (b) Each Noteholder shall supply the Agent with any information that the Collateral Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Collateral Agent to perform its functions as Collateral Agent. Each Noteholder shall deal with the Collateral Agent exclusively through the Agent and shall not deal directly with the Collateral Agent.
- (c) Any Noteholder may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Noteholder under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 35.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Noteholder for the purposes of Clause 35.2 (*Addresses*) and paragraph (a)(ii) of Clause 35.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Noteholder.

30.15 Credit appraisal by the Noteholders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Noteholder confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy and/or completeness of the Financial Model and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

30.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents, that Party shall be regarded as having received any amount so deducted.

31. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

32. SHARING AMONG THE FINANCE PARTIES

32.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 33 (*Payment mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due under the Finance Documents then:
 - (i) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
 - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 33 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
 - (iii) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.6 (*Partial payments*).
- (b) Notwithstanding anything to the contrary in any Finance Document, paragraph (a) above shall not require any amount received or recovered by any Noteholder from or with respect to any CFC to be used to satisfy any U.S. Obligation.

32.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 33.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

32.3 Recovering Finance Party’s rights

On a distribution by the Agent under Clause 32.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

32.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

32.5 Exceptions

- (a) This Clause 32:
 - (i) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 32, have a valid and enforceable claim against the relevant Obligor; and
 - (ii) is subject to the provisions of Clause 33.12 (*Subordinated Noteholders*).
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

33. PAYMENT MECHANICS

33.1 Payments to the Agent

- (a) On each date on which an Obligor or a Noteholder is required to make a payment under a Finance Document, that Obligor or Noteholder shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to EUR, in a principal financial centre in such Participating Member State or London as specified by the Agent) with such bank as, in each case, the Agent specifies.

33.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clauses 33.3 (*Distributions to an Obligor*) and 33.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Noteholder, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to EUR, in a principal financial centre in a Participating Member State or London as specified by that Party).

33.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum. However, it may do so if it wishes.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party who should have made that amount (or the proceeds of any related exchange contract) available to the Agent or, if that Party fails to do so, the Party to whom that amount (or the proceeds of any related exchange contract) has been made available by the Agent, shall on demand, pay such amount to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

33.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Noteholder which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 33.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Noteholder making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**"). In each case, such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 33.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 30.12 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 33.2 (*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,
give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

33.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall (subject to Clause 33.12 (*Subordinated Noteholders*)), apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) *first*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Collateral Agent under those Finance Documents;
 - (ii) *secondly*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent under those Finance Documents;
 - (iii) *thirdly*, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iv) *fourthly*, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (v) *fifth*, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Noteholders, vary the order set out in paragraphs (a)(iii) to (a)(v) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

33.7 Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

33.8 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

33.9 Currency of account

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A redemption or repayment of a Note or Unpaid Sum or a part of a Note or Unpaid Sum shall be made in the currency in which that Notes or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

33.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

33.11 Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 39 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 33.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

33.12 Subordinated Noteholders

- (a) In Clause 33.12:

“**Distributed Amount**” means the amount distributed or paid to the Finance Parties or to the Agent on behalf of the Finance Parties (or any of them) by the person responsible for the distribution of the assets (including any payments) of an Obligor which is insolvent or otherwise subject to insolvency or similar proceedings.

“**Maximum Amount**” means the amount which would, but for any reduction or prohibition of payment or other distribution due to the relationship between any Subordinated Noteholder and an Obligor, have been distributed or distributable to the Finance Parties or to the Agent on behalf of the relevant Finance Parties (or any of them).

“**Shortfall Amount**” means the amount by which the Maximum Amount exceeds the Distributed Amount.

“**Subordinated Noteholder**” means any Noteholder which has a relationship with an Obligor which leads to a reduction or prohibition of payment (including payments in form of an insolvency quota) or other distribution (including the proceeds from the enforcement of any Transaction Security) by that Obligor (including any administrator or insolvency administrator) to that Noteholder, including, without limitation, by reason of that Noteholder:

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- (i) being a member of the Group, an Initial Investor, an Investor Affiliate or Affiliate of any of those mentioned before; or
 - (ii) having acquired (directly or indirectly) any Commitment, participation in any Note and/or any other participation rights (including by way of sub- participation) in any of the Notes and/or any other rights and obligations under the Finance Documents from a member of the Group, an Initial Investor, an Investor Affiliate or an Affiliate of any of those mentioned before in accordance with Clause 27 (*Changes to the Noteholders*), or otherwise.
 - (b) Notwithstanding anything to the contrary in this Agreement:
 - (i) if the Distributed Amount is less than the Maximum Amount, then, upon application of the Distributed Amount (or any part thereof) pursuant to Clause 33.6 (*Partial payments*) towards the discharge of the obligations of an Obligor under the Finance Documents (including principal, interest, fees and commissions), the amount which would otherwise be required to be applied towards any such obligations under the Finance Documents owed to a Subordinated Noteholder shall be reduced by the Shortfall Amount attributable to that Subordinated Noteholder and such amount shall in addition be applied towards the discharge of the obligations (including principal, interest, fees, commission) towards the other Finance Parties pro rata in accordance with Clause 33.6 (*Partial payments*);
 - (ii) any risk of a shortfall between the Maximum Amount and the Distributed Amount (whether arising from the prohibition and/or reduction of payments to the Subordinated Noteholders and/or from any contestation (*Anfechtung*) under applicable law) shall for all purposes of the Finance Documents be borne by the relevant Subordinated Noteholders; and
 - (iii) a Subordinated Noteholder shall not have the benefit, but only the obligations, of any sharing provisions under the Finance Documents, including under Clause 32 (*Sharing among the Finance Parties*), and shall not be entitled to receive any payment, and the Agent shall not be required to make any payment to any Subordinated Noteholder under or in connection with the Finance Documents in respect of the Shortfall Amount.
 - (c) Each Subordinated Noteholder (as defined in Clause 33.12 (*Subordinated Noteholders*)) agrees that to the extent and for so long as its Commitment, participation in any loan or sub-participation or other agreement or arrangement relating to a Commitment, including, without limitation, following a Debt Purchase Transaction, could result in the subordination of claims of any other Noteholder under the Notes pursuant to any law regarding the subordination of shareholder loans or similar claims or prejudice or adversely affect the Transaction Security or guarantee and indemnity pursuant to Clause 21 (*Guarantee and Indemnity*) (or their enforceability) in any way, the relevant Subordinated Noteholder shall not be a secured or guaranteed party (however described) under and for the purposes of any Finance Document and no amount owing to it under any Finance Document shall be secured by the Transaction Security Documents (unless the subordination ceases to apply or subsequently or at the same time applies to the Noteholders generally (other than where such subordination of the Noteholders generally is caused by a Debt Purchase Transaction by a Subordinated Noteholder)).

34. SET-OFF

At any time whilst an Event of Default is continuing, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

35. NOTICES

35.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

35.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of each Noteholder or any other Obligor that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent or the Collateral Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

35.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 35.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent or the Collateral Agent will be effective only when actually received by the Agent or Collateral Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Collateral Agent's signature below (or any substitute department or officer as the Agent or Collateral Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent to the following address:

Global Loan Agency Services Limited

45 Ludgate Hill
London
EC4M 7JU

Attention: Transaction Management Group
Fax Number: +44 (0)20 3070 0113
email: tmg@glas.agency

- (d) Any communication or document made or delivered to the Company in accordance with this Clause 35.3 will be deemed to have been made or delivered to each of the Obligors.

35.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 35.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

35.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

35.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any such electronic communication specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Noteholder to the Agent or the Collateral Agent only if it is addressed in such a manner as the Agent or Collateral Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed to only become effective on the following day.

- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 35.6.

35.7 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Noteholders (the “**Website Noteholders**”) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the “**Designated Website**”) if:
- (i) the Agent expressly agrees (after consultation with each of the Noteholders) that it will accept communication of the information by this method;
 - (ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (iii) the information is in a format previously agreed between the Company and the Agent.

If any Noteholder (a “**Paper Form Noteholder**”) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Noteholder) in paper form. In any event the Company shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Noteholder with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
- (i) the Designated Website cannot be accessed due to technical failure;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
 - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Noteholder is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Noteholder may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall at its own cost comply with any such request within ten (10) Business Days.

35.8 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

36. CALCULATIONS AND CERTIFICATES

36.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

36.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

36.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case, where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

37. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

38. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

39. AMENDMENTS AND WAIVERS

39.1 Intercreditor Agreement

This Clause 39 is subject to the terms of the Intercreditor Agreement.

39.2 Required consents

- (a) Subject to Clause 39.3 (*Exceptions*), any term of the Finance Documents may be amended or waived or any consent given under a Finance Document only with the consent of the Majority Noteholders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment, waiver or consent permitted by this Clause 39 and any such amendment, waiver or consent so effected shall be binding on all Parties. Each Finance Party irrevocably and unconditionally authorises and instructs the Agent without further consent, sanction, authority or further confirmation from them (for the benefit of the Agent and the Company) to execute any documentation relating to a proposed amendment or waiver as soon as the requisite Noteholder consent is received in accordance with this Clause 39 (or such later date as may be agreed by the Agent and the Company). Without prejudice to the foregoing, the Finance Parties shall enter into any documentation necessary to implement an amendment or waiver once that amendment or waiver has been approved by the requisite number of Noteholders in accordance with this Clause 39 (or on such later date as may be agreed by the Agent and the Company).
- (c) Each Obligor agrees to any such amendment, waiver or consent permitted by this Clause 39 which is agreed to by the Company. This includes any amendment, waiver or consent which would, but for this paragraph (c), require the consent of all of the Guarantors. The Company may effect, as agent of the other Obligors, any amendment, waiver, consent or release permitted by this Clause 39 without further action by such Obligors.

39.3 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “**Majority Noteholders**” or “**Super Majority Noteholders**” or “**Change of Control**” in Clause 1.1 (*Definitions*);
 - (ii) a change to the Issuers or Guarantors other than in accordance with Clause 29 (*Changes to the Obligors*);
 - (iii) an extension to the availability, date of payment or redenomination, of any amount under the Finance Documents;
 - (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees, or commission or other amounts payable;
 - (v) the currency of payment of any amount under the Finance Documents;
 - (vi) a redenomination of a Commitment into another currency;
 - (vii) a re-tranching of any or all of the Facilities;
 - (viii) an increase in, or addition or an extension of, any Commitment or the Total Commitments; or

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- (ix) the introduction of an additional commitment, tranche of notes or facility into the Finance Documents ranking senior to or *pari passu* with the Facilities;
 - (x) any provision which expressly requires the consent of all the Noteholders;
 - (xi) Clause 2.4 (*Finance Parties' rights and obligations*), 11 (*Mandatory redemption*), 27 (*Changes to the Noteholders*), this Clause 39, Clause 43 (*Governing Law*) or Clause 44 (*Enforcement*); or
 - (xii) subject to the terms of the Intercreditor Agreement, the order of priority or subordination under the Intercreditor Agreement or the order in which recoveries from the enforcement of guarantees or Transaction Security are applied,
- shall (other than as a result of and subject to a Structural Adjustment in accordance with paragraph (k) of Clause 39.3) not be made without the prior consent of all the Noteholders.
- (b) A Structural Adjustment shall only require the prior consent of the Company, the Majority Noteholders and each Noteholder that is participating in or is directly affected by that Structural Adjustment and shall not require the consent of any other Noteholder.
 - (c) No consent from any Noteholders shall be required in connection with the permitted implementation of (and any related amendment as part of the implementation of) the Additional Facility.
 - (d) Each individual Noteholder may, with the consent of the Company, waive its right to a redemption (including by way of amendment or waiver to any of the provisions of) Clause 11 (*Mandatory redemption*) or any other amounts which have become due and payable to it under this Agreement or any other Finance Document.
 - (e) No amendment or waiver of a term of any Fee or Closing Payment Letter or other side letter shall require the consent of any Finance Party other than any such person which is party to such letter.
 - (f) Any term of any Finance Document may be amended or waived by the Company and the Agent (or, if applicable, the Collateral Agent) without the consent of any other Party if that amendment or waiver is to cure defects or omissions or resolve ambiguities or inconsistencies, in each case of a minor, technical and administrative nature, or correct a manifest error which is of a typographical, translation, transcription or similar nature.
 - (g) The release of any guarantee and indemnity granted under Clause 21 (*Guarantee and Indemnity*) or of any Transaction Security (unless permitted or not prohibited under this Agreement or any other Finance Document or relating to a Third Party Disposal) over an asset shall not be made without the prior consent of the Super Majority Noteholders unless otherwise specified in the Intercreditor Agreement.
 - (h) An amendment or waiver which relates to the rights or obligations of the Agent or any Collateral Agent (each in their capacity as such) may not be effected without the consent of the Agent or the Collateral Agent.
 - (i) If any Noteholder fails to respond to a request for a consent, waiver, amendment of or in relation to any of the terms of any Finance Document or other vote of Noteholders under the terms of this Agreement within 10 Business Days (unless the Company and the Agent agree to a longer time period in relation to any request) of that request being made, its Commitment and/or Notes shall not be included for the purpose of calculating the Total Commitments or Notes under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

- (j) Notwithstanding anything to the contrary in the Finance Documents, a Finance Party may unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document with the consent of the Company.
- (k) For the purposes of this Clause 39, “**Structural Adjustment**” means:
 - (i) an amendment or waiver that has the effect of changing or which relates to:
 - (A) an extension to the availability, date of payment or redenomination, of any amount under the Finance Documents;
 - (B) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees, payment, or commission or other amounts payable;
 - (C) the currency of payment of any amount under the Finance Documents;
 - (D) a redenomination of a Commitment into another currency;
 - (E) a re-tranching of any or all of the Facilities;
 - (F) an increase in, or addition or an extension of, any Commitment or the Total Commitments; or
 - (G) the introduction of an additional note, commitment, tranche or facility into the Finance Documents ranking *pari passu*, to the Facilities,in each case, other than in respect of the Additional Facility established pursuant to Clause 2.3 (*Additional Facility*); or
 - (ii) an amendment or waiver of a term of a Finance Document that is consequential on, incidental to, or required to implement or reflect any of the amendments or waivers listed in sub-paragraph (i) above.

39.4 Replacement of Noteholder

- (a) If at any time:
 - (i) any Noteholder becomes a Non-Consenting Noteholder (as defined in paragraph (c) below); or
 - (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 10.1 (*Illegality*) or to pay additional amounts pursuant to Clauses 17 (*Increased Costs*), 16.2 (*Tax gross-up*) or 16.3 (*Tax Indemnity*) to any Noteholder,then the Company may, on not less than five (5) Business Days’ prior written notice to the Agent and such Noteholder, replace such Noteholder by requiring such Noteholder to (and such Noteholder shall) transfer pursuant to Clause 27 (*Changes to the Noteholders*) all (and not part only) of its rights and obligations under this Agreement and the Finance Documents to a Noteholder or other bank, financial institution, trust, fund or other entity (a “**Replacement Noteholder**”) selected by the Company (excluding a member of the Group and, if such entity is an Investor Affiliate, **provided that** such transfer shall be in accordance with Clause 28 (*Restriction on Debt Purchase*)).

