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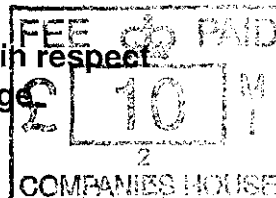
## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

0450294/10

# 395

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge



CHFP025

Please do not write in this margin

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

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use

Company number

[113]

1978915

Name of company

\* POWAKADDY INTERNATIONAL LIMITED (the "Company")

Date of creation of the charge

21 January 2004

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

Composite guarantee and debenture granted by, inter alia, the Company in favour of the Security Trustee (the "**Debenture**").

Amount secured by the mortgage or charge

All indebtedness, liabilities and obligations which now or at any time hereafter may be due, owing or incurred under the Loan Note Instrument and/or the Loan Notes and/or the Debenture to the Security Beneficiaries (or any of them) by any Group Company whether actually or contingently, whether solely or jointly with any other person, whether as principal or surety and whether or not any Security Beneficiary shall have been an original party to the relevant transaction and in whatever currency denominated (the "**Secured Obligations**").

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

Graphite Capital Management Limited, Berkeley Square House, Berkeley Square, London (the "**Security Trustee**")

Postcode W1J 6BQ

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

SJ Berwin  
222 Gray's Inn Road  
London  
WC1X 8XF

G15993.45/CP21162223.1

Time critical reference

For official Use  
Mortgage Section

Post room



LD2  
COMPANIES HOUSE

0475  
03/02/04

- (a) As a continuing security for the payment of the Secured Obligations, subject to the provisions in the Debenture containing prohibitions on charging leasehold interests, intellectual property interests and contracts and agreements, the Company, with full title guarantee, charges, and agrees to charge, in favour of the Security Trustee the following assets which are at any time owned by the Company, or in which the Company is from time to time interested:

- (i) by way of legal mortgage all the freehold and leasehold property (if any) (save for the lease of Unit 5, Sittingbourne Industrial Park, Crown Day Land, Sittingbourne, Kent dated 1 May 2003 made between (1) Great Castle Steel & Manufacturing Limited and (2) Powakaddy International Limited) vested in or charged to the Company including, without limitation, the following property:

continued/ .....

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed ST Benwin

Date 3 February 2004

On behalf of ~~[company]~~ [mortgagee/chargee]†

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

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## Particulars of a mortgage or charge (continued)

Please do not  
write in this  
binding margin

Continuation sheet No 1  
to Form No 395 and 410 (Scot)

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

Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "**Company**")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please do not  
write in this  
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Please complete legibly, preferably in black type, or bold block lettering

Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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- (A) freehold property registered under title number K68023 and known as Unit 32 Joseph Wilson Industrial Estate, Whitstable, Kent;
- (B) lease of Unit 4 Sittingbourne Industrial Park, Crown Way Land, Sittingbourne, Kent dated 1 May 2001 made between (1) Sittingbourne Investments Limited and (2) Powakaddy International Limited;
- (C) lease of Unit 41 Joseph Wilson Industrial Estate, Whitstable, Kent dated 13 June 2003 made between (1) George Archibald Wilson and (2) JD Catford, C Catford and DI Catford (assigned to Hill Billy Limited on 28 November 2001 with European Golf Brands Limited acting as guarantor); and
- (D) lease of Unit 42 Joseph Wilson Industrial Estate, Whitstable, Kent dated 13 June 2003 made between (1) Hansell Investments Limited and (2) Hill Billy Limited,

together with all buildings and fixtures (including trade fixtures) at any time thereon;

- (ii) by way of fixed charge all other interests (not being charged by paragraph (a)(i) above) in any freehold or leasehold property vested in or charged to the Company, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (iii) by way of fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (iv) by way of fixed charge all Investments, together with all Related Rights from time to time accruing thereto;
- (v) by way of fixed charge all rights and interests of the Company in, and claims under, the Insurances and all proceeds thereof held by, or written in favour of, the Company or in which the Company is otherwise interested;
- (vi) by way of fixed charge all right, title, interest and benefit of the Company in and to the Collections Accounts, all monies standing to the credit of the Collections Accounts, all interest accrued on monies standing to the credit of the Collections Accounts and all rights of the Company to repayment of any of the foregoing;

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## Particulars of a mortgage or charge (continued)

Please do not  
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Continuation sheet No 2  
to Form No 395 and 410 (Scot)

