



Registration of a Charge

Company name: **ACUSHNET EUROPE LTD**

Company number: **01198336**



X8L06J2J

Received for Electronic Filing: **24/12/2019**

Details of Charge

Date of creation: **23/12/2019**

Charge code: **0119 8336 0009**

Persons entitled: **WELLS FARGO BANK, NATIONAL ASSOCIATION (AS SECURITY AGENT)**

Brief description: **FREEHOLD PROPERTY REGISTERED IN THE NAME OF ACUSHNET EUROPE LTD, LOCATED AT CAXTON ROAD, ST. IVES, HUNTINGDON, CAMBRIDGESHIRE PE27 3LU BEARING TITLE NO. CB366000. INTELLECTUAL PROPERTY LICENCE INCLUDING A LICENCE AGREEMENT CREATED ON 1 JANUARY 2012. EQUIPMENT INCLUDING: TRAILER WITH CHASIS NO. SA9DKWNFT3294169; FOR ADDITIONAL DETAILS PLEASE REFER TO SCHEDULE 1, SCHEDULE 3, PART 6 AND SCHEDULE 4 OF THE SECURITY INSTRUMENT.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **BOIN CHEONG**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1198336

Charge code: 0119 8336 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2019 and created by ACUSHNET EUROPE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th December 2019 .

Given at Companies House, Cardiff on 27th December 2019

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument delivered as part of this application for registration in accordance with section 859A of the Companies Act 2006 is a correct copy of the original security instrument.

Signature: Bain Cheong
Name: Bain Cheong
Title: Associate
Date: 23 December 2019

23 **December 2019**

ACUSHNET EUROPE LTD

(as Chargor)

and

**WELLS FARGO BANK,
NATIONAL ASSOCIATION**

(as Security Agent)

SUPPLEMENTAL DEBENTURE

LATHAM & WATKINS

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THIS DEED (the “**Supplemental Debenture**”) is made on 23 December 2019

BETWEEN:

- (1) **ACUSHNET EUROPE LTD**, a limited liability company incorporated in England and Wales with registered number 01198336, having its registered office at Caxton Road, St. Ives Industrial Estate, St Ives, Cambridgeshire PE27 3LU (the “**Chargor**”); and
- (2) **WELLS FARGO BANK, NATIONAL ASSOCIATION** as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

BACKGROUND:

- (A) On 27 April 2016, the Chargor, together with others, entered into the Credit Agreement.
- (B) The Chargor entered into the Original Debenture on 28 July 2016, in connection with its entry into the Credit Agreement.
- (C) On or about the date hereof, the Chargor has entered or will be entering into an amendment and restatement agreement amending and restating the Credit Agreement (the “**Amendment and Restatement Agreement**”).
- (D) In connection with its entry into the Amendment and Restatement Agreement, the Chargor has agreed to charge and assign by way of security the Charged Property in favour of the Security Agent as security for the Secured Obligations, subject to and in accordance with the terms and conditions of this Supplemental Debenture.
- (E) The Chargor acknowledges and agrees that the Security created pursuant to this Supplemental Debenture shall be in addition and without prejudice to the Security created pursuant to the Original Debenture.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Supplemental Debenture:

“**Accounts**” means any accounts of the Chargor that may from time to time be identified in writing by the Chargor and the Security Agent, (and any renewal or re-designation of such accounts), together with the debt or debts represented thereby.

“**Account Notice**” means a notice substantially in the form set out in Part II of Schedule 6 (*Forms of Notices*).

“**Assigned Agreements**” means any agreement designated as an Assigned Agreement by the Chargor and the Security Agent. For the avoidance of doubt, there are no Assigned Agreements as at the date of this Supplemental Debenture.

“**Charged Property**” means all the assets and undertakings of the Chargor which from time to time are subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Supplemental Debenture.

“**Counterparty Notice**” means a notice substantially in the form set out in Part I of Schedule 6 (*Forms of Notices*).

“Credit Agreement” means the \$750,000,000 senior secured credit agreement dated as of 27 April 2016, between, amongst others, the Company, the Chargor, the Canadian Borrower, and the Administrative Agent (each as defined therein).

“Equipment” means all plant, machinery, computers, office and other equipment, furnishings and vehicles and other chattels (excluding any for the time being forming part of the Chargor’s stock in trade or work in progress) together with any spare parts, replacements or modifications and the benefit of all contracts, licences and warranties relating thereto, including but not limited to any assets specified in Schedule 4 (*Equipment*).

“Event of Default” means an Event of Default as defined in the Credit Agreement.

“Intellectual Property” means any patents, trademarks, 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 the benefit of all applications and rights to use such assets which may now or in the future subsist, including but not limited to the intellectual property, if any, specified in Schedule 3 (*Intellectual Property*).

“Investment” means any stock, share, debenture, loan stock, securities, bonds, certificates of deposits, options, warrants, interest in any investment fund or investment scheme and any other comparable investment (including all warrants, options and any other rights to subscribe for, convert into or otherwise acquire these investments), including but not limited to the investments, if any, specified in Schedule 2 (*Shares and Investments*) (including, unless the context otherwise requires, the Shares), in each case whether owned directly by or to the order of the Chargor or by any trustee, fiduciary, nominee or clearance system on its behalf and all Related Rights (including all rights against any such trustee, fiduciary, nominee or clearance system).

“Lenders” means the Lenders as defined in the Credit Agreement.

“Original Debenture” means the English law governed debenture dated as of 28 July 2016, between the Chargor and the Security Agent, pursuant to which the Chargor granted security over the Charged Property (as defined therein) in favour of the Security Agent.

“Other Debts” means all book debts and other debts and monetary claims (other than Trading Receivables) owing to the Chargor and any proceeds of such debts and claims.