Transactions)) and which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Noteholder (including the assumption of the transferring Noteholder's Notes on the same basis as the transferring Noteholder) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Noteholder's Notes and all accrued interest and/or other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Noteholder pursuant to this Clause 39.4 shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent (in its capacity as Agent) or Collateral Agent (in its capacity as Collateral Agent);
 - (ii) neither the Agent nor the Noteholder shall have any obligation to the Company to find a Replacement Noteholder;
 - (iii) in the event of a replacement of a Non-Consenting Noteholder such replacement must take place no later than 60 days after the date the Non-Consenting Noteholder notifies the Company and the Agent of its failure or refusal to give a consent in relation to, or agree to any waiver or amendment to the Finance Documents requested by the Company; and
 - (iv) in no event shall the Noteholder replaced under this paragraph (b) be required to pay or surrender to such Replacement Noteholder any of the fees received by such Noteholder pursuant to the Finance Documents.
- (c) In the event that:
 - (i) the Company or the Agent (at the request of the Company) has requested the Noteholders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Noteholders; and
 - (iii) the Super Majority Noteholders have consented to or agreed to such waiver or amendment,then any Noteholder who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **"Non-Consenting Noteholder"**.

39.5 Disenfranchisement of Defaulting Noteholders

- (a) For so long as a Defaulting Noteholder has any Available Commitment, in ascertaining the Majority Noteholders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Noteholder's Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 39.5, the Agent may assume that the following Noteholders are Defaulting Noteholders:
 - (i) any Noteholder which has notified the Agent that it has become a Defaulting Noteholder;

- (ii) any Noteholder in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b), or (c) of the definition of “**Defaulting Noteholder**” has occurred,
- (c) unless it has received notice to the contrary from the Noteholder concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Noteholder has ceased to be a Defaulting Noteholder.

39.6 Replacement of a Defaulting Noteholder

- (a) The Issuer may, at any time a Noteholder has become and continues to be a Defaulting Noteholder, by giving not less than five (5) Business Days’ prior written notice to the Agent and such Noteholder:
 - (i) replace such Noteholder by requiring such Noteholder to (and such Noteholder shall) transfer pursuant to Clause 27 (*Changes to the Noteholders*) all (and not part only) of its rights and obligations under this Agreement;
 - (ii) require such Noteholder to (and such Noteholder shall) transfer pursuant to Clause 27 (*Changes to the Noteholders*) all (and not part only) of the undrawn Commitment of the Noteholder; or
 - (iii) require such Noteholder to (and such Noteholder shall) transfer pursuant to Clause 27 (*Changes to the Noteholders*) all (and not part only) of its Notes and its other rights and obligations in respect of the Facilities,

to a Noteholder or other bank, financial institution, trust, fund or other entity (which Replacement Noteholder may not be a member of the Group or (except with Majority Noteholder consent) an Investor Affiliate) selected by the Company and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Noteholder (including the assumption of the transferring Noteholder’s Notes or unfunded Commitments (as the case may be) on the same basis as the transferring Noteholder) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Noteholder’s Notes and all accrued interest and/or other amounts payable in relation thereto under the Finance Documents.
- (b) Any transfer of rights and obligations of a Defaulting Noteholder pursuant to this Clause 39.6 shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent or Collateral Agent;
 - (ii) neither the Agent nor the Defaulting Noteholder shall have any obligation to the Company to find a Replacement Noteholder;
 - (iii) the transfer must take place no later than 20 days after the notice referred to in paragraph (a) above; and
 - (iv) in no event shall the Defaulting Noteholder be required to pay or surrender to the Replacement Noteholder any of the fees received by the Defaulting Noteholder pursuant to the Finance Documents.

40. CONFIDENTIALITY

40.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clauses 40.2 (*Disclosure of Confidential Information*) and 40.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

40.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its limited partners, lenders, investors, potential investors, Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners, rating agencies and Representatives on a confidential and need-to-know basis such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information and **provided that** the relevant Finance Party shall be responsible for each such party's compliance with this Clause 40 (*Confidentiality*);
- (b) to any person:
 - (i) to (or through) whom it transfers (or may potentially transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 30.14 (*Relationship with the Noteholders*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph 40.2(b)(i) or 40.2(b)(ii) above;
 - (v) to whom information is required by law or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

- (vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.8 (*Security over Noteholders' rights*);
- (vii) to whom information is required by law to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (viii) who is a Party; or
- (ix) with the consent of the Company or, in relation to any SIR filing, the relevant Obligor;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking which is capable of being relied upon by the Company or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of Notes, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party;
 - (d) the size and term of the Facility and the name of each of the Obligors to any investor or a potential investor in a securitisation (or similar transaction of broadly equivalent economic effect) of that Noteholder's rights or obligations under the Finance Documents;

- (e) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price- sensitive information.
- (f) the U.S. tax treatment and U.S. tax structure of the Facilities and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such U.S. tax treatment and U.S. tax structure. However no party shall disclose any information relating to such tax treatment or tax structure to the extent the non- disclosure is necessary in order to comply with applicable securities law in the United States. Each party to this Agreement acknowledges and agrees that each of the Finance Parties shall maintain and provide to the IRS information with respect to the Facilities as is required by applicable regulations.

40.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
 - (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) Clause 43 (*Governing law*);
 - (vi) the name of the Agent;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amounts of, and names of, the Facilities (and any tranches);
 - (ix) amount of Total Commitments;
 - (x) currencies of the Facilities;
 - (xi) ranking of the Facilities;
 - (xii) Termination Date for the Facilities;
 - (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (x) above; and
 - (xiv) such other information agreed between such Finance Party and the Company,to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) Each Obligor represents that none of the information set out in paragraphs (i) to (xii) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Company and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

40.4 Entire agreement

This Clause 40 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

40.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

40.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 40.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 40.

40.7 Continuing obligations

The obligations in this Clause 40 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

41. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery. Any signature to a Finance Document through electronic means (including, without limitation, (x) any electronic symbol or process attached to, or associated with, a Finance Document and adopted by a person with the intent to sign, authenticate or accept such Finance Document and (y) any facsimile, E-pencil or “.pdf” file signature), shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law.

42. USA PATRIOT ACT

Each Noteholder that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Noteholder is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Noteholder to identify such Obligor in accordance with the USA Patriot Act.

43. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law and shall be construed and enforced in accordance with English law.

44. ENFORCEMENT

44.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “**Dispute**”).
- (b) The Parties irrevocably agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 44 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

44.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
 - (i) irrevocably appoints Soho House Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and Soho House Limited hereby accepts such appointment; and
 - (ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as process agent is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

45. NO FIDUCIARY DUTIES

Each Obligor acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Agreement is an arm's-length commercial transaction among the Obligors on the one hand, and the Original Notes Purchasers, on the other, (ii) in connection therewith and with the process leading to such transaction each Original Notes Purchaser is acting solely as principal and not the agent or fiduciary of any Obligor, (iii) none of the Original Notes Purchasers has assumed an advisory or fiduciary responsibility in favour of any Obligor with respect to the issuance contemplated hereby or the process leading thereto or any other obligation to any Obligor except the obligations expressly set forth in this Agreement and (iv) each of the Obligors has consulted its own legal and financial advisors to the extent it deemed appropriate. To the extent permitted by law, each of the Obligors agrees that it will not claim that any Original Notes Purchaser has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to it, in connection with such transaction or the process leading thereto.

46. SECURITIES REPRESENTATIONS BY THE ORIGINAL NOTES PURCHASERS

Each Original Notes Purchaser severally and not jointly represents and warrants to, and agrees with, the Company as of the Closing Date that:

- (a) it is either (i) a "qualified institutional buyer" as defined in Rule 144A, (ii) an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3), (7), (9), (12) or (13) of Regulation D under the U.S. Securities Act or (iii) a non-U.S. person (as such term is defined in Regulation S) and will not acquire the Notes for the account or benefit of any U.S. person (as such term is defined in Regulation S);
- (b) it is acquiring the Notes for its own account or accounts for which it is acting (if any), for investment purposes only and not with a view to any distribution thereof that would not otherwise comply with the U.S. Securities Act;
- (c) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Notes, and it is able and prepared to bear the economic risk of its investment in the Notes;
- (d) it (i) understands that such Notes have not been registered under the U.S. Securities Act and the Notes are being issued in transactions exempt from the registration requirements of the U.S. Securities Act and (ii) agrees that all or any part of such Notes may not be offered or sold except pursuant to effective registration statements under the U.S. Securities Act or pursuant to applicable exemptions from the registration requirements under the U.S. Securities Act and in compliance with applicable state laws;
- (e) it understands that the exemption from registration afforded by Rule 144 (the provisions of which are known to such Original Notes Purchaser) promulgated under the U.S. Securities Act depends on the satisfaction of various conditions, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts;
- (f) it did not employ any broker or finder in connection with the transactions contemplated in this Agreement and no fees or commissions are payable to the Original Notes Purchasers in connection with the Notes except as otherwise provided for in the Finance Documents; and

- (g) either: (i) the source of funds to be used by such Original Notes Purchaser to pay the purchase price for the Notes does not include assets of any employee benefit plan (other than a plan exempt from the coverage of ERISA) or plan or any other entity the assets of which consist of “plan assets” of employee benefit plans or plans as defined in Department of Labor regulation Section 2510.3-101, as amended by Section 3(42) of ERISA (the “**Plan Asset Regulation**”) and, if the Original Notes Purchaser is an entity, it either (A) is, and for so long as it holds any Notes, will be, a “venture capital operating company” or wholly owned by a “venture capital operating company” or (B) does not have, and for so long as it holds any Notes, will not have, “significant equity participation” by benefit plan investors pursuant to the Plan Asset Regulation; or (ii) the purchase and holding of Notes by such Original Notes Purchaser, throughout the period that it holds such Notes, and the disposition of such Notes or an interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. As used in this paragraph (g), the term “employee benefit plan” shall have the meaning assigned to such term in Section 3(3) of ERISA, the term “plan” shall have the meaning assigned thereto in Section 4975(e)(1) of the Code, and the term “venture capital operating company” shall have the meaning assigned to such term in the Plan Asset Regulation.

47. CONTRACTUAL RECOGNITION OF BAIL-IN

47.1 Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
- (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

THE ORIGINAL PARTIES

Part 1
The Original Obligors

<u>Name of Original Issuer</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>
Soho House Bond Limited	112133 (Jersey)
<u>Name of Guarantor</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>
Soho House & Co Limited	109634 (Jersey)
Soho House Bond Limited	112133 (Jersey)

Part 2
The Original Notes Purchasers

Name of Original Notes Purchaser	Facility A (EUR) Commitment	Facility A (GBP) Commitment	Facility A (USD) Commitment	Facility A1 Commitment	DTTP Details
West Street Strategic Solutions Fund I, L.P.	€ 22,689,053.84	£ 19,395,481.51	\$ 107,955,981.99	\$ 36,595,248.13	N/A
West Street Strategic Solutions Fund I-(C), L.P.	€ 2,229,399.27	£ 1,905,776.79	\$ 10,607,625.54	\$ 3,595,805.27	N/A
WSSS Investment Holdings B, L.P.	€ 27,931,174.29	£ 23,876,648.99	\$ 132,898,329.30	\$ 45,050,281.12	N/A
WSSS Investments F, Inc.	€ 1,051,872.34	£ 899,181.20	\$ 5,004,876.46	\$ 1,696,568.29	N/A
WSSS Investments I, LLC	€ 1,182,381.52	£ 1,010,745.49	\$ 5,625,847.55	\$ 1,907,066.97	N/A
WSSS Investments U, LLC	€ 1,263,853.30	£ 1,080,390.72	\$ 6,013,495.52	\$ 2,038,473.06	N/A
Broad Street Credit Holdings, LLC					13/B/
	€ 4,553,418.33	£ 3,892,438.26	\$ 21,665,458.22	\$ 7,344,223.12	364617/DTTP
West Street CT Private Credit Partnership, L.P.	€ 1,098,847.11	£ 939,337.04	\$ 5,228,385.42	\$ 1,772,334.04	N/A
Total	EUR 62,000,000	GBP 53,000,000	USD 295,000,000	USD 100,000,000	

SCHEDULE 2

CONDITIONS PRECEDENT

Part 1

Conditions Precedent to first Notes Subscription

1. OBLIGORS

- (a) A copy of the constitutional documents of each Original Obligor (including, without limitation, all certificates of incorporation and like documents issued by the registrar or equivalent entity of its jurisdiction of incorporation).
- (b) In relation to each Original Obligor incorporated in Jersey, a copy of the consent issued to it under the Control of Borrowing (Jersey) Order 1958.
- (c) A copy of a resolution of the board of directors (or appropriate governing body) of each Original Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf (including, where applicable, by power of attorney); and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Notes Subscription Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party (including, where applicable, by power of attorney).
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (ii) above in relation to the Finance Documents and related documents or otherwise authorised to execute Finance Documents and related documents on behalf of the relevant Original Obligor.
- (e) If applicable, a copy of a resolution signed by all the holders of the issued shares, in each Original Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which each Original Obligor is a party (to the extent required by constitutional documents or applicable law).
- (f) A certificate of each Original Obligor (signed by a director, officer, authorised signatory or other authorised person, as appropriate) confirming that incurring, guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
- (g) A certificate of an authorised signatory of each Original Obligor certifying that each copy document relating to it specified in this paragraph 1 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. FINANCE DOCUMENTS

- (a) This Agreement executed by the Original Obligors.
- (b) The Initial Closing Payment Letter executed by the Company.
- (c) The amendment agreement to the Intercreditor Agreement executed by the parties thereto.
- (d) A Jersey law supplemental security interest agreement executed by the Parent over its shareholding in 100% of the shares in the Company and in relation to any receivables owed to the Parent by the Company.
- (e) A duly signed registration consent from each Original Obligor granting Transaction Security under Jersey law in the form required by the legal advisers to the Collateral Agent.

3. LEGAL OPINION

The following legal opinions, each addressed to the Agent, the Collateral Agent and the Original Notes Purchasers:

- (a) a legal opinion of Weil, Gotshal & Manges LLP, legal advisers to the Finance Parties as to English law; and
 - (b) a legal opinion of Mourant Ozannes (Jersey) LLP, legal advisers to the Finance Parties as to Jersey law,
- in each case, substantially in the form distributed to the Original Notes Purchasers prior to signing this Agreement.

4. OTHER DOCUMENTS AND EVIDENCE

- (a) A copy of the Original Financial Statements.
- (b) A copy of the Tax Structure Memorandum.
- (c) A copy of the Financial Model.
- (d) A copy of the Existing Indebtedness Schedule.
- (e) A copy of a funds flow statement **provided that** the Funds Flow Statement shall be for information purposes only and shall not be required to be in form or substance satisfactory to any Finance Party nor subject to any other approval requirement from any Finance Party.
- (f) Reasonable evidence that all fees which are due and payable on or prior to the Closing Date by the Company to the relevant Finance Party pursuant to the Initial Closing Payment Letter have been paid or will be paid on or prior to the Closing Date or as otherwise agreed between the Company and the relevant Finance Party **provided that** this condition may be satisfied by a reference to such fees in the Funds Flow Statement, a Notes Subscription Request or the Tax Structure Memorandum.

5. “KNOW YOUR CUSTOMER” CHECKS

A copy of any document reasonably necessary to satisfy any Noteholder’s “know your customer” requirements in relation to the Original Obligors under applicable laws and regulations.

Part 2

Conditions precedent required to be delivered by an Additional Obligor

1. An Accession Deed executed by the Additional Obligor and the Company.
2. A copy of the constitutional documents of the Additional Obligor (including, without limitation, all certificates of incorporation and like documents issued by the registrar or equivalent entity of its jurisdiction of incorporation).
3. In relation to an Additional Obligor incorporated in Jersey, a copy of the consent issued to it under the Control of Borrowing (Jersey) Order 1958.
4. A copy of a good standing certificate with respect to each Additional Obligor whose jurisdiction of organization is a state of the U.S. or the District of Columbia, issued as of a recent date by the Secretary of State or other appropriate official of such Additional Obligor's jurisdiction of incorporation or organisation.
5. A copy of a resolution of the board or, if applicable, a committee of the board of directors (or appropriate governing body) of the Additional Obligor (other than an Additional Obligor incorporated in Germany):
 - (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;
 - (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (d) authorising the Company to act as its agent in connection with the Finance Documents.
6. In relation to an Additional Obligor incorporated or established in Germany up-to-date copies of (i) an electronic extract from the commercial register (*elektronischer Handelsregisterauszug*), (ii) its articles of association (*Satzung*) or partnership agreement (*Gesellschaftsvertrag*), (iii) any by-laws (if any) and (iv) the list of shareholders (*Gesellschafterliste*) (if applicable).
7. In relation to an Additional Obligor incorporated or established in Germany a copy of a resolution signed by all the holders of the issued shares of such Additional Obligor and/or, if applicable, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) of such Additional Obligor approving the terms of, and the transactions contemplated by the Finance Documents.
8. In relation to an Additional Obligor incorporated or established in Jersey, to the extent applicable a copy of a resolution signed by all the holders of the issued shares in that Additional Obligor incorporated in Jersey making such amendments to the articles of association of that Additional Obligor as required by the Collateral Agent in connection with the Jersey law supplemental security interest agreement granted or to be granted over the shares in that Additional Obligor.

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9. A specimen of the signature of each person authorised by the resolution referred to in paragraph 5 above or otherwise authorised to execute Finance Documents and related documents on behalf of the relevant Additional Obligor.
 10. If applicable, a copy of a resolution signed by all the holders of the issued shares, in each Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which each Additional Obligor is a party (to the extent required by constitutional documents or applicable law).
 11. A certificate of each Additional Obligor (signed by a director, officer, authorised signatory or other authorised person, as appropriate) confirming that incurring, guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
 12. In relation to an Original Obligor incorporated in the United Kingdom whose shares are the subject of the Transaction Security (a “**Charged Company**”) either:
 - (a) a certificate of an authorised signatory of the Company certifying that:
 - (i) each member of the Group has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and
 - (ii) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, or
 - (b) a certificate of an authorised signatory of the Company certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.
 13. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in paragraphs 1 to 11 (inclusive) in this Part 2 of Schedule 2 relating to it is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.
 14. The following legal opinions, each addressed to the Agent, the Collateral Agent and the Noteholders:
 - (a) a legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Noteholders prior to signing the Accession Deed;
 - (b) if the Additional Obligor is incorporated in or has its “centre of main interest” or “establishment” (as referred to in Clause 25.19 (*Centre of main interests*)) in a jurisdiction other than England and Wales or the United States or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation or “centre of main interest” or “establishment” (as applicable) or, as the case may be, the jurisdiction of the governing law of that Finance Document (the “**Applicable Jurisdiction**”) as to the law of the Applicable Jurisdiction in the form distributed to the Noteholders prior to signing the Accession Deed; and
 - (c) if the Additional Obligor is organized in a State of the United States (including the District of Columbia) and is executing a Finance Document which is governed by a law of a State of the United States (including the District of Columbia) a legal opinion of the legal advisers to such Additional Obligor in each Applicable Jurisdiction as to the law of each Applicable Jurisdiction in the form distributed to the Noteholders prior to signing the Accession Deed.

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15. To the extent required under applicable law or customary in accordance with local law or practice, a good standing certificate from the applicable governmental authority of its jurisdiction of incorporation or formation, dated a recent date prior to the date of the relevant Accession Deed.
 16. Any Transaction Security Documents which, subject to the Agreed Security Principles, are required by the Agent to be executed by the proposed Additional Obligor.
 17. Any other evidence reasonably required by the Agent under paragraph (d) of Clause 23.9.
 18. If applicable, a duly signed registration consent from each Additional Obligor granting Transaction Security under Jersey law in the form required by the legal advisers to the Collateral Agent.

Part 3**Post-Closing Guarantors**

BN Midco Limited	109633 (Jersey)
BN AcquireCo Limited	109632 (Jersey)
Abertarff Limited	95783 (Jersey)
SHG Acquisition (UK) Limited	06395943 (England and Wales)
Soho House Limited	03288116 (England and Wales)
Soho House UK Limited	02864389 (England and Wales)
Cowshed Products Limited	03869426 (England and Wales)
Soho House Properties Limited	07181524 (England and Wales)
Soho Home Limited	08489367 (England and Wales)
Soho House U.S. Corp.	3505926 (Delaware, U.S.)
US AcquireCo, Inc.	5077821 (Delaware, U.S.)
Soho House New York LLC	(New York, U.S.)
Soho House West Hollywood LLC	4349029 (Delaware, U.S.)
Soho House, LLC	3505928 (Delaware, U.S.)
Soho House Chicago LLC	5063699 (Delaware, U.S.)
Little Beach House Malibu, LLC	5736316 (Delaware, U.S.)
Soho-Dumbo, LLC	6189088 (Delaware, U.S.)
Soho-Ludlow Tenant, LLC	5264458 (Delaware, U.S.)
Soho-Cecconi's (Water Street), LLC	5603763 (Delaware, U.S.)
Soho House CWH, LLC	6326518 (Delaware, U.S.)
Soho House Austin, LLC	6256575 (Delaware, U.S.)
Soho House Berlin GmbH	HRB 110858 B, local court of Charlottenburg (Germany)

Part 4

Post-Closing Transaction Security Documents

Name of Obligor	Registration number (or equivalent, if any) and jurisdiction of incorporation	Description of Transaction Security Document
Parent	109634 (Jersey)	English law supplemental debenture over all its assets
Company	112133 (Jersey)	English law supplemental debenture over all its assets Jersey law supplemental security interest agreement over its shareholding in 35% of the shares in BN MidCo Limited and security interest over any receivables owed to the Company by BN MidCo Limited and the Parent Jersey law supplemental security interest agreement over its shareholding in 65% of the shares in BN MidCo Limited New York law reaffirmation/confirmation of grant of security interest over shares in US AcquireCo, Inc.
BN Midco Limited	109633 (Jersey)	Jersey law supplemental security interest agreement over its shareholding in 100% of the shares in BN AcquireCo Limited and security interest over any receivables owed to BN MidCo Limited by BN AcquireCo Limited English law supplemental debenture over all its assets
BN AcquireCo Limited	109632 (Jersey)	Jersey law supplemental security interest agreement over its shareholding in 100% of the shares in Abertarff Limited and security interest over any receivables owed to BN AcquireCo Limited by Abertarff Limited English law supplemental debenture over all its assets
Abertarff Limited	95783 (Jersey)	English law supplemental debenture over all its assets
Soho House Limited	03288116 (England and Wales)	English law supplemental debenture over all its assets

<u>Name of Obligor</u>	<u>Registration number (or equivalent, if any) and jurisdiction of incorporation</u>	<u>Description of Transaction Security Document</u>
		German law security confirmation and additional share pledge in respect of its shares in Soho House Berlin GmbH
Soho House UK Limited	02864389 (England and Wales)	English law supplemental debenture over all its assets
SHG Acquisition (UK) Limited	06395943 (England and Wales)	English law supplemental debenture over all its assets
Cowshed Products Limited	03869426 (England and Wales)	English law supplemental debenture over all its assets
Soho House Properties Limited	07181524 (England and Wales)	English law supplemental debenture over all its assets
Soho Home Limited	08489367 (England and Wales)	English law supplemental debenture over all its assets
US AcquireCo, Inc.	5077821 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House U.S. Corp.	3505926 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House, LLC	3505928 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House New York LLC	(New York, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House West Hollywood LLC	4349029 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho House Chicago, LLC	5063699 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Little Beach House Malibu, LLC	5736316 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Dumbo, LLC	6189088 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Ludlow Tenant, LLC	5264458 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets
Soho-Cecconi's (Water Street), LLC	5603763 (Delaware, U.S.)	New York law reaffirmation/confirmation of grant of security interest over all its assets

<u>Name of Obligor</u>	Registration number (or equivalent, if any) and jurisdiction of incorporation	Description of Transaction Security Document
Soho House CWH, LLC	6326518 (Delaware, U.S.)	New York law grant of security interest over all its assets
Soho House Austin, LLC	6256575 (Delaware, U.S.)	New York law grant of security interest over all its assets

From: [Issuer][Company]* To: [Agent]

Dated:

AGREED SECURITY PRINCIPLES

1. AGREED SECURITY PRINCIPLES

- 1.1 The Company will use reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to the relevant Guarantor Company (as defined below).
- 1.2 The guarantees and security to be provided will be given in accordance with certain Agreed Security Principles. The Company and the Finance Parties have agreed and acknowledged that their rights and obligations under the Finance Documents and the Revolving Credit Facility Agreement (together, the “**Secured Documents**”) in respect of (i) the giving or taking of guarantees, (ii) the giving and taking of security and (iii) all of the rights and obligations associated with such giving or taking of guarantees and security, shall be subject to and limited by these Agreed Security Principles.
- 1.3 The Agreed Security Principles embody a recognition by all parties that there may be certain legal and practical difficulties in obtaining effective guarantees and security from all Material Companies and other members of the Group required to give guarantees and security (the “**Guarantor Companies**”) in every jurisdiction in which Guarantor Companies are or may in the future be located. In particular:
 - (a) general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, “thin capitalisation” rules, retention of title claims and similar principles may limit the ability of a Guarantor Company to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise (including any legal fees, registration fees, stamp duty taxes and any other fees or related costs). The Company shall use reasonable endeavours to overcome any such limitation to the extent reasonably practicable. If, following the reasonable endeavours of the Company to overcome such limitations any such limit continues to apply, the guarantees and security provided will be limited to the maximum amount which the relevant member of the Group may provide having regard to applicable law (including any jurisprudence) and otherwise so as to minimise stamp duty, notarisation, registration tax or other applicable fees, taxes and duties (taking into consideration the proportionate benefit to the Finance Parties);
 - (b) the giving of a guarantee, the granting and the terms of security or the perfection of the security granted will not be required to the extent it would incur any cost (including any legal fees, notarisation, registration or other applicable fees, stamp duty or other duties, taxes and any other fees or related costs) to the Group which are disproportionate to the benefit for the Finance Parties of obtaining such guarantees or security;
 - (c) where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;
 - (d) it is expressly acknowledged that in certain jurisdictions it may be either impossible or impractical (taking into consideration the proportionate benefit to the Finance Parties) to grant guarantees or create security over certain categories of assets, in which event such guarantees will not be granted and security will not be taken over such assets **provided that** the Company shall use reasonable endeavours to overcome or mitigate any such obstacle;
 - (e) unless granted under a global security document governed by the law of the jurisdiction of a Guarantor Company or under English law all security (other than share security over its Subsidiaries) shall be governed by the law of the jurisdiction of incorporation of that Guarantor Company;

- (f) any asset subject to a legal requirement, contract, lease, licence, instrument, regulatory constraint (including any agreement with any government or regulatory body) or other third party arrangement, which may prevent or condition the asset from being charged, secured or being subject to the applicable security document (including requiring a consent of any third party, supervisory board or works council (or equivalent)) and any asset which, if subject to the applicable security document, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations with respect to any member of the Group in respect of the asset or require the relevant Guarantor Company to take any action materially adverse to the interests of the Group or any member thereof, in each case will be excluded from a guarantee or security document, **provided that** reasonable endeavours (exercised for a specified period of time which shall be no longer than 20 Business Days) to obtain consent to charging any asset (where otherwise prohibited) shall be used by the Group if the Security Agent specifies prior to the date of the security or accession document that the asset is material and the Obligors' Agent is satisfied that such endeavours will not involve placing relationships with third parties in jeopardy;
- (g) Guarantor Companies will not be required to give guarantees or enter into security documents if it is not within the legal capacity of the relevant Guarantor Company or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or would reasonably be expected to result in a risk of personal or criminal liability on the part of any director or other officer of such Guarantor Company or of any member of the Group **provided that** the relevant Group member shall use reasonable endeavours to overcome any such obstacle;
- (h) no perfection action will be required in a jurisdiction where the relevant Guarantor Company is not located;
- (i) perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Secured Documents therefor or (if earlier or to the extent no such time periods are specified in the Secured Documents) within the time periods specified by applicable law in order to ensure due perfection;
- (j) the giving of a guarantee, the granting of security or the perfection of the security granted and the terms of the security shall not be required if it would have a material and adverse effect on the ability of the relevant Guarantor Company to conduct its operations and business (including its tax arrangements) in the ordinary course as otherwise permitted or not prohibited by the Secured Documents;
- (k) pledges over shares or other interests or participations in joint ventures or the assets owned by such joint ventures or joint venture vehicles will not be required; and
- (l) guarantee limitations may mean that access to the assets of a Guarantor Company is limited, in which case, any asset security granted by that Guarantor Company shall be limited to the maximum recoverable amount under the guarantee.

1.4 Reasonable legal fees, disbursements, registration costs, taxes, notary fees and other costs and expenses related to the guarantees and security incurred by legal counsel to the Company and by legal counsel to the Agent or Collateral Agent will be paid (or payment thereof procured) by the Company.

2. GUARANTORS AND SECURITY

- 2.1 Subject to the due execution of all relevant Transaction Security Documents, completion of relevant perfection formalities within statutorily prescribed time limits, payment of all registration fees and documentary taxes, any other rights arising by operation of law, obtaining any foreign legal opinions and subject to any qualifications which may be set out in the Secured Documents and any relevant legal opinion obtained and subject to the requirements of the Agreed Security Principles, it is agreed that each guarantee and security will be an upstream, cross-stream and downstream guarantee and each guarantee and, without prejudice to the principles set forth in paragraph 1.2 above, security will be for all liabilities of the Obligors under the Secured Documents in accordance with, and subject to, the requirements of the Agreed Security Principles and/or any applicable law in each relevant jurisdiction.
- 2.2 To the extent possible under the relevant applicable law, all security shall consist of a single set of security interests and shall be given in favour of the Collateral Agent and not the Finance Parties individually. “Parallel debt” provisions will be used where necessary or convenient to ensure that security is given in favour of the Collateral Agent and not the Finance Parties individually. Such provisions will be contained in the Intercreditor Agreement and not the individual security documents (unless and to the extent required under the applicable local laws). To the extent possible under the relevant applicable law, there should be no action required to be taken in relation to the guarantees or security when any Noteholder transfers any of its Notes to a new Noteholder.
- 2.3 No member of the Group or the Company shall be required to pay the cost of any re-execution, notarisation, acknowledgment, re-registration, amendment or related perfection requirement for any guarantee or security or any related cost or fee, and no action shall be required to be taken by any member of the Group or the Company in relation thereto, on any transfer by any Finance Party.
- 2.4 Subject to paragraph 7.4 below, except for customary registrations with Companies House and H.M. Land Registry (for Guarantor Companies incorporated in England and Wales), customary registrations with the SIR (for security governed by the laws of Jersey) or the filing of customary “all asset” UCC-1 financing statements (for Guarantor Companies incorporated in the United States), no security shall be required to be registered until the occurrence of an Enforcement Event.