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

Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "**Company**")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please complete  
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Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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Please complete  
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- (vii) by way of fixed charge all monies standing to the credit of the Company from time to time on any and all accounts with any bank, financial institution, or other person;
  - (viii) by way of fixed charge all material Intellectual Property as at 21 January 2004 or at any time thereafter belonging to, or created by, or assigned to the Company including, without limitation, the property specified in the Debenture (unless such property has been assigned to a third party, severed, disposed of or the Company has otherwise parted with control of it, each in the ordinary course of the Company's business);
  - (ix) by way of fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets;
  - (x) to the extent not effectively assigned under paragraph (b) below, by way of fixed charge all Receivables;
  - (xi) by way of fixed charge all the goodwill and uncalled capital of the Company;
  - (xii) by way of fixed charge all the Group Shares together with all the Related Rights from time to time accruing thereto; and
  - (xiii) the benefit of all representations, undertakings, warranties and indemnities granted in favour of the Company under or pursuant to the Acquisition Documents and the right to recover and receive all damages and/or compensation which may be payable to it in respect thereof.
- (b) As a continuing security for the payment of the Secured Obligations, the Company, with full title guarantee, assigns and agrees to assign absolutely in favour of the Security Trustee all the rights, title, interest and benefit of the Company in and to the Receivables PROVIDED that in the absence of any written directions to the contrary from the Security Trustee (which directions shall only be given following the security constituted by the Debenture becoming enforceable), the Company shall be entitled to continue to deal with its various creditors in relation to the Receivables.
- (c) As a continuing security for the payment of the Secured Obligations, the Company, with full title guarantee assigns in favour of the Security Trustee, to the extent such may be assigned, the benefit of all representations, undertakings, warranties and indemnities granted in favour of the Company under or pursuant to the Acquisition Documents and the right to recover and receive all damages and/or compensation which may be payable to it in respect thereof PROVIDED that until the security created by the Debenture has become enforceable the Company shall be entitled to continue to deal with the counterparts to the Acquisition Documents.

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## Particulars of a mortgage or charge (continued)

Please do not  
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Continuation sheet No 3  
to Form No 395 and 410 (Scot)

Please complete  
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Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "**Company**")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

**Please complete  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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- (d) As further continuing security for the payment of the Secured Obligations, the Company charges with full title guarantee in favour of the Security Trustee by way of floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of fixed mortgage or charge pursuant to the provisions of paragraph (a) above, including, without prejudice to the generality of the foregoing, heritable property and all other property and assets in Scotland.

Note:

1. Save as permitted by the terms of the Loan Note Instrument, the Company covenants with the Security Trustee that, during the continuance of the security created by the Debenture, it shall not without the prior written consent of the Security Trustee:
  - (i) create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of the Charged Assets; and
  - (ii) sell, transfer, lease, lend or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets save for a Permitted Disposal.
2. The Company will without prejudice to Note 1 above but in addition to the restrictions in that paragraph, not, without the prior written consent of the Security Trustee, sell, assign, charge, factor or discount or in any other manner deal with any of the Receivables.

In this form 395 the following definitions shall have the following meanings:

**"Acquisition Agreement"** means the acquisition agreement, in the agreed terms, entered into between the Principal Borrower and the Vendors, providing for the acquisition by the Principal Borrower of the entire issued share capital of European Golf Brands Limited in accordance with the terms of the Acquisition Documents;

**"Acquisition Documents"** means the Acquisition Agreement, together with all other documents executed or delivered, or to be executed or delivered, in accordance with the terms thereof, or in connection therewith (including, without limitation, the "Disclosure Letter" referred to therein in favour of the Principal Borrower and the Vendor Security Documents as defined therein);

**"Charged Assets"** means all property and assets from time to time charged by or pursuant to the Debenture;

**"Charging Companies"** means the Initial Charging Companies and any company which accedes to the terms of the Debenture pursuant to the terms of a duly executed deed of accession to the Debenture in the form set out therein (each a **"Charging Company"**);

**"Collection Accounts"** such specially designated account(s) with the Security Trustee or such other account(s) with such other bank as the Security Trustee may from time to time direct (together with all additions to or renewals or replacements thereof (in whatever currency)) into which all monies received by the Borrower in respect of the Receivables are paid;

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## Particulars of a mortgage or charge (continued)

Please do not  
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Continuation sheet No 4  
to Form No 395 and 410 (Scot)

Please complete  
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Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "**Company**")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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bold block lettering

**"Encumbrance"** includes any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

**"Facilities Agreement"** means the facilities agreement of even date herewith and made between the Principal Borrower (1), the Initial Approved Companies (2) and Barclays Bank PLC as agent, Working Capital Bank, Term Banks, Hedging Bank and Security Trustee (3)-(7) (as each term is defined therein) pursuant to which the Banks have agreed to make certain facilities available to the Principal Borrower;

**"Group"** means the Parent and all of its subsidiaries and **"member of the Group"** or **"Group"** means any one of them;

**"Group Shares"** means all shares specified in the Debenture, together with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and Investments owned by any Charging Company;

**"Initial Charging Companies"** means the following companies:

- (i) European Golf Brands Holdings Limited (registered no. 4992286);
- (ii) European Golf Brands Limited (registered no. 3880011);
- (iii) Hill Billy Limited (registered no. 3346775); and
- (iv) Powakaddy International Limited (registered no. 1978915);

**"Insurances"** means the policies of insurance in which a Charging Company has an interest from time to time;

**"Intellectual Property"** means all legal and/equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Group Companies (or any of them), in or relating to registered and unregistered trade marks and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registrable business names and any other rights of every kind deriving from or through the exploitation of any of the aforementioned rights of any Group Company;