“Parties” means each of the parties to this Supplemental Debenture from time to time.

“Property” means all freehold and leasehold property from time to time owned by the Chargor or in which the Chargor is otherwise interested and shall include:

- (a) the proceeds of sale of all or any part of such property;
- (b) all rights, benefits, privileges, warranties, covenants, easements, appurtenances and licences relating to such property;
- (c) all money received by or payable to the Chargor in respect of such property; and
- (d) all buildings, fixtures and fittings from time to time on such property;
- (e) including, but not limited to the property, if any, specified in Schedule 1 (*Properties*).

“Quasi-Security” means a transaction in which the Chargor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor or any other member of the Group;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters 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) enters 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.

“**Receiver**” means an administrator, a receiver and manager or (if the Security Agent so specifies in the relevant appointment) receiver in each case appointed under this Supplemental Debenture.

“**Related Rights**” means all dividends, distributions and other income paid or payable on a Share or Investment, together with all shares or other property derived from any Share or Investment and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share or Investment (whether by way of conversion, redemption, bonus, preference, option or otherwise).

“**Secured Obligations**” means (a) all Obligations incurred by the UK Borrower, including interest and fees that accrue after the commencement by or against the UK Borrower of any proceeding under any Debtor Relief Laws naming the UK Borrower as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceedings (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Loan Document, in each case whether or not anticipated as of the date of this Agreement) excluding the UK Borrower’s Parallel Debts and (b) the covenant to pay made by the Chargor pursuant to Clause 2.

“**Secured Parties**” means the Secured Parties (as defined in the Credit Agreement) and any Receiver.

“**Security**” means a mortgage, charge, pledge or lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Shares**” means all shares owned by the Chargor in its Subsidiaries including but not limited to the shares, if any, specified in Schedule 2 (*Shares and Investments*).

“**Termination Date**” has the meaning given to it under the Credit Agreement.

“**Trading Receivables**” means all book and other debts arising in the ordinary course of trading.

“**Trust Property**” means:

- (a) the Security created or evidenced or expressed to be created or evidenced under or pursuant to any of the Loan Documents (being the “**Transaction Security**”), and expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of its liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to

be given by an Obligor in favour of the Security Agent as trustee for the Secured Parties;

- (c) the Security Agent's interest in any trust fund created pursuant to any turnover of receipt provisions in any Loan Documents; and
- (d) any other amounts or property, whether rights, entitlements, chooses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Loan Documents to hold as trustee on trust for the Secured Parties.

1.2 Construction

In this Supplemental Debenture, unless a contrary intention appears, a reference to:

- (a) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;
- (c) **"assets"** includes present and future properties, revenues and rights of every description, provided that **"assets"** shall exclude any Excluded Assets (as such term is defined in the Credit Agreement);
- (d) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;
- (e) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;
- (f) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;
- (g) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (h) the Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Other References

- (a) In this Supplemental Debenture, unless a contrary intention appears, a reference to:
 - (i) any Secured Party, Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Loan Documents;
 - (ii) any Loan Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended or novated, including by way of increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or

retirement of the parties to these agreements but excluding any amendment or novation made contrary to any provision of any Loan Document;

- (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Supplemental Debenture and any reference to this Supplemental Debenture includes its schedules; and
- (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Supplemental Debenture are inserted for convenience only and are to be ignored in construing this Supplemental Debenture.
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Supplemental Debenture, words and expressions defined in the Credit Agreement have the same meanings when used in this Supplemental Debenture.

1.5 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and any Secured Party relating to the Secured Obligations are incorporated in this Supplemental Debenture to the extent required for any purported disposition of the Charged Property contained in this Supplemental Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) Notwithstanding any other provision of this Supplemental Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Supplemental Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by the Chargor or a ground for the appointment of a Receiver.
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Supplemental Debenture and no rights or benefits expressly or impliedly conferred by this Supplemental Debenture shall be enforceable under that Act against the Parties by any other person.
- (d) The parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand.

1.6 Declaration of trust

- (a) The Security Agent hereby accepts its appointment as agent and trustee by the Secured Parties and declares (and the Chargor hereby acknowledges) that the Trust Property is held by the Security Agent as a trustee for and on behalf of the Secured Parties on the basis of the duties, obligations and responsibilities set out in the Credit Agreement.
- (b) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts created by this Supplemental Debenture or any other Loan Document. In performing its duties, obligations and responsibilities, the Security

Agent shall be considered to be acting only in a mechanical and administrative capacity or as expressly provided in this Supplemental Debenture and the other Loan Documents.

- (c) In acting as trustee for the Secured Parties under this Supplemental Debenture, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments. Any information received by some other division or department of the Security Agent may be treated as confidential and shall not be regarded as having been given to the Security Agent's trustee division.

1.7 Supplemental Debenture

- (a) Notwithstanding any other provision of this Supplemental Debenture where:
 - (i) a right or asset has been assigned by the Chargor under the Original Debenture and the Chargor purports to assign the same asset or right under this Supplemental Debenture, that second assignment will instead take effect as a charge over the Chargor's remaining rights in respect of the relevant asset or right and will only take effect as an assignment if the assignment created by the Original Debenture has no, or ceases to have, effect; and/or
 - (ii) this Supplemental Debenture purports to create a first fixed charge over any assets over which the Chargor granted a fixed charge under the Original Debenture, that security interest will be a second-ranking charge ranking subject to the first ranking charge created by the Original Debenture until such time as the security interest created by the Original Debenture has no, or ceases to have, effect,

and, for so long as the Original Debenture remains in full force and effect, any reference in this Supplemental Debenture to an asset secured under the Original Debenture being assigned or the security over any asset secured under the Original Debenture being first ranking or secured with full title guarantee, shall be construed accordingly and no breach or default shall arise under this deed or any other Loan Document as a result of the execution of or the existence of any security interest created (or purported to be created) under the Original Debenture or this Supplemental Debenture and the terms of the Original Debenture, this Supplemental Debenture and the other Loan Documents shall be construed accordingly so that there shall be no such breach or default.

- (b) Provided that the Chargor is in compliance with the terms of the Original Debenture (including without limitation, any obligation to deliver or deposit any deeds, documents of title, certificates, evidence of ownership or related documentation, to give any notice or to carry out any registration or filing (other than the registration of this Supplemental Debenture at Companies House pursuant to section 859 of the Companies Act 2006)) then to the extent that the terms of this Supplemental Debenture impose the same or substantially the same obligation in respect of the same assets, the Chargor will be deemed to have complied with the relevant obligations herein by virtue of its compliance under the Original Debenture.

2. COVENANT TO PAY

The Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Secured Obligations when they fall due for payment.

3. CHARGING PROVISIONS

3.1 Specific Security

The Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest, provided that the following shall not include any Excluded Assets (as such term is defined in the Credit Agreement):

- (a) by way of first legal mortgage all Material Real Property now belonging to or vested in it; and
- (b) by way of first fixed charge:
 - (i) all other interests (not effectively charged under Clause 3.1(a)) in any Property and the benefit of all other agreements relating to land;
 - (ii) all of its rights, title and interest in the Intellectual Property;
 - (iii) all of its rights, title and interest in the Equipment;
 - (iv) all the Investments, Shares and all corresponding Related Rights;
 - (v) all Trading Receivables and all rights and claims against third parties and against any security in respect of those Trading Receivables;
 - (vi) all Other Debts and all rights and claims against third parties against any security in respect of those Other Debts;
 - (vii) all monies standing to the credit of the Accounts and any other bank accounts which it may have with any bank, financial institution or other person and all of its rights, title and interest in relation to those accounts;
 - (viii) the benefit of all licences, consents and agreements held by it in connection with the use of any of its assets;
 - (ix) its goodwill and uncalled capital; and
 - (x) if not effectively assigned by Clause 3.2 (*Security Assignment*), all its rights, title and interest in (and claims under) the Assigned Agreements.

3.2 Security Assignment

As further continuing security for the payment of the Secured Obligations, the Chargor assigns absolutely with full title guarantee to the Security Agent all its rights, title and interest, both present and future, from time to time in the Assigned Agreements, provided that the Assigned Agreements shall not include any Excluded Assets (as such term is defined in the Credit Agreement), subject to reassignment by the Security Agent to the Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Obligations.

3.3 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, the Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights, provided

that the foregoing shall not include any Excluded Assets (as such term is defined in the Credit Agreement).

- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Supplemental Debenture.

3.4 Conversion of Floating Charge

- (a) The Security Agent may, by notice to the Chargor, convert the floating charge created under this Supplemental Debenture into a fixed charge with immediate effect as regards those assets specified in the notice, if:
 - (i) the security constituted by this Supplemental Debenture has become enforceable in accordance with Clause 11 (*Enforcement of Security*) of this Supplemental Debenture; or
 - (ii) the Security Agent is of the view that any asset charged under the floating charge created under this Supplemental Debenture is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) the Security Agent reasonably considers that it is necessary in order to protect the priority, value or enforceability of the Security created under this Supplemental Debenture.
- (b) The floating charge created under this Supplemental Debenture will automatically (without notice) and immediately be converted into a fixed charge over all the assets of the Chargor which are subject to the floating charge created under this Supplemental Debenture, if:
 - (i) the members of that Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor;
 - (ii) that Chargor creates, or purports to create, Security (except as permitted by the Loan Documents or with the prior consent of the Security Agent) on or over any asset which is subject to the floating charge created under this Supplemental Debenture;
 - (iii) any third party takes any step with a view to levying distress, attachment, execution or other legal process against any such asset;
 - (iv) any person (entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court; or
 - (v) if any other floating charge created by that Chargor crystallises for any reason.
- (c) Upon the conversion of any floating charge pursuant to this Clause 3.4, the Chargor shall, at its own expense, immediately upon request by the Security Agent execute a fixed charge or legal assignment in such form as the Security Agent may require.

3.5 Property Restricting Charging

There shall be excluded from the charge created by Clause 3.1 (*Specific Security*) and from the operation of Clause 4 (*Further Assurance*):

- (a) any leasehold property held by the Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest; and
- (b) any Intellectual Property in which the Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property,

in each case until the relevant condition or waiver has been satisfied or obtained.

4. FURTHER ASSURANCE

- (a) The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 4 (b) and (c) below.
- (b) The Chargor shall promptly (and at its own expense) do all such acts (including payment of all stamp duties or fees) or execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions on terms equivalent or similar to those set out in this Supplemental Debenture) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require):
 - (i) to perfect the Security created or intended to be created under or evidenced by this Supplemental Debenture (which may include the execution or re-execution 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 this Supplemental Debenture) or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the other Secured Parties provided by or pursuant to this Supplemental Debenture or by law;
 - (ii) to confer on the Security Agent, or on the Secured Parties, Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Supplemental Debenture; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created under this Supplemental Debenture.
- (c) The Chargor shall 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 Security Agent or the Secured Parties by or pursuant to this Supplemental Debenture.

5. THE ORIGINAL DEBENTURE

- (a) The Original Debenture shall remain in full force and effect as supplemented by this Supplemental Debenture.
- (b) Notwithstanding anything to the contrary in this Supplemental Debenture, the Security created under Clause 3 (*Charging Provisions*) to the extent ranking behind the Security created under the Original Debenture, shall upon any release or discharge of the Security created under the Original Debenture, be first ranking immediately upon the release or discharge of the Security created under the Original Debenture.

- (c) Notwithstanding any other provision of this Supplemental Debenture, where any purported mortgage, charge or assignment created pursuant to this Supplemental Debenture does not take effect in accordance with its terms because, and to the extent that, the relevant right or asset has been mortgaged, charged or assigned under the Original Debenture, no breach or default shall arise under this Supplemental Debenture or any other Loan Document as a result of the execution of any Security created (or purported to be created) under the Original Debenture or this Supplemental Debenture.

6. NEGATIVE PLEDGE

The Chargor may not:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than in respect of assets charged under Clause 3.3 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Credit Agreement or pursuant to the Original Debenture or with the prior consent of the Security Agent.

7. REPRESENTATIONS AND WARRANTIES

7.1 General

The Chargor represents and warrants to the Security Agent as set out in this Clause 7 on the date of this Supplemental Debenture and on each date that the representations are repeated under the Credit Agreement.

7.2 Material Real Property

Schedule 1 (*Properties*) identifies all Material Real Property beneficially owned by it as at the date of this Supplemental Debenture. There are no proceedings, actions or circumstances relating to any of that property which materially and adversely affect that property's value or its ability to use that property for the purposes for which it is currently used.

7.3 Shares

It is the legal and beneficial owner of the Shares identified against its name in Schedule 1 (*Properties*) which represent the entire issued share capital of the relevant Subsidiaries and all of those Shares are fully paid.

7.4 Bank Accounts

It is the legal and beneficial owner of the Accounts. It has full power to establish and maintain the Accounts and to enter into and deliver and to create the Security constituted by this Supplemental Debenture.

7.5 Persons with Significant Control regime

It has not received any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any Shares which constitute Charged Property.

8. ACKNOWLEDGEMENT BY THE SECURITY AGENT

The Security Agent acknowledges and confirms that:

- (a) the creation of any Security pursuant to (and the compliance by the Chargor with the terms of) this Supplemental Debenture does not and will not constitute a breach of any undertaking in the Original Debenture; and
- (b) the performance of, and compliance with, any undertaking, requirement or obligation by the Chargor under this Supplemental Debenture constitutes the performance of, and compliance with, the corresponding undertaking, requirement or obligation under the Original Debenture and further, the performance of, and compliance with, any undertaking, requirement or obligation by the Chargor under the Original Debenture will be deemed to constitute the performance of, and compliance with, the corresponding undertaking, requirement or obligation by the Chargor under this Supplemental Debenture.

9. PROTECTION OF SECURITY

9.1 Title Documents

- (a) The Chargor will promptly deposit with the Security Agent (or as it shall direct):
 - (i) all deeds and documents of title relating to all Material Real Property mortgaged or charged under this Supplemental Debenture and, if those deeds and documents are with the Land Registry, will promptly deposit them with the Security Agent (or as it shall direct) upon their release; and
 - (ii) following an Event of Default which is continuing, all other documents relating to the Charged Property which the Security Agent may from time to time reasonably require.
- (b) The Security Agent may retain any document delivered to it under this Clause 9.1 or otherwise until the security created under this Supplemental Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Chargor require that the document be redelivered to it and the Chargor shall (i) promptly comply (or procure compliance) where such document has been returned to the Chargor, or (ii) promptly comply (or use reasonable endeavours to procure compliance where such document is with a third party) with that notice.
- (c) Any document required to be delivered to the Security Agent under Clause 9.1(a) which is for any reason not so delivered or which is released by the Security Agent to the Chargor shall be held on trust by the Chargor for the Security Agent.

9.2 Bank Accounts

- (a) The Chargor shall, within five (5) Business Days of this Supplemental Debenture (or within five (5) Business Days of any new Account being opened after the date of this Supplemental Debenture) serve an Account Notice on the bank with whom an Account is maintained.

- (b) The Security Agent shall not be entitled to give any notice referred to in paragraph 2 of the Account Notice unless and until an Event of Default has occurred and is continuing.

9.3 Assigned Agreements

- (a) The Chargor will:
 - (i) promptly following execution of this Supplemental Debenture (or in respect of any Assigned Agreement designated as such after the date of execution of this Supplemental Debenture, promptly after the date of such designation) give notice to the other party to each Assigned Agreement that it has assigned or charged its right under the relevant agreement to the Security Agent under this Supplemental Debenture. Such notice will be a Counterparty Notice. The Chargor will use all reasonable endeavours to procure that the relevant counterparty signs and delivers to the Security Agent an acknowledgement substantially in the form of that set out in the schedule to the relevant Notice within 14 days of the execution of this Supplemental Debenture (or, as the case may be, of the entering into of the relevant policy or agreement).
 - (ii) perform all its material obligations under the Assigned Agreements in a diligent and timely manner except as would not be expected to have a Material Adverse Effect;
 - (iii) not make or agree to make any amendments to the Assigned Agreements, waive any of its rights under such agreements or exercise any right to terminate any Assigned Agreement, if such amendment, waiver or termination could reasonably be expected to materially adversely affect the Secured Parties.
- (b) The Security Agent shall not be entitled to give any notice referred to in paragraph 2 of the Counterparty Notice, unless and until an Event of Default has occurred and is continuing.

9.4 The Land Registry

- (a) The Chargor shall apply to the Land Registrar for a restriction to be entered on the Register of Title in relation to all Material Real Property situated in England and Wales and charged by way of legal mortgage under this Supplemental Debenture (including any unregistered properties subject to compulsory first registration at the date of this Supplemental Debenture) on the prescribed Land Registry form and in the following or substantially similar terms:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register”.
- (b) Subject to the terms of the Credit Agreement, the Lenders are under an obligation to make further advances to Chargor (which obligation is deemed to be incorporated into this Supplemental Debenture) and this security has been made for securing those further advances. The Chargor shall apply to the Land Registrar on the prescribed Land Registry form for a notice to be entered on the Register of Title in relation to Material Real Property situated in England and Wales and charged by way of legal mortgage under this Supplemental Debenture (including any unregistered properties subject to compulsory first registration at the date of this Supplemental Debenture)

that there is an obligation to make further advances on the security of the registered charge.

- (c) If the Chargor fails to make the applications set out in Clauses 9.4(a) or (b) or if the Security Agent gives notice to the Chargor that it will make such applications on its behalf, the Chargor irrevocably consents to the Security Agent making such application on its behalf and shall promptly provide the Security Agent with all information and fees which the Security Agent may request in connection with such application.
- (d) In respect of any of the Material Real Property mortgaged or charged under this Supplemental Debenture title to which is registered at the Land Registry, it is certified that the security created by this Supplemental Debenture does not contravene any of the provisions of the articles of association of the Chargor.

9.5 Registration of Intellectual Property

The Chargor as registered proprietor appoints the Security Agent as its agent to apply for the particulars of this Supplemental Debenture and of the Secured Parties' interest in its existing trademarks and trade mark applications and any future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of the Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994, and the Chargor agrees to execute all documents and forms required to enable those particulars to be entered on the Register of Trade Marks.

9.6 Equipment

Promptly upon request by the Security Agent, the Chargor shall (at its own expense) affix to a visible part of such pieces of Equipment (except for pieces of Equipment having a fair market value of \$100,000 or less) as the Security Agent shall specify a plate, label, sign or memoranda in such form as the Security Agent shall reasonably require, drawing attention to the security created by this Supplemental Debenture.

10. UNDERTAKINGS

10.1 General

- (a) The Chargor undertakes to the Security Agent in the terms of this Clause 10 from the date of this Supplemental Debenture and for so long as any of the Secured Obligations are outstanding.
- (b) The Chargor will observe and perform all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all of the Charged Property.
- (c) The Chargor will, except to the extent that failure to do so could not reasonably be expected, individually or in aggregate, to have a Material Adverse Effect, keep all Material Real Property and Equipment which forms part of the Charged Property in good and substantial repair (fair wear and tear excepted) and, where applicable, in good working order.

10.2 Real Property

- (a) The Chargor will notify the Security Agent if it intends to acquire any estate or interest in any Material Real Property with a value in excess of the equivalent of

\$5,000,000 and will in any event notify the Security Agent promptly in writing of the actual acquisition by it of any such Material Real Property.

- (b) The Chargor will not grant any lease, tenancy, contractual licence or right to occupy in respect of the whole or any part of the Property or otherwise part with possession of the whole or any part of the Property (except as permitted by the Credit Agreement).
- (c) The Chargor will give immediate notice to the Security Agent if it receives any notice under section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease comprised in any Property.

10.3 Voting and Distribution Rights

- (a) Prior to the occurrence of an Event of Default which is continuing:
 - (i) the Chargor shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares and Investments; and
 - (ii) the Chargor shall be entitled to exercise all voting and other rights and powers attaching to its Shares and Investments provided that it shall not exercise any such voting rights or powers in a manner which would prejudice the interests of the Secured Parties under this Supplemental Debenture or adversely affect the validity, enforceability or existence of the Charged Property or the Security created under this Supplemental Debenture.
- (b) At any time after the occurrence of and during the continuance of an Event of Default, all voting rights in respect of the Shares and Investments shall be exercised by the Chargor as directed by the Security Agent, unless the Security Agent has notified the Chargor in writing that it wishes to give up this right.
- (c) At any time after the occurrence of and during the continuance of an Event of Default, the Chargor shall hold any dividends, distributions and other monies paid on or derived from the Shares and Investments on trust for the Secured Parties and pay the same to, or as directed by, the Security Agent.
- (d) If, at any time, any Shares or Investments are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Shares or Investments are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares or Investments.
- (e) After all Events of Default have been cured or waived, the Chargor shall have the exclusive right to exercise the voting and/or consensual rights and powers that the Chargor would otherwise be entitled to exercise pursuant to the terms of Clauses 10.3(a) to 10.3(c) of this Supplemental Debenture and the obligations of the Security Agent shall be reinstated.

10.4 Persons with Significant Control regime

- (a) In respect of any Shares which constitute Charged Property, the Chargor shall promptly:

- (i) notify the Security Agent of its receipt of, any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 and provide to the Security Agent a copy of any such warning notice or restrictions notice;
 - (ii) respond to that notice within the prescribed timeframe; and
 - (iii) provide to the Security Agent a copy of the response sent/received in respect of such notice.
- (b) For the purposes of withdrawing any restrictions notice or for any application to the court under Schedule 1B of the Companies Act 2006, the Chargor shall (and shall ensure that the relevant members of the Group will) provide such assistance as the Security Agent may reasonably request in respect of any Shares which constitute Charged Property and provide the Security Agent with all information, documents and evidence that it may reasonably request in connection with the same.

11. SECURITY AGENT'S POWER TO REMEDY

11.1 Power to Remedy

If the Chargor fails to comply with any obligation set out in Clause 8 (*Protection of Security*) or Clause 10 (*Undertakings*) and that failure is not remedied to the satisfaction of the Security Agent within 14 days of the Security Agent giving notice to the Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Security Agent or any person which the Security Agent nominates to take any action on behalf of that Chargor which is necessary to ensure that those obligations are complied with.

11.2 Indemnity

Subject to any limitations in the Credit Agreement, the Chargor will indemnify the Security Agent against all losses incurred by the Security Agent as a result of a breach by the Chargor of its obligations under Clause 8 (*Protection of Security*) or Clause 10 (*Undertakings*) and in connection with the exercise by the Security Agent of its rights contained in Clause 11.1 above. All sums the subject of this indemnity will be payable by the Chargor to the Security Agent on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rests.

12. CONTINUING SECURITY

12.1 Continuing Security

The Security constituted by this Supplemental Debenture shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

12.2 Other Security

The Security constituted by this Supplemental Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Supplemental Debenture hold for any of the Secured Obligations, and this Security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

13. ENFORCEMENT OF SECURITY

13.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Supplemental Debenture. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Supplemental Debenture shall be immediately exercisable at any time after an Event of Default has occurred and is continuing.

13.2 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Supplemental Debenture, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Supplemental Debenture, those contained in this Supplemental Debenture shall prevail.

13.3 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Supplemental Debenture, and all or any of the rights and powers conferred by this Supplemental Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to the Chargor at any time after an Event of Default has occurred and is continuing, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

13.4 Disapplication of Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this Supplemental Debenture.

13.5 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Supplemental Debenture and the obligations of the Chargor hereunder constitute “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “Regulations”)), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the Chargor at any time after an Event of Default has occurred and is continuing.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities, the price at which such securities can be disposed of by the Security Agent; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

13.6 Powers of Leasing

The Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

13.7 Fixtures

The Security Agent may sever any fixtures from the property to which they are attached and sell them separately from that property.

13.8 Bank Accounts

At any time after an Event of Default has occurred and is continuing the Security Agent may and is hereby irrevocably and unconditionally authorised, without further enquiry and without either giving notice to the Chargor or obtaining any consent, to apply the whole or part of all monies standing to the credit of the Accounts in or towards payment of the Secured Obligations.

14. RECEIVERS

14.1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after this Supplemental Debenture has become enforceable, or if so requested by the Chargor, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Supplemental Debenture.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

14.2 Powers of Receiver

Each Receiver appointed under this Supplemental Debenture shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Supplemental Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;

- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Shares or Investments and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property, but only following a written notification from either the Receiver or the Security Agent to the Chargor stating that the Security Agent shall exercise all voting rights in respect of the Shares or Investments and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property;
- (h) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this Supplemental Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property;
- (k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any Material Real Property comprised in the Charged Property;
- (l) purchase or acquire any land or any interest in or right over land;
- (m) exercise on behalf of the Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and
- (n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 14.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

14.3 Receiver as Agent

Each Receiver shall be the agent of the Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

14.4 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

14.5 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

14.6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Supplemental Debenture (unless the document appointing such Receiver states otherwise).

15. APPLICATION OF PROCEEDS

15.1 Order of Application

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Supplemental Debenture shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Credit Agreement notwithstanding any purported appropriation by the Chargor.

15.2 Insurance Proceeds

If an Event of Default has occurred and is continuing, all moneys received by virtue of any insurance maintained or effected in respect of the Charged Property shall be paid to the Security Agent (or, if not paid by the insurers directly to the Security Agent, shall be held on trust for the Security Agent) and shall, at the option of the Security Agent, be applied in replacing or reinstating the assets destroyed, damaged or lost (any deficiency being made good by the Chargor) or (except in the case of leasehold premises) in reduction of the Secured Obligations.

15.3 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Supplemental Debenture.

15.4 Application against Secured Obligations

Subject to Clause 15.1 above, any moneys or other value received or realised by the Security Agent from the Chargor or a Receiver under this Supplemental Debenture may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine.

15.5 Suspense Account

Until the Secured Obligations are paid in full, the Security Agent or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Supplemental Debenture or on account of the Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the Chargor or the Security Agent or the Receiver as the Security Agent

or the Receiver shall think fit) and the Security Agent or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

16. PROTECTION OF SECURITY AGENT AND RECEIVER

16.1 No Liability

Neither the Security Agent nor any Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, or wilful default.

16.2 Possession of Charged Property

Without prejudice to Clause 16.1 above, if the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

16.3 Primary liability of Chargor

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this Supplemental Debenture and the charges contained in this Supplemental Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this Supplemental Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged.

16.4 Waiver of defences

The obligations of the Chargor under this Supplemental Debenture will not be affected by an act, omission, matter or thing which, but for this this Supplemental Debenture, would reduce, release or prejudice any of its obligations under this this Supplemental Debenture (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor 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 Loan 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 Loan Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or security; or

(g) any insolvency or similar proceedings.

16.5 Security Agent

The provisions set out in article 9 (*Administrative Agent and Other Agents*) of the Credit Agreement shall govern the rights, duties and obligations of the Security Agent under this Supplemental Debenture.

16.6 Delegation

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Supplemental Debenture to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

16.7 Cumulative Powers

The powers which this Supplemental Debenture confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Supplemental Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

17. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Supplemental Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this Supplemental Debenture or otherwise for any of the purposes of this Supplemental Debenture, and the Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

18. PROTECTION FOR THIRD PARTIES

18.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Supplemental Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

18.2 Receipt Conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or any Receiver.

19. COSTS AND EXPENSES

The terms of sections 10.04 and 10.05 of the Credit Agreement with respect to expenses and indemnity are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

20. REINSTATEMENT AND RELEASE

20.1 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Supplemental Debenture that amount shall not be considered to have been paid.

20.2 Discharge Conditional

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by that Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Supplemental Debenture) that Secured Party shall be entitled to recover from that Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

20.3 Covenant To Release

- (a) On the Termination Date, (i) the security interests granted under this Supplemental Debenture shall terminate, (ii) all rights to the Charged Property shall revert to the Chargor and (iii) this Supplemental Debenture (including the covenant to pay contained in Clause 2) shall terminate.
- (b) On the Termination Date and in connection with any other Lien released or subordinated pursuant to section 9.08 of the Credit Agreement, the Security Agent will, at the expense of such Chargor, comply with the provisions of section 9.08 of the Credit Agreement, but without recourse or warranty to the Security Agent.
- (c) The Security Agent shall have no liability whatsoever to any other Secured Party as the result of any release of the Charged Property by it in accordance with (or which the Security Agent in the absence of gross negligence or willful misconduct (as determined by a final, non-appealable decision of a court of competent jurisdiction) believes to be in accordance with) this Clause 18.3.

21. CURRENCY CLAUSES

21.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Supplemental Debenture may be converted into any other currency which the Security Agent considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

21.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action against the Chargor and shall be entitled to enforce the Security constituted by this Supplemental Debenture to recover the amount of the shortfall.

22. SET-OFF

22.1 Set-off rights

The Security Agent may set off any matured obligation due from the Chargor under the Loan Documents (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

22.2 Set-off by the Security Agent in its capacity as Account Bank

- (a) Without prejudice to clause 13.8 (*Bank Accounts*), the Security Agent may at any time after an Event of Default has occurred and is continuing set-off its obligations to repay the monies standing to the credit of any Accounts held with the Security Agent in its capacity as account bank against the liabilities of the Chargor under this Supplemental Debenture whether or not the relevant account is then held on time or other deposit terms such that it is not then due for repayment from the Security Agent to the Chargor.
- (b) The Security Agent shall be under no obligation to repay all or any part of the monies standing to the credit of any Accounts held with the Security Agent in its capacity as account bank until the Secured Obligations have been discharged in full.

22.3 Different Currencies

The Security Agent may exercise its rights under clause 22.1 (*Set-off rights*) and clause 22.2 (*Set-off by the Security Agent in its capacity as Account Bank*) notwithstanding that the amounts concerned may be expressed in different currencies and the Security Agent is authorised to effect any necessary conversions at a market rate of exchange selected by it.

22.4 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to the Chargor, the relevant obligation or liability is unliquidated or unascertained, the Security Agent may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

22.5 No Set-off

The Chargor will pay all amounts payable under this Supplemental Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

23. RULING OFF

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Credit Agreement) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

24. REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after an Event of Default has occurred and is continuing, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

25. NOTICES

25.1 Communications in writing

Any communication to be made under or in connection with this Supplemental Debenture shall be made in writing and, unless otherwise stated herein or in the Credit Agreement, may be made by fax or letter.

25.2 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 to this Supplemental Debenture for any communication or document to be made or delivered under or in connection with this Supplemental Debenture is:

- (a) as set out in the Credit Agreement (in the case of any person who is a party as at the date of this Supplemental Debenture);
- (b) in the case of any person who becomes a party after the date of this Supplemental Debenture, notified in writing to the Security Agent on or prior to the date on which it becomes a party,

or any substitute address or fax number as the party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

25.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Supplemental Debenture 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 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 25.2, if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

26. CHANGES TO PARTIES

26.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Supplemental Debenture in accordance with the Loan Documents.

26.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under section 10.07 (*Successors and Assigns*) of the Credit Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

27. MISCELLANEOUS

27.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount payable under this Supplemental Debenture will be conclusive and binding on the Chargor, except in the case of manifest error.

27.2 Counterparts

This Supplemental Debenture 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 this Supplemental Debenture.

27.3 Invalidity of any Provision

If any provision of this Supplemental Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

27.4 Failure to Execute

Failure by one or more parties (“Non-Signatories”) to execute this Supplemental Debenture on the date hereof will not invalidate the provisions of this Supplemental Debenture as between the other Parties who do execute this Supplemental Debenture. Such Non-Signatories may execute this Supplemental Debenture on a subsequent date and will thereupon become bound by its provisions.

28. GOVERNING LAW AND JURISDICTION

- (a) This Supplemental Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to sub-clause (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Supplemental Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Supplemental Debenture) (a “Dispute”). 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) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Supplemental Debenture shall limit the right of the Secured Parties to bring any legal action against the Chargor in any other court of competent jurisdiction.

IN WITNESS whereof this Supplemental Debenture has been duly executed as a deed and is delivered on the date first above written.

SCHEDULE 1

PROPERTIES

Registered Land

Chargor	County and District (or London Borough)	Address or description	Freehold or Leasehold	Title No.
Acushnet Europe Ltd	Cambridge, Huntingdonshire	Caxton Road, St. Ives, Huntingdon, Cambridgeshire PE27 3LU	Freehold	CB366000

Unregistered Land

Chargor	County and District (or London Borough)	Address or description	Freehold or Leasehold
[•]	[•]	[•]	[•]

SCHEDULE 2
SHARES AND INVESTMENTS

Shares

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Acushnet Europe Ltd	Acushnet France S.A.S.	91,762 ordinary shares
Acushnet Europe Ltd	Acushnet Nederland B.V.	400 ordinary shares
Acushnet Europe Ltd	Acushnet So. Africa (Ply.) Ltd.	11,949,600 ordinary shares
Acushnet Europe Ltd	Acushnet Denmark Aps	250 ordinary shares
Acushnet Europe Ltd	Acushnet Ireland Ltd.	100 ordinary shares
Acushnet Europe Ltd	Acushnet Espana S.L.U.	4,000 ordinary shares
Acushnet Europe Ltd	Acushnet Sverige AB	10,000 ordinary shares
Acushnet Europe Ltd	Acushnet GmbH	€153,587.56 of subscribed capital
Acushnet Europe Ltd	Acushnet/Osterreich GmbH	€36,336.42 of subscribed capital

Investments

Name of Chargor which holds the investments	Name of issuer	Number and description of investments
[•]	[•]	[•]

SCHEDULE 3

INTELLECTUAL PROPERTY

Part 1

Patent and Patent Applications

Name of Chargor	Territory	Description	Patent No. / Application No.	Date of Registration/ Application
[•]	[•]	[•]	[•]	[•]

Part 2

Trade Marks and Trade Mark Applications

Name of Chargor	Territory	Trade Marks	Class No.	Registration No./ Application No.	Date of Registration/ Application
[•]	[•]	[•]	[•]	[•]	[•]

Part 3

Registered Designs and Applications for Registered Designs

Name of Chargor	Territory	Design	Patent No. / Application No.	Date of Registration/ Application
[•]	[•]	[•]	[•]	[•]

Part 4

Copyright Works and Unregistered Designs

Name of Chargor	Description	Date of Creation	Author
[•]	[•]	[•]	[•]

Part 5
Other Intellectual Property of the Chargor

[Include details of any material Intellectual Property not listed above (e.g. unregistered trade marks, databases)].

Part 6
Intellectual Property Licences

Name of Chargor	Description of Intellectual Property Licences	Licensor	Date of Licence	Duration of Licence
Acushnet Europe Ltd	Licence Agreement	Acushnet Company	1 January 2012	Evergreen

SCHEDULE 4

EQUIPMENT

Name of Chargor	Description of Equipment
Acushnet Europe Ltd	Trailer – Chasis number SA9DKWNSFT3294169

SCHEDULE 5
BANK ACCOUNTS

Accounts

Name of Chargor	Name and address of institution at which account is held	Account Number	Sort Code
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED
Acushnet Europe Ltd	REDACTED	REDACTED	REDACTED

SCHEDULE 6

FORMS OF NOTICES

Part 1

Form of Counterparty Notice

To: [insert name and address of counterparty]

Dated: [●]

Dear Sirs

Re: [*here identify the relevant Assigned Agreement*] (the “Agreement”)

We notify you that, [*insert name of Chargor*] (the “Chargor”) has [charged in favour of]/[assigned to] [*insert name of Security Agent*] (the “Security Agent”) for the benefit of itself and certain other banks and financial institutions (the “Secured Parties”) all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor to the Secured Parties by way of a debenture dated [●].

We further notify you that:

1. the Chargor may not agree to amend or terminate the Agreement without the prior written consent of the Security Agent;
2. you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter the Chargor will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Agreement to the Security Agent on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Chargor has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of
[insert name of Chargor]

[On acknowledgement copy]

To: [insert name and address of Security Agent]

Copy to: [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....

for and on behalf of
[insert name of Counterparty]

Dated:

Part 2

Form of Account Notice

To: [insert name and address of Account Bank] (the “Account Bank”)

Dated: [●]

Dear Sirs

Re: The [●] Group of Companies - Security over Bank Accounts

We notify you that [insert name of Chargor] (the “Chargor”) and certain other companies identified in the schedule to this notice (together the “Customers”) charged to [insert name of Security Agent] (the “Security Agent”) for the benefit of itself and certain other banks and financial institutions all their right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by the Customers (the “Charged Accounts”) and to all interest (if any) accruing on the Charged Accounts by way of a debenture dated [●] (the “Debenture”).

1. We irrevocably authorise and instruct you:

- (a) at any time after a notice has been served under paragraph 2(a) below to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect (where the Debenture becomes enforceable); and
- (b) at any time after a notice has been served under paragraph 2(a) below to disclose to the Security Agent any information relating to the Customers and the Charged Accounts which the Security Agent may from time to time request you to provide.

2. We also advise you that:

- (a) by counter-signing this notice the Security Agent confirms that the Customers may make withdrawals from the Charged Accounts in the schedule below until such time as the Security Agent shall notify you (with a copy to the Chargor) in writing that their permission is withdrawn. That permission may only be withdrawn by the Security Agent following the occurrence and continuance of an Event of Default under the Debenture; and
- (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.

The provisions of this notice are governed by English law.

Schedule

Customer	Account Number	Sort Code
[●]	[●]	[●]

Yours faithfully,

.....
for and on behalf of
[*Insert name of Chargor*]
as agent for and on behalf of
all of the Customers

Counter-signed by

.....
for and on behalf of
[*Insert name of Security Agent*]

Dated: [●]

SIGNATORIES TO DEBENTURE

THE CHARGOR

EXECUTED as a DEED by
ACUSHNET EUROPE LTD acting by:

REDACTED

Director: _____

Name: Thomas D. Pacheco

In the presence of:

REDACTED

Witness: _____

Name: Lynne Kaeterle

Address: REDACTED

Occupation: Paralegal

Notice Details

Address: c/o Acushnet Company 333 Bridge Street Fairhaven, MA 02719

Facsimile: 508-979-3248

Attention: John Hardy, Assistant Treasurer

Email: John_Hardy@AcushnetGolf.com

with a copy to

Address: c/o Acushnet Company 333 Bridge Street Fairhaven, MA 02719

Facsimile: 508-979-3927

Attention: Brendan Gibbons

Email: Brendan_Gibbons@AcushnetGolf.com

THE SECURITY AGENT

EXECUTED as a DEED on behalf of
WELLS FARGO BANK, NATIONAL ASSOCIATION,
a company incorporated in the United States of America
acting by the authorised signatory named below,
being a person who, in accordance with the laws of that territory,
is acting under the authority of Wells Fargo Bank, National Association

REDACTED

Name of Authorised Signatory: James Travagline
Managing Director

Notice Details

Address: 1525 West W.T. Harris Blvd. Charlotte, North Carolina 28262
Facsimile: 704-590-3481
Attention: Syndication Agency Services
Email: agencyservices.requests@wellsfargo.com

[Signature Pages to the Debenture]