3. TERMS OF GUARANTEES AND SECURITY DOCUMENTS

- 3.1 The following principles will be reflected in the terms of any guarantee or security taken as part of this transaction:
- (a) the security shall be first ranking, to the extent possible.
 - (b) subject to the Intercreditor Agreement, no claims will be made under guarantees, and security will not be enforceable, until an Event of Default has occurred and is continuing (unremedied or unwaived) and notice has been served under the “acceleration” provisions of the relevant Secured Document (an “**Enforcement Event**”),
 - (c) no notices of pledges or security interests will be required unless, (i) subject to paragraph (d) below, under the law applicable to such security, such notice is required to be delivered to perfect the security or (ii) at the Collateral Agent’s reasonable request following an Event of Default which is continuing;
 - (d) notification of receivables security to debtors (not being members of the Group) will only be given if an Enforcement Event has occurred;

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- (e) the provisions of each security document will not be unduly burdensome on the Guarantor Company or interfere with the operation of its business (including its tax arrangements) in the ordinary course and will be limited to those required to create, perfect or maintain effective security and shall not impose commercial obligations;
 - (f) information, such as lists of assets, will be provided only if and to the extent required by local law to be provided to perfect or register the relevant security interests and, unless required to be provided by local law more frequently, will be provided at the Collateral Agent's reasonable request following an Enforcement Event;
 - (g) the security documents will, where possible and practical (but subject to the other provisions set out in this Schedule and consistent with market practice in the relevant jurisdiction), automatically create security over future assets of the same type as those already secured;
 - (h) prior to an Enforcement Event, the security documents shall operate only to create security and not to impose new commercial obligations. Accordingly (i) they will not contain representations or undertakings unless these are required for the creation or perfection or protection of the security and (ii) they shall not repeat or extend any of the clauses set out in this Agreement, the Intercreditor Agreement or any other Secured Document, such as those relating to notices, insurance, further assurance, cost and expenses, indemnities, tax gross up, distribution of proceeds and release of security, unless and to the extent required by applicable law or market standard in the relevant jurisdiction for the creation or perfection or protection of security;
 - (i) in respect of share pledges, until an Enforcement Event, the pledgors shall be permitted to retain and to exercise voting rights to any shares pledged by them and shall be permitted to receive and retain dividends on pledged shares/pay dividends upstream on pledged shares to the extent permitted under any Secured Document with the proceeds to be available to the Group;
 - (j) the Collateral Agent shall only be able to exercise any power of attorney granted to it under the security documents following the occurrence of an Enforcement Event or, prior to an Enforcement Event if the relevant Guarantor Company has failed to comply with a further assurance or perfection obligation (and compliance with the same has not been remedied within any applicable grace period or waived);
 - (k) prior to an Enforcement Event, the Collateral Agent shall not have any right to block any funds being transferred between or by Group members;
 - (l) the security documents should not operate or be construed so as to prohibit or prevent transactions, matters or steps which are permitted or not prohibited under the Secured Documents or to require additional consents or authorisations and the Collateral Agent shall, at the cost of the relevant Guarantor Company, promptly enter into such documentation and/or take such other action as is required by the relevant Guarantor Company (acting reasonably) in order to facilitate any such transaction, matter or other step, including, but not limited to, by way of executing any confirmation, consent to dealing, release or other similar or equivalent document, or returning any physical collateral;
 - (m) without prejudice to the other terms of the Finance Documents, where an entity is being disposed of as permitted or not prohibited by this Agreement (including a disposal permitted by requisite consent) all guarantees by that entity in favour of the Finance Parties and others and all security in favour of the Finance Parties and others over the shares of that entity and the assets owned by that entity shall be released immediately before completion of such disposal;

- (n) security over any asset disposed of in compliance with this Agreement, any guarantee granted by a member of the Group disposed of in compliance with this Agreement and any security over the assets of any such member of the Group shall all be released by the Collateral Agent no later than completion of such disposal;
- (o) supplemental pledges shall be entered into where required by local law to create or perfect security; and
- (p) the security documents will not accrue interest on any amount in respect of which interest is accruing under this Agreement.

4. BANK ACCOUNTS

- 4.1 If a Guarantor Company grants security over its bank accounts it shall be free to deal with those accounts in the ordinary course of its business until an Enforcement Event.
- 4.2 If required by local law to create or perfect the security, notice of the security will be served on the account bank within 5 Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice with 20 Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that 20 Business Day period. Irrespective of whether notice of the security is required for perfection, if the service of notice would prevent the Guarantor Company from using a bank account in the course of its business no notice of security shall be served until the occurrence of an Enforcement Event.
- 4.3 Any security over bank accounts shall be subject to any prior security interests (including but not limited to rights of set-off) in favour of the account bank which are created either by law or in the standard terms and conditions of the account bank. The notice of security may request these are waived by the account bank but the Guarantor Company shall not be required to change its banking arrangements if these security interests are not waived or only partially waived.
- 4.4 No Security shall be required over any bank accounts that are segregated deposit accounts constituting payroll accounts, tax accounts and trust accounts, or until the occurrence of an Enforcement Event, any deposit, securities and bank accounts of any U.S. Obligors, with a total amount on deposit at any one time of less than £500,000 (or the equivalent in other currencies) in the aggregate. For the avoidance of doubt, no deposit account control agreements or similar agreements shall be required.

5. FIXED ASSETS

- 5.1 If a Guarantor Company grants security over its material fixed assets it shall be free to deal with those assets in the ordinary course of its business and otherwise as permitted under any Finance Document until an Enforcement Event.
- 5.2 No notice whether to third parties or by attaching a notice to the fixed assets shall be prepared or given until an Enforcement Event.

6. INSURANCE POLICIES

- 6.1 If required by local law to create or perfect the security, notice of the security will be served on the insurance provider within 20 Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice with 20 Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that 20 Business Day period.

- 6.2 No loss payee or other endorsement shall be made on the insurance policy, and the Guarantor Company shall not be requested to hand over to the Collateral Agent the original of the insurance policy unless and to the extent required under local law to create or perfect the security.

7. INTELLECTUAL PROPERTY

- 7.1 No security shall be required to be granted (in addition to any security agreed to be granted over material intellectual property as a condition precedent to the initial subscription for Notes) over any intellectual property which is determined by the Company (acting reasonably and in good faith) not to be material to the business of the relevant Guarantor Company or the Group taken as a whole.
- 7.2 If a Guarantor Company grants security over its intellectual property it shall be free to deal with those assets in the ordinary course of its business or otherwise as permitted under the Secured Documents (including, without limitation, allowing its intellectual property to lapse if no longer material or required as part of its business) until an Enforcement Event.
- 7.3 No security shall be granted over any intellectual property which cannot be secured under the terms of any relevant licensing agreement. No notice shall be prepared or given to any third party from whom intellectual property is licensed until an Enforcement Event.
- 7.4 If required for its validity, perfection or enforceability under local law, following an Enforcement Event, security over material intellectual property will be registered under the law of that security document or at a relevant supra-national registry (such as the EU or the *Organisation Mondiale de la Propriété Intellectuelle*), subject to the general principles set out in these Agreed Security Principles.

8. INTERCOMPANY RECEIVABLES

- 8.1 If a Guarantor Company grants security over its intercompany receivables it shall be free to deal with those receivables in the ordinary course of its business or otherwise as permitted under the Secured Documents until an Enforcement Event.
- 8.2 If required by local law to perfect the security, notice of the security will be served on the relevant lender and/or the borrower within 30 Business Days of the security being granted and the Guarantor Company shall use its reasonable endeavours to obtain an acknowledgement of that notice within 30 Business Days of service. If the Guarantor Company has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that 30 Business Day period.
- 8.3 Irrespective of whether notice of the security is required for perfection, if the service of notice would prevent the Guarantor Company from dealing with an intercompany receivable in the course of its business, no notice of security shall be served until the occurrence of an Enforcement Event.
- 8.4 No lists of intercompany receivables shall be required to be provided or updated.

9. TRADE RECEIVABLES

- 9.1 If a Guarantor Company grants security over its trade receivables it shall be free to deal with those receivables in the ordinary course of its business or otherwise as permitted under the Secured Documents until an Enforcement Event.

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- 9.2 Security over receivables shall not prohibit the transfer of receivables as permitted under the Secured Documents (including without limitation under any receivables financing agreement or arrangement) nor shall any such security continue to attach to receivables so transferred.
- 9.3 No notice of security may be served until the occurrence of an Enforcement Event.
- 9.4 No security will be granted over any trade receivables which cannot be secured under the terms of the relevant contract or are subject to any permitted non-recourse factoring arrangement.
- 9.5 Any list of trade receivables required shall not include details of the underlying contracts and no lists thereof shall be required to be provided or updated.
- 9.6 No security shall be required to be granted over or in respect of receivables in respect of any school fees or similar fees payable by or in respect of students at any school or college owned or operated by any member of the Group.
- 10. SHARES**
- 10.1 A Guarantor Company may grant a charge over or in the shares in other Guarantor Companies.
- 10.2 The relevant security document will be governed by the laws of the Guarantor Company whose shares are being secured and not by the law of the country of the Guarantor Company granting the security.
- 10.3 Until an Enforcement Event, the charging Guarantor Company will be permitted to retain and to exercise voting rights to any shares charged by it and each company whose shares have been charged will be permitted to pay and the pledgors shall be permitted to retain dividends subject to and in accordance with the Intercreditor Agreement. With respect to security over shares in a German Guarantor Company only, the voting rights will remain with the grantor even after an Enforcement Event has occurred (but for the avoidance of doubt will be transferred with the shares to any purchaser or bidder in the course of the enforcement).
- 10.4 Where required by applicable law in order to create security over or in shares, the share certificate and a stock transfer form executed in blank will be provided to the Collateral Agent and where required by law the share certificate and/or shareholders register (as applicable) will be endorsed or written up and the endorsed share certificate and/or a copy of the written up register (as applicable) provided to the Collateral Agent.
- 10.5 Unless the restriction is required by law, the constitutional documents of the company whose shares have been charged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on perfection or enforcement of the security granted over them.
- 11. REAL ESTATE**
- 11.1 A Guarantor Company may grant security over its material real estate.
- 11.2 Without prejudice to the foregoing and subject to these Agreed Security Principles, no Guarantor Company will grant security over any real estate situated outside of its jurisdiction of incorporation.
- 11.3 No security to be granted over leasehold interests.
- 11.4 Until an Enforcement Event there shall be no requirement to give any notice of security or charge to any lessee or register any security interest over any real property.

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- 11.5 There will be no obligation to investigate title, provide surveys or conduct insurance, environmental or other diligence.
- 11.6 Subject to these Agreed Security Principles, a Guarantor Company providing security over its material real estate shall not be under any obligation to obtain any landlord consent required to grant security over its material real estate, nor to investigate the possibility thereof. The cost of granting any real estate security will not be required to exceed an amount that is reasonable and not disproportionate to the value of the real estate and the benefit of the relevant security to the Finance Parties. The amount secured by each security over material real estate may be restricted to an agreed level.
- 12. RELEASE OF SECURITY**
- Unless required by local law, the circumstances in which the security shall be released should not be dealt with in individual security documents but, if so required, shall, except to the extent required by local law, be the same as those set out in the Intercreditor Agreement.
- 13. ADDITIONAL SECTION 956 LIMITATIONS ON GUARANTEE AND SECURITY**
- 13.1 Notwithstanding anything to the contrary in any Finance Document, no guarantee will be provided by any member of the Group (other than the Parent or the Company) that is (i) a CFC, (ii) a direct or indirect subsidiary of a CFC, or (iii) a direct or indirect subsidiary of the Company substantially all of the assets of which consist of (x) equity interests in one or more CFCs and/or (y) CFC Debt with respect to any U.S. Obligation.
- 13.2 Notwithstanding anything to the contrary in any Finance Document, no more than 65% of the stock or other equity interests (measured by the total combined voting power of the issued and outstanding voting stock or other equity interests) of, and none of the assets or property (which includes stock or equity interests in entities) of, any member of the Group that is an entity described in paragraph 13.1(i), (ii) or (iii) above and no secured CFC Debt may be pledged or otherwise secured directly or indirectly as security for any U.S. Obligations.
- 13.3 For the avoidance of doubt, all guarantees and Transaction Security shall be subject to Clause 21.14 (*Guarantee limitation - deemed dividends*).
- 14. LIMITATIONS IN RESPECT OF PERMITTED JOINT VENTURES AND EXCLUDED SPVS**
- There shall be no requirement for any entity to accede to this Agreement as a Guarantor or grant any Security (or for any Security to be granted in respect of the shares or other interests in or receivables owing from such entity) to the extent that entity is a Permitted Joint Venture or an Excluded SPV.

RESTRICTIVE COVENANTS

1. ASSET SALES

1.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

1.1.1 :

- (a) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (b) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:
 - (i) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Facilities) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;
 - (ii) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are promptly, but in any event within 90 days of such Asset Sale, subject to ordinary settlement periods, converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion; and
 - (iii) any stock or assets of the kind referred to in paragraph 1.2.2 or paragraph 1.2.5 of the next paragraph.

1.2 Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds:

- 1.2.1 to repay Indebtedness (other than Indebtedness owed to the Company or any Restricted Subsidiary) and other Obligations under the Revolving Credit Facility Agreement and any other Credit Facility (including the Facilities);
- 1.2.2 to make an Investment in any one or more businesses (**provided that** if such Investment is in the form of an acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Company), assets, or property, in each case, used or useful in a Permitted Business;
- 1.2.3 to make an Investment in any one or more businesses (**provided that** if such Investment is in the form of an acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Company), properties or assets that replace the properties or assets that are the subject of such Asset Sale;

1.2.4 to make a capital expenditure; or

1.2.5 to acquire other assets that are not classified as current assets under U.K. GAAP and that are used or useful in a Permitted Business;

provided that the assets (including Voting Stock) acquired with the Net Proceeds from any disposition of Collateral are pledged as Collateral in accordance with the Transaction Security Documents and **provided further** that any application of such Net Proceeds shall not be permitted under paragraph (15)(a) of the definition of Permitted Investment where the disposition of assets was made by a non-SPV Entity.

1.3 The Company (or the applicable Restricted Subsidiary) will be deemed to have complied with the provisions set forth in paragraph 1.2.2 and paragraph 1.2.3 above if within 360 days after the Asset Sale that generated the Net Proceeds, the Company (or the applicable Restricted Subsidiary) has entered into a binding agreement to apply such Net Proceeds and such Net Proceeds are actually applied within 180 days after the end of such 360-day period.

1.4 Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Agreement.

1.5 Any Net Proceeds from Asset Sales that are not applied or invested as provided in paragraph 1.2 above will constitute “**Excess Proceeds**” and shall be applied in accordance with Clause 11.2 (*Disposals Proceeds*).

1.6 To the extent that any portion of the Net Proceeds payable in respect of the Facilities is denominated in a currency other than the currency in which the relevant Facilities are denominated, the amount payable in respect of such Facilities shall not exceed the net amount of funds in the currency in which such Facilities are denominated as is actually received by the Company upon converting the relevant portion of the Net Proceeds into such currency.

2. RESTRICTED PAYMENTS

2.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

2.1.1 declare or pay any dividend or make any other payment or distribution on account of the Company’s or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger, amalgamation or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company’s or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such (other than (x) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and dividends or distributions payable to the Company or a Restricted Subsidiary of the Company) or (y) dividends or distributions issued by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Company or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

2.1.2 purchase, redeem, defease or otherwise acquire or retire for value (including, without limitation, in connection with any merger, amalgamation or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company (other than Equity Interests owned by the Company or a Restricted Subsidiary);

- 2.1.3 make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Guarantor that is contractually subordinated to the Facilities (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof;
- 2.1.4 make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Shareholder Funding; or
- 2.1.5 make any Restricted Investment;

(all such payments and other actions set forth in paragraph 2.1.1 to paragraph 2.1.5 inclusive above being collectively referred to as “**Restricted Payments**”), unless, at the time of the relevant determination and *pro forma* for such Restricted Payment:

- 2.1.6 no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
- 2.1.7 the Total Net Leverage Ratio in respect of the Relevant Period ending on the most recently ended Quarter Date does not exceed 3.00:1.00.

2.2 The preceding paragraph 2.1 will not prohibit:

- 2.2.1 the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Agreement;
- 2.2.2 the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests or Shareholder Funding of the Company (other than Disqualified Stock) or from the substantially concurrent sale of Equity Interests or Shareholder Funding of the Company or contribution of common equity capital to the Company;
- 2.2.3 the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is (a) contractually subordinated to the Facilities with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness or (b) made in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such repurchase, redemption, defeasance or acquisition;
- 2.2.4 the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis (or on a greater than pro rata basis in favour of any holder of its Equity Interests which is the Company or a Restricted Subsidiary) **provided that**, if the Restricted Subsidiary making such payment is an Obligor that is wholly-owned by two or more Restricted Subsidiaries, at least one of which is an Obligor and at least one of which is not an Obligor (a “**Non-Obligor Recipient**”), no Non-Obligor Recipient shall receive such payment on a greater than pro rata basis pursuant to this paragraph 2.2.4);

- 2.2.5 any payments or amounts constituting or to be used directly or indirectly for purposes of making payments in connection with the repurchase, redemption or other acquisition or retirement for value (“**repurchase**”) of any Equity Interests of the Parent (or any Successor Parent or Parent Entity), the Company or any Restricted Subsidiary of the Company or any MIP Vehicle held directly or indirectly by any current or former officer, director or employee of any such entity or MIP Vehicle pursuant to any equity subscription agreement, stock option agreement, shareholders’ agreement or similar agreement or otherwise in connection with any management incentive plan or similar arrangements in an aggregate principal amount when aggregated with payments made under paragraph (9) of the definition of Permitted Investments not to exceed £40.0 million at any one time outstanding;
- 2.2.6 the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options; **provided that** the cancellation of Indebtedness owing to the Company from any current or former officer, director or employee (or any permitted transferees thereof) of the Company or any of its Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Equity Interests of the Company from such Persons will not be deemed to constitute a Restricted Payment for purposes of this paragraph 2 (*Restricted Payments*) or any other provisions of this Agreement;
- 2.2.7 [Reserved];
- 2.2.8 so long as no Default has occurred and is continuing or would be caused thereby, payment of fees to the Sponsor, HS Investments, Raycliff and/or RBI Investor pursuant to any Management Agreement in an aggregate amount when aggregated with any payments made under paragraph 2.2.14 not to exceed the greater of £3.0 million and 3 per cent. of LTM Consolidated EBITDA in any Financial Year;
- 2.2.9 the repurchase of Equity Interests of the Company constituting fractional shares;
- 2.2.10 distributions of Capital Stock of Unrestricted Subsidiaries;
- 2.2.11 [Reserved];
- 2.2.12 [Reserved];
- 2.2.13 any performance or similar guarantees or customary guarantees and environmental indemnities or guarantees of lease obligations in connection with any transaction relating to an SPV Entity;
- 2.2.14 Permitted Parent Payments in an aggregate amount when aggregated with any payments made under paragraph 2.2.8 not to exceed the greater of £3.0 million and 3 per cent. of LTM Consolidated EBITDA in any Financial Year;
- 2.2.15 so long as no Default has occurred and is continuing or would be caused thereby, the repayment or prepayment of any Short-Term Shareholder Funding within sixty (60) days of its incurrence;
- 2.2.16 [Reserved].
- 2.2.17 [Reserved]; and
- 2.2.18 the making of one or more payments to the Sponsor in connection with the entry into this Agreement and any other transactions to be consummated on or about the date of this Agreement in an aggregate amount not to exceed \$10,200,000; and

- 2.2.19 for any taxable year, or portion thereof, for which the Company (or if the Company is a disregarded entity for applicable U.S. federal income tax purposes, the Company's regarded parent) is a member of a group filing a consolidated or combined tax return with a parent entity, payments to such parent entity to pay taxes in an amount in any fiscal year not to exceed the amount that the Company (or if disregarded, its regarded parent) and its Subsidiaries that are members of such group would be required to pay for such fiscal year were the Company (and if disregarded, its regarded parent) and such Subsidiaries to pay taxes on a consolidated or combined basis.
- 2.3 The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this paragraph 2 (*Restricted Payments*) will be determined in good faith by an officer or director responsible for duties similar to an officer of the Company; **provided that** the Fair Market Value of any assets or securities that are required to be valued by this paragraph 2 (*Restricted Payments*) will be determined by the Board of Directors of the Company if the Fair Market Value exceeds £10.0 million. For purposes of determining compliance with this paragraph 2 (*Restricted Payments*), if a Restricted Payment meets the criteria of more than one of the exceptions described in paragraph 2.2.1 to 2.2.19 (inclusive) above, or is entitled to be made according to paragraph 2.1, the Company may, in its sole discretion, classify the Restricted Payment in any manner that complies with this paragraph 2 (*Restricted Payments*).
- 3. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK**
- 3.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**", and **provided that**, for the avoidance of doubt, no Indebtedness shall be deemed to have been "incurred" merely on the basis that an unutilised commitment with respect to Indebtedness has been made available to the Company) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock or any shares of preferred stock and will not permit any of its Restricted Subsidiaries to issue any Disqualified Stock or any shares of preferred stock.
- 3.2 Paragraph 3.1 of this Schedule will not prohibit the incurrence of any of the following items of Indebtedness by the Company or any Restricted Subsidiary (collectively, "**Permitted Debt**"):
- 3.2.1 the incurrence by the Company and any Restricted Subsidiary of Indebtedness under any Finance Document;
- 3.2.2 the incurrence by the Company and its Restricted Subsidiaries of (a) Indebtedness listed on the Existing Indebtedness Schedule and (b) (only until and including the first Business Day following the Closing Date) the Existing Debt;
- 3.2.3 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities (including the Revolving Credit Facility Agreement) in an aggregate principal amount at any one time outstanding under this paragraph 3.2.3 (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) not to exceed £75.0 million;

- 3.2.4 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case:
- (a) incurred for the purpose of financing (whether prior to or within 270 days after) all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) or other assets used or useful in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this sub- paragraph (a), not to exceed the greater of £20 million and 27 per cent. of LTM Consolidated EBITDA at any time outstanding; or
 - (b) incurred in connection with Soho Farmhouse Rhinebeck (or such other name for a Soho Farmhouse in the Rhinebeck, New York area) in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this sub-paragraph (b), not to exceed \$220 million at any time outstanding.
- 3.2.5 the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Schedule to be incurred under paragraph 3.2.2 or 3.2.5;
- 3.2.6 the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; **provided, however, that:**
- (a) if (x) the borrower is the Company or a Guarantor and the payee is not the Company or a Guarantor, (y) the aggregate amount of the Indebtedness owed by such borrower to such payee is GBP 1,000,000 or more and (z) such Indebtedness is (or will be) outstanding for more than 10 Business Days, the relevant payee shall accede to the Intercreditor Agreement as an Intra-Group Lender; and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this paragraph 3.2.6;
- 3.2.7 the issuance by any of the Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of preferred stock; **provided, however, that:**
- (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and
 - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this paragraph 3.2.7;

- 3.2.8 the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in connection with Indebtedness otherwise permitted to be incurred by this Agreement or otherwise in the ordinary course of business;
- 3.2.9 the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) (other than, for the avoidance of doubt, paragraph 3.2.19); **provided that** if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Indebtedness under the Finance Documents, then the guarantee of such Indebtedness shall be subordinated or *pari passu* to the Indebtedness under the Finance Documents, as applicable, to the same extent as the Indebtedness being guaranteed;
- 3.2.10 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, bids and performance or surety bonds in the ordinary course of business and, in any such case, any reimbursement obligations in connection therewith;
- 3.2.11 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of incurrence;
- 3.2.12 arising under any local facilities (including any overdraft, working capital facility, other bilateral financing or asset backed loan) incurred by any Restricted Subsidiary, **provided that**:
- (a) such Restricted Subsidiary has incurred Indebtedness under such local facility in a jurisdiction where the proceeds of such local facility cannot be on-lent to the Company or any other Restricted Subsidiary (due to local law, tax or other regulatory or legal restrictions) and the recourse of the creditor of such local facility is limited to such Restricted Subsidiary only; or
 - (b) the aggregate principal amount of all such local facilities outstanding at any time (other than those incurred pursuant to paragraph (a) above) shall not exceed the greater of £12.5 million and 17 per cent. of LTM Consolidated EBITDA;
- 3.2.13 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of bid, performance, surety and similar bonds issued for the account of the Company and any of its Restricted Subsidiaries in the ordinary course of business, including guarantees and obligations of the Company and any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations (in each other than an obligation for money borrowed) and other customary non-recourse guarantees and environmental indemnities or guarantees of lease and/or rental obligations in the ordinary course of business;
- 3.2.14 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness consisting of (A) the financing of insurance premiums, (B) take-or-pay obligations contained in supply arrangements or (C) deferred compensation or equity-based compensation to current or former officers, directors, consultants, advisors or employees thereof (other than Permitted Holders), in each case in the ordinary course of business;

- 3.2.15 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness or other Obligations arising from agreements of the Company or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Subsidiary, **provided that** the maximum aggregate liability in respect of all such Indebtedness (or other Obligations) shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company and its Restricted Subsidiaries in connection with such disposition;
- 3.2.16 Indebtedness, Disqualified Stock or preferred stock of (x) the Company or any of its Restricted Subsidiaries or (y) a Subsidiary incurred and outstanding or committed to be incurred on or prior to the date on which such Subsidiary was acquired by the Company or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Company or any of its Restricted Subsidiaries in accordance with the terms of this Schedule (other than Indebtedness incurred in contemplation of, or in connection with, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary of, or was otherwise acquired by, the Company or a Restricted Subsidiary); **provided, however, that** such Indebtedness is discharged within six Months of the acquisition of such Subsidiary;
- 3.2.17 Indebtedness incurred on behalf of, or representing guarantees of Indebtedness of, Joint Ventures of the Company or any Restricted Subsidiary; **provided, however, that** the only recourse on such Indebtedness (including any guarantee of Indebtedness but excluding in all cases lease guarantees, cost overrun guarantees and similar guarantees where the relevant guarantees and arrangements guaranteed by those guarantees have, in each case, been entered into on a customary arm's length basis and otherwise in compliance with paragraph 7 (*Transactions with Affiliates*), which guarantees may be incurred under this paragraph by the Company or any Restricted Subsidiary with respect to any Joint Venture on a recourse basis) is limited to the Company's or such Restricted Subsidiary's Equity Interests in (and/or receivables owed to it by) the related Joint Venture;
- 3.2.18 the incurrence by the Company or any of its Restricted Subsidiaries of one or more letter of credit facilities and the issuance of letters of credit thereunder (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) in an aggregate principal amount at any time outstanding not to exceed the greater of £8.25 million and 11 per cent. of LTM Consolidated EBITDA;
- 3.2.19 the incurrence by any SPV Entity of any SPV Indebtedness that is Non-Recourse Debt; **provided that** the Indebtedness of any Miami SPV (the "**Miami Debt**") shall be permitted under this paragraph 3.2.19 and shall as a result be deemed to be SPV Indebtedness for the purposes of this Agreement notwithstanding that it is not Non- Recourse Debt **provided that** (A) the recourse in respect of the Miami Debt is limited to a guarantee provided by US AcquireCo, Inc. on substantially the same basis as the guarantee extended as of the date of this Agreement (but this proviso (A) shall not prohibit any increase to the amount of the Miami Debt (or any increase to the amount of the guarantee thereof, *pro rata* to any increase to the Miami Debt) following the date of this Agreement), (B) *pro forma* for any increase, the Miami Loan to Value Ratio does not exceed 80%, and (C) the terms of the Miami Debt do not include any maintenance financial covenant relating to the Company or any member of the Restricted Group (other than any financial covenants relating to any Miami SPV and/or US AcquireCo, Inc.);

- 3.2.20 the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness (including Acquired Debt) or the issuance by any Restricted Subsidiary of preferred stock, in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this paragraph 3.2.20, not to exceed the greater of £37.5 million and 50 per cent. of LTM Consolidated EBITDA;
- 3.2.21 the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising under any bank guarantee, surety (*Bürgschaft*) or any other instrument issued by a bank or financial institution in order to comply with the requirements under section 8a of the German Act on Partial Retirement (*Altersteilzeitgesetz*) or under section 7e of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*); and
- 3.2.22 [Reserved].
- 3.3 The Company shall not incur, and shall not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the guarantees provided under this Agreement on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis. The Company shall not incur, and shall not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is expressed to rank or ranks as to payment or security so that it is subordinated to any of the Super Senior Liabilities (as defined in the Intercreditor Agreement) but are senior to the Pari Passu Liabilities (as defined in the Intercreditor Agreement) under this Agreement.
- 3.4 For purposes of determining compliance with this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraphs 3.2.1 to 3.2.21 (inclusive), the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this paragraph 3. Additionally, all or any portion of any item of Indebtedness may later be reclassified as having been incurred under any sub-paragraph of paragraph 3.2 so long as such Indebtedness is permitted to be incurred pursuant to such provision at the time of reclassification. Notwithstanding the foregoing, all Indebtedness incurred from time to time under the Revolving Credit Facility Agreement will be deemed to have been incurred in reliance on the exception provided by 3.2.3 and the Company will not be permitted to reclassify any portion of such Indebtedness thereafter.
- 3.5 The accrual of interest, the accretion or amortisation of original issue discount or liquidation preference, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*). Notwithstanding any other provision of this paragraph 3, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this paragraph 3 shall not

be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. For purposes of determining compliance with any pound-denominated restriction on the incurrence of Indebtedness, the Pound Equivalent principal amount of Indebtedness denominated in a different currency shall be utilised, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness incurred under a revolving credit facility; **provided, however, that** (i) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than pound sterling, and such refinancing would cause the applicable British pound sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such pound sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) such Indebtedness denominated in non-British pound sterling currency is subject to a Currency Exchange Protection Agreement with respect to British pound sterling, the amount of such Indebtedness expressed in British pound sterling will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (iii) the Pound Equivalent of the principal amount of any such Indebtedness outstanding on the date of this Agreement shall be calculated based on the relevant currency exchange rate in effect on the date of this Agreement. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the Pound Equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except to the extent that:

3.5.1 such Pound Equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

3.5.2 the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the Pound Equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

3.6 Notwithstanding any other provision of this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

3.7 The amount of any Indebtedness outstanding as of any date will be:

3.7.1 the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

3.7.2 the principal amount of the Indebtedness, in the case of any other Indebtedness; and

3.7.3 in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(a) the Fair Market Value of such assets at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

4. **LIENS**

The Company will not, and the Company will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on any asset now owned or hereafter acquired, which Lien is securing any Indebtedness, except Permitted Liens.

5. **[RESERVED.]**

6. **[RESERVED.]**

7. **TRANSACTIONS WITH AFFILIATES**

7.1 The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an “**Affiliate Transaction**”) involving aggregate payments or consideration in excess of the greater of £5.0 million and 6.7 per cent. of LTM Consolidated EBITDA, unless:

- 7.1.1 the Affiliate Transaction is on terms that are no less favourable to the Company or the relevant Restricted Subsidiary (as determined in good faith by the Company) than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person;
- 7.1.2 with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of the greater of £10.0 million and 13.4 per cent. of LTM Consolidated EBITDA, such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and
- 7.1.3 with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of the greater of £15.0 million and 20 per cent. of LTM Consolidated EBITDA, an opinion as to the fairness to the Company or such Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing.

7.2 The following items will not be deemed to be Affiliate Transactions and therefore will not be subject to paragraph 7.1:

- 7.2.1 the entering into, and transactions with or payments to, including grants of securities, stock options and similar rights, any current or former employee, officer, consultant, advisor or director pursuant to any employment agreement, compensation, service, severance or benefit plans, management incentive plan or similar arrangements, indemnification arrangements, or rights to indemnify or any arrangements entered into in the ordinary course of business;
- 7.2.2 (i) transactions exclusively between or among the Company and/or its Restricted Subsidiaries or any Person that will become a Restricted Subsidiary as a result of such transaction and such transaction is otherwise in compliance with this Agreement; *provided*, in each case, that no Affiliate of the Company (other than another Restricted Subsidiary) owns Equity Interests of any such Restricted Subsidiary or person, as applicable, and (ii) any merger, consolidation or amalgamation of the Company and any direct or indirect parent of the Company; *provided*, that such parent shall have no

- material liabilities and no material assets other than cash, Cash Equivalents, Shareholder Funding and the Capital Stock of the Company or a parent of the Company and such merger, consolidation or amalgamation is otherwise in compliance with the terms of this Agreement and effected for a bona fide business purpose;
- 7.2.3 transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- 7.2.4 payment of reasonable directors' fees and reasonable out of pocket expenses to officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;
- 7.2.5 any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company;
- 7.2.6 Restricted Payments and Permitted Investments that are in compliance with paragraph 2 (*Restricted Payments*) of this Schedule;
- 7.2.7 (i) transactions effected pursuant to agreements in effect on the date of this Agreement, including the Management Agreement, and any amendment, modification or replacement of such agreements (so long as such amendment or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the agreement as in effect on the date of this Agreement as determined in good faith by senior management of the Company) and (ii) any effective or pending transaction listed on the Affiliate Transactions Schedule;
- 7.2.8 payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business consistent with industry practice;
- 7.2.9 transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services in the ordinary course of business;
- 7.2.10 transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Agent a letter from an independent financial advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of paragraph 7.1;
- 7.2.11 payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of the Company in good faith;
- 7.2.12 the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of this Agreement, any stockholders agreement to which it is a party as of the date of this Agreement or any other agreement or arrangement in existence on the date of this Agreement and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; **provided, however, that** the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the date of this Agreement shall only be permitted by this paragraph 7.2.12 to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the Finance Parties in any material respect than the original transaction, agreement or arrangement as in effect on the date of this Agreement;

- 7.2.13 transactions with Joint Ventures or Unrestricted Subsidiaries entered into in the ordinary course of business and otherwise in compliance with the terms of this Agreement; **provided that** no officer, director or Affiliate of the Company (excluding any such Person that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person) beneficially owns any Equity Interests in such Unrestricted Subsidiary or Joint Venture (other than indirectly through ownership of Equity Interests in the Company);
- 7.2.14 any contribution to the equity capital of the Company; and
- 7.2.15 transactions permitted by, and complying with, paragraph 1 (*Asset Sales*) or a Permitted Reorganisation.

8. DESIGNATION OF RESTRICTED AND UNRESTRICTED SUBSIDIARIES

- 8.1 The Board of Directors of the Company may designate any Restricted Subsidiary (including any newly acquired or newly formed Subsidiary or Person that becomes a Subsidiary through merger amalgamation or consolidation or Investment therein,) to be an Unrestricted Subsidiary if that designation would not cause a Default and the Subsidiary meets the definition of “**Unrestricted Subsidiary**.”
- 8.2 If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under paragraph 2 (*Restricted Payments*) above or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.
- 8.3 Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced by a resolution of the Board of Directors giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the preceding conditions and was permitted under paragraph 2 (*Restricted Payments*) above.
- 8.4 If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) above the Company will be in default of such paragraph.
- 8.5 The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; **provided that** such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) above calculated on a *pro forma* basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

9. PASSIVE HOLDING COMPANY

9.1 Neither the Parent nor the Company shall:

- 9.1.1 conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations;
- 9.1.2 incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations; or
- 9.1.3 own, lease, manage or otherwise operate any properties or assets (including cash and Cash Equivalents (other than cash received in connection with dividends made by its Subsidiaries or in respect of intercompany loans permitted under this Agreement or cash or Cash Equivalents from the proceeds of an Asset Sale not prohibited by this Agreement or issuance of Equity Interests)),

in each case, other than:

- (a) the ownership of shares of Capital Stock of, or Indebtedness owing by, its direct or indirect Subsidiaries or activities incidental to its ownership of the Capital Stock of, or Indebtedness owing by, its direct or indirect Subsidiaries (including the establishment of any additional Subsidiaries) or the maintenance of administrative employees and functions incidental to its existence and operations that are immaterial to the Noteholders (taken as a whole);
- (b) the maintenance of properties and assets related to administrative employees and functions incidental to its existence (including entry into and performance of its obligations with respect to contracts and other arrangements including providing indemnification to officers, managers, directors and employees);
- (c) in connection with any management incentive scheme, equity purchase agreement, stock option agreement, shareholders' agreement or similar agreement;
- (d) the performance of activities in preparation for and consummating any public or private offering of common stock or any other issuance or sale of its Equity Interests;
- (e) incurrence, creation, assumption, existence and performance of (i) non- consensual obligations imposed by operation of law; (ii) obligations permitted or not prohibited pursuant to this Agreement and the Transaction Security Documents to which it is a party (including, without limitation, any obligation under any Finance Document and the Revolving Credit Facility Agreement (including, for the avoidance of doubt, pursuant to any incremental facility or additional facility ranking pari passu with the facilities made available thereunder after the date of this Agreement) and any finance or loan documents so characterised thereunder, and any replacement thereof and, until (and excluding) the second Business Day following the Closing Date, the Existing Debt); (iii) obligations with respect to its Capital Stock (including, for the avoidance of doubt, the issuance of Capital Stock); (iv) intercompany Indebtedness, so long as such Indebtedness is evidenced by an intercompany note or loan; and (v) Shareholder Funding; and

- (f) (i) the provision of administrative services (excluding legal and treasury services) to other members of the Restricted Group or the Parent of a type customarily provided by a holding company to its Subsidiaries; (ii) ownership of shares in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalents but only if those shares, credit balances, cash and Cash Equivalents are subject to the Transaction Security (save where no such Transaction Security is required under the terms of this Agreement); (iii) any liabilities and the performance of obligations under the Finance Documents and Shareholder Funding to which it is a party and incurrence and payment of professional and advisory fees and administration costs in the ordinary course of business as a holding company or as otherwise expressly permitted or not prohibited by any other term of any Finance Document; (iv) any liabilities and the performance of any obligations under or in connection with professional services engagements and other contracts for the benefit of the whole or part of the rest of the Group in each case, in the ordinary course of its role as a parent company of the Group or substantially consistent with past practice; (v) guarantees and similar arrangements in respect of obligations of members of the Group (and/or of any other person **provided that** such guarantee or similar arrangement is not prohibited by paragraph 2 (*Restricted Payments*)) not constituting Indebtedness, including but not limited to operating leases, building contracts and project development contracts in each case, in the ordinary course of its role as a parent company of the Group or substantially consistent with past practice; (vi) taking any action or any steps in connection with a proposed Listing, **provided that** such action does not result in the Finance Parties ceasing to have Transaction Security over 100% of the share capital of the Company; (vii) a Permitted Reorganisation; and (viii) any Indebtedness or Shareholder Funding which is permitted or not otherwise prohibited under this Schedule 14.

- 9.2 Neither the Parent nor the Company shall incorporate or acquire any direct operating or trading Subsidiary (other than a Successor Parent or Parent Entity) that would, if it were a member of the Restricted Group, constitute a Material Company.

10. IMPAIRMENT OF SECURITY INTEREST

- 10.1 The Parent and the Company will not, and the Company will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Finance Parties (taken as a whole), and the Parent and the Company will not and the Company will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Collateral Agent, for the benefit of the Finance Parties and the other beneficiaries described in the Transaction Security Documents and the Intercreditor Agreement. Nothing in this provision shall restrict the discharge or release of the Collateral in accordance with this Agreement, the Transaction Security Documents and the Intercreditor Agreement and the Company and its Restricted Subsidiaries may incur Permitted Liens.
- 10.2 At the request of the Company and without the consent of the Noteholders, the Collateral Agent may from time to time enter into one or more amendments to the Transaction Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with the paragraph above) provide for Permitted Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the Finance Parties in any material respect (taken as a whole).

- 10.3 In the event that Company complies with this paragraph 10 (*Impairment of Security Interest*), the Agent and the Collateral Agent may (subject to customary protections and indemnifications and the receipt of an Officers' Certificate providing that the conditions precedent relating to the applicable requested action have been satisfied) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Noteholders provided such amendment, extensions, renewal, restatement, supplement, modification, replacement or release is in compliance with this Agreement, the Transaction Security Documents and the Intercreditor Agreement.

11. CERTAIN DEFINITIONS

- 11.1 Terms used in this Schedule (other than those terms defined in Clause 1 (*Definitions and Interpretation*) of this Agreement and not otherwise defined in this paragraph 11) shall have the meanings provided to them in this paragraph 11.

“**AcquiredDebt**” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged or amalgamated with or into or became a Subsidiary of such specified Person, or expressly assumed in connection with the acquisition of assets from any such Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

AcquiredDebt will be deemed to be incurred on the date the acquired Person becomes a Subsidiary.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; **provided that** beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “**controlling**,” “**controlled by**” and “**under common control with**” have correlative meanings.

“**Approved Intercreditor Agreement**” means either the Intercreditor Agreement or an intercreditor agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially worse to the Noteholders), including substantially the same terms with respect to release of Guarantees and priority and release of Collateral.

“**AssetSale**” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; **provided that** the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Clause 8 (*Mandatory redemption*) and not by paragraph 1 (*Asset Sales*); and
- (2) the issuance of Equity Interests in any of the Company's Restricted Subsidiaries or the sale of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (3) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than £5.0 million;
- (4) a transfer of assets (w) from a Restricted Subsidiary to the Company or a Guarantor;
- (x) between or among the Company and the Guarantors, (y) between or among non- Guarantor Restricted Subsidiaries (other than where the recipient is an SPV Entity) or
- (z) between or among SPV Entities;
- (5) an issuance of Equity Interests by a Restricted Subsidiary of the Company to:
 - (a) the Company or to a Restricted Subsidiary of the Company; or
 - (b) the holders of its Equity Interests on a *pro rata* basis (or on a greater than *pro rata* basis in favour of any holder of its Equity Interests which is the Company or a Restricted Subsidiary) **provided that**, if the Restricted Subsidiary issuing such Equity Interests is an Obligor that is wholly-owned by two or more Restricted Subsidiaries, at least one of which is an Obligor and at least one of which is not an Obligor (a “**Non-Obligor Holder**”), no Non-Obligor Holder shall be issued Equity Interests on a greater than *pro rata* basis pursuant to this paragraph (5)(b);
- (6) the sale or lease of equipment, inventory, products, services or accounts receivable in the ordinary course of business and any sale or other disposition of damaged, no longer useful, worn-out or obsolete assets;
- (7) the sale or other disposition of cash or Cash Equivalents;
- (8) a Restricted Payment that does not violate paragraph 2 (*Restricted Payments*) above or a Permitted Investment;
- (9) the creation of Permitted Liens and, subject to the Intercreditor Agreement, foreclosure upon such Permitted Liens;
- (10) the licensing of intellectual property to third Persons on customary terms as determined in good faith by the Board of Directors of the Company;
- (11) transfers of property subject to casualty or condemnation proceedings;
- (12) dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business;
- (13) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (14) the lease, assignment or sublease of any real or personal property in the ordinary course of business;
- (15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

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- (16) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, asset securitisations and other similar financings;
 - (17) sales, transfers or other dispositions of Investments in joint ventures or similar arrangements to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture or similar arrangements and similar binding agreements; **provided that** any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with paragraph 1 (*Asset Sales*) above;
 - (18) the issuance or sale of Equity Interests in any of the Company's Joint Ventures pursuant to any management incentive scheme, stock option agreement or similar agreement;
 - (19) an Asset Sale necessary in order to comply with the requirements of section 7f of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*) or section 4 of the German Company Pensions Act (*Gesetz zur Verbesserung der betrieblichen Altersversorgung*); and
 - (20) an Asset Sale with respect to any real estate located in Germany cannot be restricted pursuant to section 1136 (alone or in conjunction with section 1192 paragraph 1) of the German Civil Code (*Bürgerliches Gesetzbuch*).

"Board of Directors" means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorised to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

"Board Resolution" means a copy of a resolution certified by the secretary or an assistant secretary of the applicable Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalised on a balance sheet prepared in accordance with U.K. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

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- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
 - (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“**CashEquivalents**” means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union, the United Kingdom, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or United Kingdom or the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the option of the Company or any of its Restricted Subsidiaries;
- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, the laws of a member state of the European Union or the United Kingdom or of the United States of America or any state thereof, Switzerland or Canada; **provided that** such bank or trust company is an Acceptable Bank;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in paragraphs (1) and (2) above entered into with an Acceptable Bank;
- (4) commercial paper having one of the two highest ratings obtainable from Moody’s or S&P and, in each case, maturing within one year after the date of acquisition;
- (5) GBP bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or the dematerialised equivalent); and
- (6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in paragraph (1) to (5) (inclusive) of this definition.

“**Changeof Control**” means the occurrence of any of the following:

- (1) the Company becoming aware (by way of report or filing under the Exchange Act or by any other means) of the direct or indirect acquisition by any Person or Relevant Group, other than one or more of the Permitted Holders, of more than 50 per cent. of the total voting power of the Voting Stock of the Company;
- (2) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to a Person other than a member of the Restricted Group or one or more Permitted Holders; or

- (3) the shares of the Company cease to be wholly-owned directly by the Parent other than as a result of a Permitted Transaction or a Permitted Reorganisation,

provided that no Change of Control shall be deemed to occur by reason of the Parent or the Company becoming a Subsidiary of a Successor Parent or Parent Entity **provided that** the Finance Parties (or the Collateral Agent on their behalf) continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) security over the shares (or other interests) in the Company thereafter.

“Collateral” means the rights, property and assets securing the Finance Documents and any rights, property or assets in which a Lien has been granted to secure the Obligations of the Parent, the Company and the Guarantors pursuant to the Transaction Security Documents.

“Commission” or **“SEC”** means the U.S. Securities and Exchange Commission.

“Credit Facilities” means, one or more debt facilities, indentures or agreements (including, without limitation, the Revolving Credit Facility Agreement and the Facilities) or commercial paper facilities, in each case, with banks or other institutional lenders, commercial finance companies, creditors, investors or other lenders providing for revolving credit loans, term loans, bonds, debentures, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), or letters of credit, in each case, for working capital purposes, pursuant to agreements or indentures, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time (and without limitation as to amount, terms, conditions, covenants and other provisions, including increasing the amount of available borrowings thereunder, changing or replacing agent banks and lenders thereunder or adding, removing or redesignating Subsidiaries of the Company as borrowers or guarantors thereunder).

“Currency Exchange Protection Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the latest date on which the Facilities mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under paragraph 2. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Agreement will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“**Fair Market Value**” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Agreement); *provided*, that with respect to any such amount less than £5.0 million, only the good faith determination of the Company’s management shall be required.

“**guarantee**” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness. When used as a verb, “**guarantee**” has a correlative meaning.

“**Hedging Obligations**” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
 - (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
 - (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.
- in each case, not entered into for speculative purposes.

“**HS Investments**” means (1) HS Investments EU5 Limited, (2) HS Investments (A) Limited Partnership, (3) any funds, partnerships or other entities owned, controlled, managed or advised by HS Investments EU5 Limited and/or HS Investments (A) Limited, and in each case (whether individually or as a group) Affiliates of (1), (2) and/or (3) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**Indebtedness**” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker’s acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or

(6) representing any Treasury Transaction, including any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.K. GAAP. In addition, the term “**Indebtedness**” includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. Notwithstanding anything herein to the contrary, neither Shareholder Funding nor any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under the Accounting Principles as applied in the Original Financial Statements shall be deemed to constitute Indebtedness.

“**Initial Investors**” means:

- (1) the Sponsor and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (2) HS Investments and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (3) Raycliff and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (4) RBI and each of its Affiliates and/or funds controlled or managed by it or its Affiliates but excluding any operating portfolio companies of the foregoing;
- (5) West Street Strategic Solutions Fund I, LP, West Street Strategic Solutions Fund I-(C), LP, WSSS Investments W, LLC, WSSS Investments X, LLC, WSSS Investments I, LLC, WSSS Investments U, LLC, BSPI, LLC, West Street Private Credit Partnership, LP and any of their Affiliates and Related Funds;
- (6) Mr. Richard Caring; and
- (7) Mr. Nick Jones.

“**Investments**” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.K. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company’s Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in paragraph 2.3 above. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an

amount determined as provided in paragraph 2.3. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. For the avoidance of doubt, for the purposes of section 2 (*Restricted Payments*) of Schedule 14 (*Restrictive Covenants*), “Investment” will, in respect of the Company or any Obligor include any redemption, defeasance, repurchase, exchange or other acquisition or retirement by the Company or any Obligor of Indebtedness of a Non-Obligor (excluding, for the avoidance of doubt, any payment made under a guarantee which itself constitutes an “Investment”).

“**Joint Venture**” means a corporation, limited liability company, partnership or other entity engaged in a Permitted Business (other than an entity constituting a Restricted Subsidiary of the Company) in which the Company or any of its Restricted Subsidiaries owns, directly or indirectly, at least 10% of the Equity Interests.

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“**Los Angeles Property**” means the Soho Warehouse property at 1000 South Santa Fe Avenue, Los Angeles, California.

“**Los Angeles SPVs**” means (1) L.A. 1000 Santa Fe LLC, (2) DTLA JV, LLC, (3) DTLA-

Tenant, LLC; (4) any other Restricted Subsidiary (a) whose sole business is the ownership of, or operation of (directly or indirectly), or both the ownership and operation of (directly or indirectly) the Los Angeles Property; and (b) that is not a Guarantor; and (5) any Subsidiary of any of (1) to (4) inclusive. Notwithstanding the foregoing, any Los Angeles SPV may be designated as an Unrestricted Subsidiary in accordance with the definition thereof.

“**LTM Consolidated EBITDA**” means Consolidated EBITDA for the Relevant Period ending on the most recent Quarter Date.

“**Management Agreement**” means any agreement entered into between the Parent Entity and the Sponsor or its Affiliates and/or HS Investments or its Affiliates and/or Raycliff or its Affiliates and/or RBI and its Affiliates and any amendments thereto providing for management fees payable by the Parent Entity, the Company and its Subsidiaries.

“**Miami Loan to Value Ratio**” means, at any date of determination, the ratio of (x) the aggregate principal amount of the SPV Indebtedness of the Miami SPVs outstanding at such date to (y) the most recent total appraised market value of the Miami Property at such date, **provided that** such appraisal must be obtained from a third party appraiser of national standing and must, as at such date of determination, be less than 12 months old.

“**Miami Property**” means the Soho Beach House property in Miami, Florida.

“**Miami SPVs**” means Soho-Ryder Acquisition, LLC, Ryder Properties, LLC, Beach House JV, LLC, Beach House HoldCo, LLC, Beach House Owner, LLC, Operating Tenant (SHBH) Owner LLC, Operating Tenant (SHBH) Holdco, LLC, Soho House Beach House, LLC and any of their respective Subsidiaries.

“**MIP Vehicle**” any trust or other entity holding shares or other investments in connection with any management incentive plan or similar arrangement.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“**Net Proceeds**” means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, and taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale, any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.K. GAAP and in the case of any Asset Sale by a Restricted Subsidiary of the Company, payments to holders of Equity Interests in such Restricted Subsidiary in such capacity (other than such Equity Interests held by the Company or any Restricted Subsidiary thereof) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Restricted Subsidiary held by the Company or any Restricted Subsidiary thereof.

“**Non-Recourse Debt**” means Indebtedness as to which neither the Company nor any of its Restricted Subsidiaries (other than any relevant SPV Entity):

- (1) (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise, **provided that**, in each case, the Company or any Restricted Subsidiary may pledge equity interests or Indebtedness of an SPV Entity on a non-recourse basis so long as the pledge has no claim whatsoever against the Company or any Restricted Subsidiary (other than such SPV Entity) other than to obtain such pledged property; or
- (2) constitutes the lender.

“**Obligations**” means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganisation or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), penalties, fees, expenses, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“**Officer**” means with respect to any Person, the Chairman of the Board, the Chief Financial Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary, any Vice-President or any director of such Person.

“**Officers’ Certificate**” means a certificate signed on behalf of the Company by two officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer or person holding an equivalent position, including without limitation, that meets the requirements set forth in this Agreement and is delivered to the Agent.

“**Parent Entity**” means any Person of which the Parent or Company (as applicable) at any time is or becomes a direct or indirect Subsidiary and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent Entity.

“**Permitted Business**” means any business engaged in or proposed to be engaged in by the Company or any of its Restricted Subsidiaries on the date of this Agreement and any business or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Company and its Restricted Subsidiaries are engaged on the date of this Agreement.

“**Permitted Holders**” means:

- (1) the Initial Investors;
- (2) any Related Person of any Initial Investor;
- (3) Soho House Holdings Limited and the Parent;
- (4) any Relevant Group, the members of which include one or more Permitted Holders set out in limbs (1) to (3) above (a “**Permitted Holder Group**”), so long as no Person or other Relevant Group other than one or more Permitted Holders directly or indirectly holds more than 50 per cent of the total voting power of the Voting Stock of the Company held directly or indirectly by the Permitted Holder Group; and
- (5) any Parent Entity, so long as no Person or Relevant Group (other than one or more Permitted Holders under limbs (1) to (4) above) directly or indirectly holds more than 50 per cent of the total voting power of the Voting Stock of such Parent Entity.

“**Permitted Investments**” means:

- (1) any Investment:
 - (a) by an Obligor in an Obligor;
 - (b) by any Non-Obligor in a Restricted Subsidiary (other than an SPV Entity);
 - (c) by an SPV Entity in an SPV Entity;
 - (d) by an Obligor in a Non-Obligor to the extent necessary to finance a Permitted Investment by a Non-Obligor provided that such Obligor would be permitted to directly make such Investment other than by reason of this paragraph (d);
 - (e) by an Obligor in a Non-Obligor (other than an SPV Entity) which, when aggregated with all other Investments under this sub-paragraph (e), does not exceed the greater of £30.0 million and 40 per cent. of LTM Consolidated EBITDA at any time outstanding (net of profit distributions and returns received in cash in respect of investments in Non-Obligors by Obligors); or
 - (f) funded directly or indirectly with the proceeds of any New Shareholder Injection;
- (2) any Investment in cash or Cash Equivalents;

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- (3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person (any such person, a “**Target**” and any such Investment, a “**Permitted Acquisition**”), if:
- (a) as a result of such Investment:
 - (i) such Target becomes a Restricted Subsidiary of the Company; or
 - (ii) such Target is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;
 - (b) such Target is engaged in a Permitted Business; and
 - (c) pro forma for such Investment, such Investment will not cause the Total Net Leverage Ratio to exceed 6.00:1,
- and, in each case, any Investment held by such Target, **provided that** such Investment was not acquired by such Target in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under paragraph 1 (*Asset Sales*) or any non-cash consideration received in connection with a disposition of any assets excluded from the definition of “**Asset Sale**”;
- (5) (x) any acquisition of assets or Capital Stock to the extent made using Equity Interests (other than Disqualified Stock) of the Company, Capital Stock of any Parent Entity or any other Affiliate of the Company or any Parent Entity that is not a member of the Group, or Shareholder Funding, as consideration **provided that** (A) the issuance of such Equity Interests does not result in a Change of Control; and (B) any such Equity Interests issued by the Company are secured by substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods, **provided that** the Company shall use reasonable endeavours to mitigate any reset of hardening periods) Transaction Security as exists in over the other Equity Interests in the Company and (y) (for the avoidance of doubt) receipt of any capital contribution of assets or Capital Stock to the equity of the Company or any Restricted Subsidiary;
- (6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons
- (7) Investments represented by Hedging Obligations;
- (8) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed £1.0 million at any one time outstanding;
- (9) loans or advances (or guarantees of, or cancellation of, loans and advances) made to any officer, director or employee of the Parent, the Company or any of its Restricted Subsidiaries (or any direct or indirect parent company thereof) or to any person (including, for the avoidance of doubt, any MIP Vehicle) in connection with any management incentive plan, equity purchase agreement, stock option agreement, shareholders’ agreement or similar agreement in an aggregate principal amount, when aggregated with any payments made under paragraph 2.2.5, not to exceed £40.0 million at any time outstanding;

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- (10) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property (or information of intellectual property pursuant to joint marketing arrangements with other Persons), in each case in the ordinary course of business;
 - (11) advances to customers, members or suppliers in the ordinary course of business;
 - (12) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
 - (13) (i) any Investment existing, or made pursuant to binding commitments existing, on the date of this Agreement and any Investment that replaces, refinances or refunds any such Investment; **provided that** the new Investment is in an amount that does not exceed the amount replaced, refinanced or refunded other than as required by the terms of such Investment as in existence on the date of this Agreement, and is made in the same Person as the Investment replaced, refinanced or refunded and (ii) any Investment pursuant to any effective or pending transaction listed on the Affiliate Transactions Schedule;
 - (14) Investments in Joint Ventures in an aggregate principal amount at any time outstanding not to exceed the greater of £57.5 million and 77 per cent. of LTM Consolidated EBITDA (with each Investment being valued as of the date made and without regard to subsequent changes in value) **provided that** if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to paragraph (3) of the definition of “Permitted Investments” and not this clause (without any further steps or conditions required to be fulfilled);
 - (15) Investments in SPV Entities by the Company or any Restricted Subsidiary which is not an SPV Entity:
 - (a) in an unlimited amount to the extent made in cash (other than to the extent such cash represents Net Proceeds from an Asset Sale by a member of the Group (other than another SPV Entity)) for the purpose of funding the SPV Entities’ operations in the ordinary course of business or consistent with past practice; plus
 - (b) any other Investments in SPV Entities in an aggregate amount not to exceed £50.0 million in any Financial Year **provided that** at no time shall the aggregate amount of Investments made pursuant to this paragraph (b) exceed £150.0 million at any time outstanding, in each case, net of profit distributions and returns received in cash in respect of investments in SPV Entities by Restricted Subsidiaries which are not SPV Entities;
 - (16) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (16) that are at the time outstanding not to exceed the greater of £22.5 million and 30 per cent. of LTM Consolidated EBITDA;
 - (17) for the avoidance of doubt, any Investment in a Restricted Subsidiary constituting a guarantee of that Restricted Subsidiary’s obligations which guarantee constitutes Permitted Debt; and

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- (18) any Investment in connection with the acquisition of the LINE and Saguaro hotels businesses, provided that the consideration for such acquisition does not exceed \$20.0 million.

“**Permitted Liens**” means:

- (1) Liens on assets of the Company or any Restricted Subsidiary securing Indebtedness and other Obligations under this Agreement;
- (2) Liens in favour of the Company or the Guarantors;
- (3) Liens on property, assets or shares of a Person existing at the time such Person is merged or amalgamated with or into or consolidated with the Company or any Restricted Subsidiary of the Company; **provided that** such Liens were in existence prior to the contemplation of such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person merged or amalgamated into or consolidated with the Company or such Restricted Subsidiary;
- (4) Liens on assets or property (including Capital Stock) existing at the time of acquisition of the assets or property by the Company or any Restricted Subsidiary of the Company; **provided that** such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business, as well as obligations under the trade contracts and leases (exclusive of obligations for the payment of borrowed money);
- (6) Liens to secure Indebtedness, mortgage financings or purchase money obligations (including Capital Lease Obligations) permitted by paragraph 3.2.4 covering only the assets acquired with or financed by such Indebtedness;
- (7) Liens existing on the date of this Agreement **provided that** no material Lien shall be permitted pursuant to this paragraph (7) if that Lien has not been disclosed to the Agent or the Original Notes Purchasers in writing on or prior to the date of this Agreement;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; **provided that** any reserve or other appropriate provision as is required in conformity with U.K. GAAP has been made therefor;
- (9) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s and mechanics’ Liens, and Liens under extended retention of title arrangements (*verlängerter Eigentumsvorbehalt*), in each case, incurred in the ordinary course of business and liens on deposits in the ordinary course of business to secure liability to insurance carriers;
- (10) any statutory Lien (*gesetzliches Pfandrecht*) arising by operation of law under the German Civil Code (*Bürgerliches Gesetzbuch*) or the German Commercial Code (*Handelsgesetzbuch*), including without limitation under a lease agreement in favour of the relevant third party landlord (*Vermieterpfandrecht*) or under a warehousing agreement in favour of the relevant warehouse operator (*Pfandrecht des Lagerhalters*);

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- (11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights- of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
 - (12) Liens on the assets of the Company or any Restricted Subsidiary securing Indebtedness permitted by paragraphs 3.2.3 of paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*);
 - (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under this Agreement; **provided, however, that:**
 - (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Indebtedness (plus improvements and accessions to, such property or proceeds or distributions thereof); and
 - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
 - (14) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;
 - (15) the interests of lessors under operating leases and licensors or sublicensors under license agreements;
 - (16) Liens in favour of custom and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
 - (17) Liens on assets of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed the greater of £7.5 million and 10 per cent. of LTM Consolidated EBITDA at any one time outstanding, **provided that** such Lien so created does not encumber assets constituting Collateral;
 - (18) the filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under applicable jurisdiction) in connection with operating leases (other than any sale and leaseback transaction) or consignment of goods;
 - (19) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code (or equivalent statutes) on items in the course of collection and (ii) in favour of a banking institution arising as a matter of law or under customary general terms and conditions of a banking or other financial institution encumbering deposits and account balances (including the right of set-off) and which are within the general parameters customary in the banking industry;
 - (20) Liens on assets of any Restricted Subsidiary of the Company that is not a Guarantor securing Indebtedness incurred by any Restricted Subsidiary that is not a Guarantor **provided that** such Lien so created does not encumber assets constituting Collateral;

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- (21) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business, in connection therewith;
 - (22) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within such proceedings may be initiated shall not have expired;
 - (23) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
 - (24) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;
 - (25) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;
 - (26) Liens securing Hedging Obligations incurred in reliance on paragraph 3.2.8 of paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*);
 - (27) any encumbrance or restriction (including put and call arrangements) not securing Indebtedness contained in any Joint Venture agreement or similar agreement entered into by the Company or any Restricted Subsidiary with respect to Capital Stock issued by the relevant Joint Venture pursuant to any joint venture agreement or similar agreement; **provided that** such encumbrance or restriction shall extend only to the relevant Capital Stock; and
 - (28) Liens securing Indebtedness permitted by paragraphs 3.2.17 and 3.2.20 of paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*) **provided that** such Lien so created does not encumber assets constituting Collateral and, in the case of any Lien securing Indebtedness permitted by paragraph 3.2.17 is limited to the Company's or any Restricted Subsidiary's Equity Interests in (and/or receivables owed to it by) the relevant Joint Venture,

provided that, in the case of paragraphs (1), (12) and (26) above, each of the secured parties to such Indebtedness (acting directly or through its respective creditor representative) shall have entered into an Approved Intercreditor Agreement and such Indebtedness shall be subject to an Approved Intercreditor Agreement, which shall provide that any such Indebtedness shall rank:

- (a) in the case of Indebtedness and related Liens incurred under paragraph (12) or (26) above, as Super Senior Liabilities or Priority Credit Liabilities if such Lien secures Indebtedness which qualifies as Super Senior Liabilities or Priority Credit Liabilities pursuant to the Intercreditor Agreement; or
- (b) *pari passu* with the Facilities if such Lien secures Indebtedness which qualifies as *Pari Passu* Liabilities or Senior Secured Notes Liabilities pursuant to the Intercreditor Agreement.

“Permitted Parent Payments” means, without duplication as to amounts:

- (1) general corporate overhead expenses of such direct or indirect parent, including legal, accounting and administrative fees and expenses, in each case to the extent such fees and expenses are attributable to the ownership or operation of the Parent Entity, the Company and its Restricted Subsidiaries (**provided that** for so long as such direct or indirect parent entity owns no assets other than the Capital Stock in the Parent Entity, the Company or another direct or indirect parent entity of the Company, such fees and expenses shall be deemed for purposes of this paragraph (1) to be so attributable to such ownership or operation) and other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such direct or indirect parent and reasonable out-of-pocket expenses of the Board of Directors of such direct or indirect parent;
- (2) dividends or distributions to permit the payment of the Sponsor’s, HS Investments’, Raycliff’s and/or RBI’s reasonable out-of-pocket expenses under the Management Agreement;
- (3) any dividends or distributions in amounts required for any direct or indirect parent of the Company to pay (a) franchise and excise taxes and other fees, taxes and expenses required to maintain their corporate existence; and (b) income taxes imposed on the direct or indirect equity holders of such parent entity by the United States and any political subdivision thereof, to the extent such income taxes are attributable to a “GILTI” inclusion under Section 951A of the Code on account of direct or indirect ownership of a Restricted Subsidiary or an actual or deemed distribution of earnings and profits of a Restricted Subsidiary; and
- (4) expenses incurred by any direct or indirect parent in connection with any public or private offering or other sale of Capital Stock or Indebtedness (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); **provided that**:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;
- (3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Facilities, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Facilities on terms at least as favourable to the Noteholders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

- (4) such Indebtedness is incurred either by the Company or a Guarantor or, if a Restricted Subsidiary that is not a Guarantor is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged by any Restricted Subsidiary, by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

“**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company or government or other entity.

“**Pound Equivalent**” means, with respect to any monetary amount in a currency other than British pound sterling, at any time of determination thereof, the amount of British pound sterling obtained by converting such currency other than British pound sterling involved in such computation into British pound sterling at the spot rate for the purchase of British pound sterling with the applicable currency other than British pound sterling as published in the *Financial Times* in the “Currency Rates” section (or, if the *Financial Times* is no longer published, or if such information is no longer available in the *Financial Times*, such source as may be selected in good faith by the Company) on the date of such determination. Except as expressly provided otherwise, whenever it is necessary to determine whether the Company or any of its Restricted Subsidiaries have complied with any covenant or other provision in this Agreement denominated in British pound sterling and an amount is expressed in a currency other than British pound sterling, such amount will be treated as the Pound Equivalent determined as of the date such amount is initially determined in such non-British pound sterling currency.

“**Priority Credit Liabilities**” has the meaning given to that term in the Intercreditor Agreement.

“**Raycliff**” means (1) Raycliff SH Holdings LLC, (2) any funds, partnerships or other entities owned, controlled, managed or advised by Raycliff SH Holdings LLC, and in each case (whether individually or as a group) Affiliates of (1) and/or (2) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**RBI**” means (1) Global Joint Venture Investment Partners LP, (2) any funds, partnerships or other entities owned, controlled, managed or advised by Global Joint Venture Investment Partners LP, and in each case (whether individually or as a group) Affiliates of (1) and/or (2) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**Related Person**” with respect to any Permitted Holder, means:

- (1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;
- (3) any trust, corporation, partnership, limited liability company or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

- (4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“**Relevant Group**” means a group of persons within the meaning of section 13(d)(3) or section 14(d)(2) of the Exchange Act, or any successor provision.

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Subsidiary**” of a Person means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

“**Scorpions Property**” means any real property owned, leased, to be acquired or to be leased by any Scorpions SPV.

“**Scorpions SPVs**” means Sunshine AcquireCo Limited, Sunshine Mykonos Limited, Sunshine Future Projects Limited, Paraga, Q Hellas, OMO and each of their respective Subsidiaries.

“**Shareholder Funding**” means

- (1) any cash contribution to the Company by any parent, any Permitted Holder or any Affiliate thereof (other than a member of the Group) in exchange for or pursuant to any security, instrument or agreement other than Capital Stock; **provided that** such security, instrument or agreement must (i) be unsecured, (ii) be expressly subordinated to the prior payment in full in cash then due with respect to all of the Company’s obligations under the Facilities (iii) have a final maturity date at least 91 days later than the final maturity date of the Facilities, and (iv) not require payment in cash of any interest or principal in respect thereof prior to the final maturity date of such security, instrument or agreement; and
- (2) any cash contribution to the Company by any parent, any Permitted Holder or any Affiliate thereof (other than a member of the Group) in exchange for or pursuant to any security, instrument or agreement other than Capital Stock for the purposes of short term liquidity and/or bridging finance, including, without limitation, in order to fund Permitted Investments, **provided that** the aggregate amount outstanding of all such contributions shall not exceed the greater of (x) £50.0 million and (y) an amount equal to 67 per cent. of LTM Consolidated EBITDA at any time; **provided that** such security, instrument or agreement must (i) be unsecured, (ii) be expressly subordinated to the prior payment in full in cash then due with respect to all of the Company’s obligations under the Facilities, and (iii) not require payment in cash of any interest or principal in respect thereof prior to the final maturity date of such security, instrument or agreement, (“**Short-Term Shareholder Funding**”) **provided that** if such security, instrument or agreement is not repaid, redeemed or otherwise discharged in full within 60 days of its incurrence or issuance, such security, instrument or agreement shall be amended on or prior to such 60th day so that it complies with paragraph (1) above and shall no longer constitute Short-Term Shareholder Funding.

“**Soho Works SPVs**” means Soho Works US AcquireCo, LLC, Soho Works North America, LLC, Soho Works Limited and any of their respective Subsidiaries.

“**Sponsor**” means (1) The Yucaipa Companies, LLC, (2) any funds, partnerships or other entities owned, controlled, managed or advised by The Yucaipa Companies, LLC, and in each case (whether individually or as a group) Affiliates of (1) or (2) (but excluding any operating portfolio companies of the foregoing, other than any Parent Entity set up for the purpose of holding an interest in the Company or the Parent).

“**SPV Entity**” means each Miami SPV, each Los Angeles SPV, each Soho Works SPV and each Scorpions SPV and any Restricted Subsidiary (1) whose sole business is the ownership of, or the operation of (directly or indirectly), or both the ownership and operation of (directly or indirectly), the relevant SPV Property; and (2) that is not a Guarantor. Notwithstanding the foregoing, any SPV Entity may be designated as an Unrestricted Subsidiary in accordance with the definition thereof.

“**SPV Indebtedness**” means, in relation to an SPV Entity, at any date of determination, the aggregate principal amount of all Indebtedness (including refinancing Indebtedness) of that SPV Entity outstanding at such date.

“**SPV Property**” means the property of an SPV Entity (or to be acquired by an SPV Entity) used or useful in a Permitted Business.

“**Stated Maturity**” means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of this Agreement, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Subsidiary**” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Voting Stock at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“**Successor Parent**” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, Beneficially Owned by one or more Persons that Beneficially Owned more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person.

“**Super Senior Liabilities**” has the meaning given to that term in the Intercreditor Agreement.

“**Treasury Transactions**” means any derivative transaction (including, for the avoidance of doubt, a foreign exchange transaction) entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**U.K. GAAP**” means generally accepted accounting practices in the United Kingdom, which are in effect from time to time.

“**Uniform Commercial Code**” or “**UCC**” means the Uniform Commercial Code as in effect in the relevant jurisdiction from time to time.

“**Unrestricted Subsidiary**” means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

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- (1) has no Indebtedness other than Non-Recourse Debt;
 - (2) except as permitted by paragraph 7 (*Transactions with Affiliates*) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;
 - (3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and
 - (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced by a Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by paragraph 2 (*Restricted Payments*). If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for the purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under paragraph 3 (*Incurrence of Indebtedness and Issuance of Preferred Stock*), the Company will be in default of such paragraph 3.

"Voting Stock" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or another Wholly Owned Restricted Subsidiary.

SIGNATURES

COMPANY

By: /s/ Nick Jones

Soho House Bond Limited

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

PARENT

By: /s/ Nick Jones

Soho House & Co Limited

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

ORIGINAL NOTES PURCHASERS

WEST STREET STRATEGIC SOLUTIONS FUND I, L.P.

By: **West Street Strategic Solutions GP, L.L.C, its General Partner**

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WEST STREET STRATEGIC SOLUTIONS FUND I-(C), L.P.
By: West Street Strategic Solutions GP, L.L.C, its General Partner

By: /s/ C. Cleaver Sower
Name: C. Cleaver Sower
Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WSSS INVESTMENT HOLDINGS B, L.P.

By: West Street Strategic Solutions GP, L.L.C, its General Partner

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WSSS INVESTMENTS F, INC.

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WSSS INVESTMENTS I, LLC

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WSSS INVESTMENTS U, LLC

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

BROAD STREET CREDIT HOLDINGS LLC

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

WEST STREET CT PRIVATE CREDIT PARTNERSHIP, L.P.

By: **WEST STREET CT PRIVATE CREDIT ADVISORS, L.L.C., its General Partner**

By: /s/ C. Cleaver Sower

Name: C. Cleaver Sower

Title: Vice President

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

AGENT

By: /s/ Lee Morrell

Name: Lee Morrell

Title: Transaction Manager

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

COLLATERAL AGENT

By: /s/ Lee Morrell

GLAS Trust Corporation Limited

Name: Lee Morrell

Title: Transaction Manager

[Soho Refinancing 2021 -Signature page to the Notes Purchase Agreement]

Consent of Independent Registered Public Accounting Firm

Membership Collective Group Inc.
New York, New York

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated April 7, 2021, relating to the consolidated financial statements of Soho House Holdings Limited, which is contained in that Prospectus.

We also consent to the reference to us under the caption “Experts” in the Prospectus.

/s/ BDO LLP

BDO LLP
London, United Kingdom
June 21, 2021

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Nicole Avant

Nicole Avant

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the “Company”), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company’s Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Richard Caring

Richard Caring

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the “Company”), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company’s Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Alice Delahunt

Alice Delahunt

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Mark Ein

Mark Ein

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Joe Hage

Joe Hage

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Yusef Jackson

Yusef Jackson

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Ben Schwerin

Ben Schwerin

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Bippy Siegal

Bippy Siegal

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the "Company"), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company's Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Her Excellency Sheikha Hind Bint Hamad Al-Thani
Her Excellency Sheikha Hind Bint Hamad Al-Thani

CONSENT TO BE NAMED AS A DIRECTOR NOMINEE

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named in the Registration Statement on Form S-1 of Membership Collective Group Inc., a Delaware corporation (the “Company”), and any amendments or supplements thereto, including the prospectus contained therein, and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, as an individual who has agreed to serve as a director of the Company upon completion of the initial public offering of the Company’s Class A common stock, to all references to the undersigned in connection therewith, and to the filing or attachment of this consent as an exhibit to such Registration Statement or such registration statement filed pursuant to Rule 462(b) and any amendment or supplement to the foregoing.

Dated: June 21, 2021

/s/ Dasha Zhukova

Dasha Zhukova