**"Intercreditor Deed"** means the deed, in the agreed terms, dated 21 January 2004 and entered into by, amongst others, the Principal Borrower, the Security Beneficiaries, the Vendors and the Investors, regulating the subordination of payments due and, where applicable, the enforcement of security by the parties thereto;

**"Investments"** means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part II of Schedule II to the Financial Services and Markets Act 2000) as at 21 January 2004;

**"Investment Agreement"** means the investment agreement dated 21 January 2004 between, inter alios, the Lead Investor (as defined therein) (1), the Executives (as defined therein) (2) and the Parent (3) together with all other documents to be executed or delivered in accordance with the terms thereof;

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# **Particulars of a mortgage or charge (continued)**

Please do not  
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Continuation sheet No 5  
to Form No 395 and 410 (Scot)

Please complete  
legibly, preferably  
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bold block lettering

Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "Company")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please do not  
write in this  
binding margin

Please complete  
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bold block lettering

Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

Please complete  
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bold block lettering

**"Investment Documents"** means any one or more of the Debenture, the Investment Agreement, the Intercreditor Deed, the Loan Note Instrument and any documents supplemental to any of the foregoing, including, without limitation, any documents pursuant to which any Group Company becomes subject to the provisions of any such document(s) (each an **"Investment Document"**);

**"Investors"** means the individual investors as set out in the Facilities Agreement including any trustee or agent on their behalf and the institutional investors as set out in the Facilities Agreement and any transferee of either permitted in accordance with the articles of association of the Principal Borrower (**"Permitted Transferee"**) (but not further or otherwise), where such Permitted Transferee has become a party to the Intercreditor Deed;

**"Loan Notes"** means the secured loan notes issued or to be issued by the Parent pursuant to the Loan Note Instrument and the Investment Agreement;

**"Loan Note Holders"** means the persons for the time being entered in the Register (as defined in the Loan Note Instrument) as holders of any Loan Notes;

**"Loan Note Instrument"** means the 'A' loan note instrument dated 21 January 2004 constituting the issue of up to £9,183,393 fixed rates secured loan notes of the Parent;

**"Parent"** means European Golf Brands Holdings Limited (company registration number: 4992286);

**"Permitted Disposals"** means any disposal permitted by the terms of the Facilities Agreement;

**"Permitted Encumbrances"** means:

- (i) a lien or right of set-off arising in the ordinary course of business solely by operation of law;
- (ii) an Encumbrance which the Security Trustee has at any time in writing agreed shall be a Permitted Encumbrance;
- (iii) Encumbrances arising under the Investment Documents;
- (iv) any Encumbrances arising solely as a result of a title retention clause in a supply agreement entered into by any Group Company, or arising under conditional sale or hiring agreements in respect of goods supplied to the Group Companies in the ordinary course of business; and
- (v) Encumbrances arising under the Security Documents;

**"Principal Borrower"** means European Golf Brands Holdings Limited, a company registered in England under number 4992286;

**"Receivables"** means:

- (i) all present and future books and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts recoverable or receivable by any Charging Company from other persons or due or owing to such Charging Company (whether actual or contingent and whether arising under contract or in any manner whatsoever);

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## Particulars of a mortgage or charge (continued)

Please do not  
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Continuation sheet No 6  
to Form No 395 and 410 (Scot)

Please complete  
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Company Number

1978915

Name of Company

POWAKADDY INTERNATIONAL LIMITED (the "Company")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

**Please complete  
legibly, preferably  
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bold block lettering**



Please do not  
write in this  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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bold block lettering

- (ii) the benefit of all rights and remedies relating to any of the foregoing including, without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Encumbrances, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and
- (iii) all proceeds of any of the foregoing;

Please complete  
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**"Related Rights"** means, in relation to any Investments or Group Shares, all dividends, distributions and other income paid or payable on the relevant Investment or Group Shares (as the case may be), together with (a) all shares or other property derived from the relevant Investment or Group Shares (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Group Shares (whether by way of conversion, redemption, bonus, preference, option or otherwise);

**"Security Beneficiaries"** means the Security Trustee and the Loan Note Holders existing from time to time (each a **"Security Beneficiary"**);

**"Security Documents"** has the meaning given to such term in the Facilities Agreement and the composite guarantee and debenture dated 21 January 2004 granted by the Charging Companies in favour of the Vendors;

**"Vendors"** means The Close Investment 1997 Fund, The Close Investment 1997 "A" Fund, The Close Investment (Top-Up) Fund all of 12 Appold Street, London EC2A 2AN and John deGraft-Johnson of Elder Cottage, Forest Road, Stowmarket, Suffolk IP14 3ER, Michael Snapes of Low Hill Cottage, Low Hill Road, Roydon, Essex CM19 5JN and David Wells of 10 Shepherdsgate Drive, Curtis Wood Park, Herne Bay, Kent, CT6 7TX and including any trustee or agent on their behalf (being on the date hereof Michael Snapes as trustee for certain of the Vendors).

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 01978915

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 21st JANUARY 2004 AND CREATED BY POWAKADDY INTERNATIONAL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY GROUP COMPANY TO THE SECURITY BENEFICIARIES (OR ANY OF THEM) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd FEBRUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th FEBRUARY 2004.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —