

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**April 28, 2020
Date of Report (Date of earliest event reported)**

CALLAWAY GOLF COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

1-10962
(Commission
File Number)

95-3797580
(IRS Employer
Identification No.)

2180 RUTHERFORD ROAD, CARLSBAD, CALIFORNIA
(Address of principal executive offices)

92008-7328
(Zip Code)

(760) 931-1771
Registrant's telephone number, including area code

NOT APPLICABLE
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	ELY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On April 28, 2020, Callaway Golf Company (the “Company”) entered into a Third Amendment (the “Third Amendment”) to the Fourth Amended and Restated Loan and Security Agreement, dated as of May 17, 2019 (as amended prior to the Third Amendment), by and among the Company, Callaway Golf Sales Company, Callaway Golf Ball Operations, Inc., Ogio International, Inc., travisMathew, LLC, Jack Wolfskin North America, Inc., Callaway Golf Canada Ltd., JACK WOLFSKIN Ausrüstung für Draussen GmbH & Co. KGaA, Callaway Golf Europe Ltd., Callaway Golf Interactive, Inc., Callaway Golf International Sales Company, Callaway Golf European Holding Company Limited, Callaway Germany Holdco GmbH, JW STARGAZER Holding GmbH, SKYRAGER GmbH, Jack Wolfskin Retail GmbH, Bank of America, N.A., as administrative agent, and certain financial institutions as lenders. The Third Amendment permits a customary capped call transaction in connection with the issuance of convertible debt securities by the Company and permits the Company to incur loans or financial assistance of up to \$50 million pursuant to governmental programs enacted due to the COVID-19 outbreak.

On April 28, 2020, the Company also entered into an Amendment No. 1 to the Credit Agreement (“Amendment No. 1”), dated as of January 4, 2019, by and among the Company, Bank of America, N.A., as administrative agent, and the financial institutions party thereto. Amendment No. 1 permits the Company to issue convertible debt securities, as well as incur loans or financial assistance pursuant to governmental programs enacted due to the COVID-19 outbreak, in a combined aggregate amount of up to \$275 million.

The foregoing description is qualified in its entirety by reference to the Third Amendment and Amendment No. 1, copies of which are attached as Exhibits 10.1 and 10.2, respectively, and incorporated by reference in their entirety in this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is incorporated by reference.

Item 8.01 Other Events.

Convertible Notes Offering

On April 29, 2020, the Company issued a press release announcing its intention to offer, subject to market conditions and other factors, convertible senior notes due 2026 (the “Notes”) in an aggregate principal amount of \$200 million in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”).

Neither the press release nor this Current Report on Form 8-K constitutes an offer to sell or the solicitation of an offer to buy securities. Any offers of the securities will be made only by means of a private offering memorandum. The Notes have not been registered under the Securities Act, and may not be offered or sold in the United States except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act and applicable state laws. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

COVID-19 Risk Factor

The Company is also supplementing the risk factors contained in Item 1A of its Annual Report on Form 10-K for the year ended December 31, 2019 with the following risk factor. The information in this Current Report on Form 8-K should be read in conjunction with the other factors described in “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019.

The COVID-19 pandemic has had and is expected to continue to have a material and adverse effect on our business, financial condition and results of operations.

The outbreak of COVID-19 has created considerable instability and disruption in the U.S. and world economies. In March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19, including travel restrictions, “stay-at home” orders and “social distancing” measures and business shutdowns. These measures have adversely affected workforces, customers, consumer sentiment, economies, and financial markets, and, along with decreased consumer spending, have led to an economic downturn in many of our markets. In particular, the COVID-19 pandemic has caused significant disruption in our supply and distribution chains for our golf equipment, apparel and other products sold globally, and resulted in temporary closures of our corporate offices and retail stores around the world, such that a majority of our employees in the United States and Europe are currently working from home. Additionally, the COVID-19 pandemic has resulted in the cancellation of golf tournaments, closures of golf courses and a significant decrease in demand for consumer products, including our golf equipment, apparel and other products.

We are unable to accurately predict the impact that the COVID-19 pandemic and the resulting disruptions will have on our operations going forward due to the currently unknowable duration, scope and severity of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. To date, such disruptions have resulted in, among other things, production delays and closures of our manufacturing facilities, retail locations and warehouses, any or all of which could materially and adversely affect our supply and distribution chains and ability to manage our operations. We may also experience staffing shortages as a result of remote working requirements or otherwise. We have been impacted, and expect to continue to be impacted by, the instability and disruption in global economic and market conditions, and the related decreases in customer demand and spending. To the extent that third parties on whom we rely for revenue, including, among others, our customers and licensees, are negatively impacted by COVID-19, such third parties may be unwilling or unable to make payments otherwise due to us on a timely basis, or at all. In the event of a nonpayment, default or bankruptcy by such third party, our cash flows may be adversely impacted, we may incur costs in protecting our contractual rights, and we may be unable to recognize the revenue that we otherwise expected to receive from such third party.

Although we are taking actions to significantly reduce costs, maximize liquidity and strengthen our operating and financial position, there can be no assurance that such actions will be able to counteract the global economic impacts of the COVID-19 pandemic. If additional financing is required to operate our business, such financing may not be available to us on acceptable terms, or at all. While it is premature to predict the ultimate impact of these developments, we expect our results in the near-term and beyond will be adversely impacted in a significant manner. Furthermore, when conditions return to a more normal state, we may experience difficulties efficiently ramping up our operations to pre-COVID-19 levels in an effective manner.

To the extent the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in “Risk Factors” under Item 1A and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2019 that we filed with the SEC on March 2, 2020, including, without limitation, risks relating to changes in demand for our products or the supply of the components and materials used to make our products, our level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, our ability to comply with the obligations and financial covenants contained in our existing credit facilities, availability of adequate capital, our ability to execute our strategic plans, U.S. trade, tax or other policies that restrict imports or increase import tariffs, and regulatory restrictions. In addition, if in the future there is a further outbreak of COVID-19, or an outbreak of another highly infectious or contagious disease or other health concern, we may be subject to similar risks as posed by COVID-19.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- Exhibit 10.1 [Third Amendment, dated as of April 28, 2020, to the Fourth Amended and Restated Loan and Security Agreement, dated as of May 17, 2019 \(as amended prior to the Third Amendment\), by and among the Callaway Golf Company, Callaway Golf Sales Company, Callaway Golf Ball Operations, Inc., Ogio International, Inc., travisMathew, LLC, Jack Wolfskin North America, Inc., Callaway Golf Canada Ltd., JACK WOLFSKIN Ausrüstung für Draussen GmbH & Co. KGaA, Callaway Golf Europe Ltd., Callaway Golf Interactive, Inc., Callaway Golf International Sales Company, Callaway Golf European Holding Company Limited, Callaway Germany Holdco GmbH, JW STARGAZER Holding GmbH, SKYRAGER GmbH, Jack Wolfskin Retail GmbH, Bank of America, N.A., as administrative agent, and certain financial institutions as lenders.](#)
- Exhibit 10.2 [Amendment No. 1, dated as of April 28, 2020, to the Credit Agreement, dated as of January 4, 2019, by and among Callaway Golf Company, Bank of America, N.A., as administrative agent, and the financial institutions party thereto.](#)
- Exhibit 99.1 [Press Release dated April 29, 2020 captioned "Callaway Golf Company Announces Proposed Convertible Senior Notes Offering."](#)
- Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 29, 2020

CALLAWAY GOLF COMPANY

By: /s/ Brian P. Lynch

Brian P. Lynch

Executive Vice President and Chief Financial Officer

**THIRD AMENDMENT TO FOURTH AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT**

This **THIRD AMENDMENT TO FOURTH AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** (this "Amendment"), dated as of April 28, 2020, is entered into by and among the Lenders (as defined below) signatory hereto, **BANK OF AMERICA, N.A.**, as administrative agent and as security trustee for the Lenders (in such capacity, "Agent"), **CALLAWAY GOLF COMPANY**, a Delaware corporation ("Parent"), **CALLAWAY GOLF SALES COMPANY**, a California corporation ("Callaway Sales"), **CALLAWAY GOLF BALL OPERATIONS, INC.**, a Delaware corporation ("Callaway Operations"), **OGIO INTERNATIONAL, INC.**, a Utah corporation ("Ogio"), **TRAVISMATHEW, LLC**, a California limited liability company ("travisMathew"), **JACK WOLFSKIN NORTH AMERICA, INC.**, a Delaware corporation ("Wolfskin" and together with Parent, Callaway Sales, Callaway Operations, Ogio and travisMathew, collectively, "U.S. Borrowers"), **CALLAWAY GOLF CANADA LTD.**, a Canada corporation ("Canadian Borrower"), **JACK WOLFSKIN AUSRÜSTUNG FÜR DRAUSSEN GMBH & CO. KGAA**, a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) under the laws of the Federal Republic of Germany ("German Borrower"), **CALLAWAY GOLF EUROPE LTD.**, a company organized under the laws of England (registered number 02756321) ("U.K. Borrower" and together with the U.S. Borrowers, German Borrower, and Canadian Borrower, each individually a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), and the other Obligors party hereto.

RECITALS

- A. Borrowers, the other Obligors party thereto, Agent, and the financial institutions signatory thereto from time to time (each a "Lender" and collectively the "Lenders") have previously entered into that certain Fourth Amended and Restated Loan and Security Agreement dated as of May 17, 2019 (as amended, supplemented, restated and modified from time to time, the "Loan Agreement"), pursuant to which the Lenders have made certain loans and financial accommodations available to Borrowers. Terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.
- B. Obligors have requested that Agent and the Required Lenders amend the Loan Agreement, which Agent and the Required Lenders are willing to do pursuant to the terms and conditions set forth herein.
- C. Obligors are entering into this Amendment with the understanding and agreement that, except as specifically provided herein, none of Agent's or any Lender's rights or remedies as set forth in the Loan Agreement or any of the other Loan Documents are being waived or modified by the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendments to Loan Agreement.

(a) In the definition of “Distribution” in Section 1.1 of the Loan Agreement, the text “.” at the end of the definition is hereby replaced with the following:

“, in each case, other than (a) the purchase of a customary capped call transaction in connection with convertible debt securities of Parent otherwise permitted to be incurred under this Agreement and (b) payments of interest with respect to convertible debt securities of Parent otherwise permitted to be incurred under this Agreement.”

(b) The definition of “Term Loan Commitment” in Section 1.1 of the Loan Agreement is hereby amended and restated in their respective entirety to read as follow:

“Term Loan Commitment: for any U.S. Lender, the obligation of such U.S. Lender to make a Term Loan hereunder, up to the principal amount shown on **Schedule 1.1**, or as hereafter determined pursuant to each Assignment and Acceptance to which it is a party. “Term Loan Commitments” means the aggregate amount of such commitments of all Lenders.”

(c) In Section 9.1.23 of the Loan Agreement, the text “Loan Party” is hereby deleted and replaced with the text “Obligor”.

(d) In Section 10.2.3(d) of the Loan Agreement, the text “;” at the end of the definition is hereby replaced with the following:

“or constitutes a customary capped call transaction in connection with convertible debt securities of Parent otherwise permitted to be incurred under this Agreement;”

(e) Section 10.2.3(r) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“Debt pursuant to equipment financing and/or leases entered into by one or more Obligor, in an aggregate amount not to exceed \$50,000,000 at any time outstanding;”

(f) In Section 10.2.3 of the Loan Agreement, (i) the text “.” at the end of clause (s) thereof is hereby and replaced with the text “; and”, and (ii) a new clause (t) is hereby inserted immediately following clause (s) to read as follows:

“(t) (x) any loan or other financial assistance received by any Borrower or any of its Subsidiaries from any federal, state, local or foreign government program enacted in response to the COVID-19 outbreak in an aggregate principal amount not to exceed \$50,000,000; and (y) any refinancings, refundings, renewals or extensions of Debt permitted pursuant to clause (x) above; provided, that the amount of such Debt is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder.”

2. Effectiveness of this Amendment. The following shall have occurred before this Amendment is effective:

(a) Amendment. Agent shall have received this Amendment, executed by Agent, each Obligor and the Required Lenders in a sufficient number of counterparts for distribution to all parties.

(b) Representations and Warranties. The representations and warranties set forth herein must be true and correct.

(c) No Default. No event has occurred and is continuing that constitutes an Event of Default.

(d) Other Required Documentation. All other documents and legal matters in connection with the transactions contemplated by this Amendment shall have been delivered or executed or recorded and shall be in form and substance satisfactory to Agent.

3. Representations and Warranties. Each Obligor represents and warrants as follows:

(a) Authority. Each Obligor has the requisite corporate power and authority to execute and deliver this Amendment, and to perform its obligations hereunder and under the Loan Documents (as amended or modified hereby) to which it is a party. The execution, delivery and performance by each Obligor of this Amendment have been duly approved by all necessary corporate action and no other corporate proceedings are necessary to consummate such transactions.

(b) Enforceability. This Amendment has been duly executed and delivered by each Obligor. This Amendment and each Loan Document to which any Obligor is a party (as amended or modified hereby) is a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, and is in full force and effect.

(c) Representations and Warranties. The representations and warranties contained in each Loan Document to which any Obligor is a party (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof) are correct on and as of the date hereof as though made on and as of the date hereof.

(d) Due Execution. The execution, delivery and performance of this Amendment are within the power of each Obligor, have been duly authorized by all necessary corporate action, have received all necessary governmental approval, if any, and do not contravene any law or any contractual restrictions binding on any Obligor.

(e) No Default. No event has occurred and is continuing that constitutes an Event of Default.

4. Choice of Law. The validity of this Amendment, its construction, interpretation and enforcement, the rights of the parties hereunder, shall be determined under, governed by, and construed in accordance with the internal laws of the State of New York, without giving effect to any conflict of law principles (but giving effect to Section 5-1401 of the New York General Obligation Law and Federal laws relating to national banks). The consent to forum and judicial reference provisions set forth in Section 14.15 of the Loan Agreement are hereby incorporated in this Amendment by reference.

5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties and separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile or a substantially similar electronic transmission shall have the same force and effect as the delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this

Amendment by telefacsimile or a substantially similar electronic transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

6. Reference to and Effect on the Loan Documents.

(a) Upon and after the effectiveness of this Amendment, each reference in the Loan Agreement or any other Loan Document to this "Agreement", "hereunder", "herein", "hereof", "thereunder", "therein", "thereof", or words of like import referring to the Loan Agreement or any other Loan Document shall mean and refer to such agreement as supplemented by this Amendment.

(b) Except as specifically amended above, the Loan Agreement and all other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of Obligors to Agent and the Lenders.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Agent or any Lender under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(d) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Loan Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Loan Agreement as modified or amended hereby.

7. Ratification. Each Obligor hereby restates, ratifies and reaffirms each and every term and condition set forth in the Loan Agreement, as amended hereby, and the Loan Documents effective as of the date hereof. Subject to and without limiting the foregoing, all security interests, pledges, assignments and other Liens and Guarantees previously granted by any Obligor pursuant to the Loan Documents are hereby reaffirmed, ratified, renewed and continued, and all such security interests, pledges, assignments and other Liens and Guarantees shall remain in full force and effect as security for the Obligations on and after the date hereof.

8. Estoppel. To induce Lenders to enter into this Amendment and to continue to make advances to Borrowers under the Loan Agreement, each Obligor hereby acknowledges and agrees that, as of the date hereof, there exists no right of offset, defense, counterclaim or objection in favor of any Obligor as against Agent or any Lender with respect to the Obligations.

9. Integration. This Amendment, together with the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof.

10. Severability. In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

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IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

OBLIGORS:

CALLAWAY GOLF COMPANY,
a Delaware corporation

By: /s/ Brian P. Lynch
Name: Brian P. Lynch
Title: Executive Vice President and Chief Financial
Officer

Address for Borrower Agent:

Callaway Golf Company
2180 Rutherford Road
Carlsbad, CA 92008
Attention: Brian P. Lynch
Telephone: (760) 804-4056
Email: Brian.Lynch@callawaygolf.com

With a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166-0193
Attention: Aaron F. Adams
Facsimile: (212) 351-2494
Email: AFAAdams@gibsondunn.com

CALLAWAY GOLF SALES COMPANY,
a California corporation

By: /s/ Jennifer L. Thomas
Name: Jennifer L. Thomas
Title: Chief Financial Officer and Treasurer

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

CALLAWAY GOLF BALL OPERATIONS, INC.,
a Delaware corporation

By: /s/ Jennifer L. Thomas

Name: Jennifer L. Thomas

Title: Treasurer

OGIO INTERNATIONAL, INC.,
a Utah corporation

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: Vice President and Treasurer

TRAVISMATHEW, LLC,
a California limited liability company

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: Treasurer

JACK WOLFSKIN NORTH AMERICA, INC.,
a Delaware corporation

By: /s/ Brian P. Lynch

Name: Brian P. Lynch

Title: President and Chief Executive Officer

CALLAWAY GOLF INTERACTIVE, INC.
a Texas corporation

By: /s/ Jennifer L. Thomas

Name: Jennifer L. Thomas

Title: Chief Financial Officer

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

**CALLAWAY GOLF INTERNATIONAL SALES
COMPANY,**

a California corporation

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: President

CALLAWAY GOLF CANADA LTD.,

a Canada corporation

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: Director

CALLAWAY GOLF EUROPE LTD.,

a company organized under the laws of England and Wales

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: Director

By: /s/ Neil Howie

Name: Neil Howie

Title: Director

**CALLAWAY GOLF EUROPEAN HOLDING
COMPANY LIMITED,**

a company limited by shares incorporated under the laws of
England and Wales

By: /s/ Neil Howie

Name: Neil Howie

Title: Director

By: /s/ Steven Gluyas

Name: Steven Gluyas

Title: Director

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

CALLAWAY GERMANY HOLDCO GMBH,
a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany

By: /s/ Patrick S. Burke

Name: Patrick S. Burke

Title: Managing Director

By: /s/ Melody Harris-Jensbach

Name: Melody Harris-Jensbach

Title: Managing Director

JW STARGAZER HOLDING GMBH,
a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany

By: /s/ Melody Harris-Jensbach

Name: Melody Harris-Jensbach

Title: Managing Director

By: /s/ Ante Franicevic

Name: Ante Franicevic

Title: Managing Director

SKYRAGER GMBH,
a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany

By: /s/ Melody Harris-Jensbach

Name: Melody Harris-Jensbach

Title: Managing Director

By: /s/ Ante Franicevic

Name: Ante Franicevic

Title: Managing Director

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

**JACK WOLFSKIN AUSTRÜSTUNG FÜR DRAUSSEN
GMBH & CO. KGAA,**

a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) under the laws of the Federal Republic of Germany, acting through its managing partner, **SKYRAGER GMBH**

By: /s/ Melody Harris Jensbach

Name: Melody Harris Jensbach

Title: Managing Director

By: /s/ Ante Franicevic

Name: Ante Franicevic

Title: Managing Director

JACK WOLFSKIN RETAIL GMBH,

a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany

By: /s/ Melody Harris Jensbach

Name: Melody Harris Jensbach

Title: Managing Director

By: /s/ Ante Franicevic

Name: Ante Franicevic

Title: Managing Director

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

AGENT AND LENDERS

BANK OF AMERICA, N.A., as Agent

By: /s/ James Fallahay

Name: James Fallahay

Title: Senior Vice President

Address:

Bank of America, N.A.
520 Newport Center Drive, Ste. 900
Newport Beach, CA 92660
Attn: James Fallahay
E-Mail: james.fallahay@bofa.com
Telecopy: (415) 228-5278

With a copy to:

Morgan, Lewis & Bockius LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, California 90071-3132
Attn: Marshall Stoddard, Jr., Esq.
E-Mail: mstoddard@morganlewis.com
Telecopy: (213) 612-2501

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

MUFG UNION BANK, N.A.,
as a U.S. Lender, a Canadian Lender,
a U.K. Lender, and a German Lender

By: /s/ Peter Ehlinger

Name: Peter Ehlinger

Title: Vice President

Address: On File with Agent

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

TRUIST BANK,
as a U.S. Lender, a Canadian Lender,
a U.K. Lender, and a German Lender

By: /s/ Mark Bohntinsky

Name: Mark Bohntinsky

Title: Managing Director

Address: On File with Agent

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

JPMORGAN CHASE BANK, N.A.,
as a U.S. Lender

By: /s/ Anna C. Araya

Name: Anna C. Araya

Title: Executive Director

Address:

JPMorgan Chase Bank, N.A.,
101 W. Broadway, Suite 840
San Diego, CA 92101
Attn: Anna C. Araya
E-Mail: anna.c.araya@jpmorgan.com
Telecopy: (310) 975-1353

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

JPMORGAN CHASE BANK, N.A.
LONDON BRANCH,
as a U.K. Lender and a German Lender

By: /s/ Kennedy A. Capin

Name: Kennedy A. Capin

Title: Executive Director

Address:

JPMorgan Chase Bank, N.A., London
Branch
25 Bank Street, 25th Floor
London, UK E145JP
Attn: Kennedy A. Capin
E-Mail: kennedy.a.capin@jpmorgan.com

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

**JPMORGAN CHASE BANK, N.A.,
TORONTO BRANCH,**
as a Canadian Lender

By: /s/ Michael Tam
Name: Michael Tam
Title: Authorized Officer

Address:

JPMorgan Chase Bank, N.A.,
66 Wellington Street West, 45th Floor
Toronto, ON M5K 1E7
Attn: Michael Tam
E-Mail: michael.n.tam@jpmorgan.com

[Signature Page to Third Amendment to Fourth Amended and Restated Loan and Security Agreement]

AMENDMENT NO. 1 TO CREDIT AGREEMENT

AMENDMENT NO. 1 TO CREDIT AGREEMENT, dated as of April 28, 2020 (this "Amendment"), among Callaway Golf Company (the "Borrower"), the Lenders party hereto (who constitute Required Lenders) and Bank of America, N.A., as administrative agent (the "Administrative Agent").

WHEREAS, reference is hereby made to the Credit Agreement dated as of January 4, 2019 (the "Credit Agreement", and as amended by this Amendment, the "Amended Credit Agreement") among the Borrower, the Administrative Agent and the financial institutions party thereto. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Amended Credit Agreement;

WHEREAS, the Borrower has requested to amend the Credit Agreement on the terms set forth herein;

WHEREAS, the Credit Agreement provides that this Amendment may become effective with the consent of the Borrower, the Administrative Agent and Lenders constituting the Required Lenders;

WHEREAS, on the Amendment No. 1 Effective Date (as defined below), each Lender (a "Consenting Lender") that shall have delivered their signature to this Amendment No. 1 shall be deemed to have consented to the amendments and modifications to the Credit Agreement effected hereby; and

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

SECTION 1. **Amendments**. Effective as of the Amendment No. 1 Effective Date, the Credit Agreement is amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by adding the following parenthetical at the end of definition of "Restricted Payment":

"(it being understood and agreed, for the avoidance of doubt, none of the actions described in clauses (a) – (d) of the definition of Junior Debt Restricted Payment shall be considered a Restricted Payment with respect to an Equity Interest that also constitutes Junior Debt)"

(b) Section 7.02(d) of the Credit Agreement is hereby amended by deleting the following words in such Section:

"arising in the ordinary course of business and";

(c) Section 7.02(o) of the Credit Agreement is hereby amended by (i) replacing "among" with "by" and (ii) deleting "and Banc of America Leasing & Capital, LLC";

(d) Section 7.02(p) of the Credit Agreement is hereby amended by deleting the word “and” at the end of such Section and Section 7.02(q) is hereby amended by replacing the period “.” at the end of such section with a semi-colon “;”. Section 7.02 of the Credit Agreement is hereby then amended by adding the following clauses as Section 7.02(r) and Section 7.02(s) thereof:

“(r) (x) Indebtedness in the form of senior unsecured convertible debt securities of the Borrower in an aggregate principal amount not to exceed, together with any amounts incurred pursuant to Section 7.02(s), in the aggregate \$275,000,000 and guarantees thereof by the Loan Parties; provided that such Indebtedness shall not mature earlier than the Latest Maturity Date in effect at such time; and (y) any refinancings, refundings, renewals or extensions of Indebtedness permitted pursuant to Sections 7.02(r)(x); provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder; and

(s) (x) any loan or other financial assistance received by any Borrower or any of its Subsidiaries from any federal, state, local or foreign government program enacted in response to the COVID-19 outbreak in an aggregate principal amount not to exceed, together with any amounts incurred pursuant to Section 7.02(r), in the aggregate \$275,000,000; and (y) any refinancings, refundings, renewals or extensions of Indebtedness permitted pursuant to Sections 7.02(s)(x); provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder.”;

(e) Section 7.06 of the Credit Agreement is hereby amended by deleting “or issue or sell any Equity Interests or accept any capital contributions,” in the lead-in to such Section; and

(f) Section 8.01(e) of the Existing Credit Agreement is hereby amended by inserting the following proviso at the end of clause (i) of such Section:

“; provided further that any conversion of, or trigger of conversion rights with respect to, any convertible debt securities of the Borrower otherwise permitted to be incurred under this Agreement (whether or not such conversion is to be settled in cash or capital stock or a combination thereof) unless such conversion results from any event of default thereunder or a “change of control”, “fundamental change” or similar occurrence thereunder, shall not constitute an Event of Default;”.

SECTION 2. **Representations and Warranties.** In order to induce the Lenders to consent to this Amendment, the Borrower represents and warrants to each of the Lenders and the Administrative Agent that on and as of the date hereof both before and after giving effect to this Amendment (i) the representations and warranties of each Loan Party contained in Article V of the Credit Agreement and each other Loan Document are true and correct in all material respects (except when qualified as to materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) on and as of the date hereof, except to the extent that such representations and warranties relate to an earlier date, in which case they shall be true and correct as of such earlier date in all material respects; (ii) no Default or Event of Default exists as of the Amendment No. 1 Effective Date or will result from this Amendment; and (iii) the execution, delivery and performance by the Borrower of this

Amendment has been duly authorized by all necessary corporate action, and does not and will not contravene the terms of any of the Borrower's Organization Documents; (b) conflict with or result in any breach of or contravention of (x) any Contractual Obligation (including the ABL Loan Documents) to which the Borrower is a party or by which it is bound, the termination or adverse modification of which could reasonably be expected to have a Material Adverse Effect or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or its property is subject; or (c) result in the creation of any Lien (other than Permitted Liens), or (d) violate any Applicable Law.

SECTION 3. **Effect of Amendment.** On and after the Amendment No. 1 Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in each of the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement. The Amended Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall not be impaired or limited by the execution or effectiveness of this Amendment. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as an amendment or waiver of any right, power or remedy of any Lender or any Agent under any of the Loan Documents, nor constitute an amendment or waiver of any provision of any of the Loan Documents.

SECTION 4. **Conditions to Effectiveness.** The effectiveness of Section 1 of this Amendment shall be subject solely to the satisfaction of the following conditions precedent (the first date upon which such conditions precedent are satisfied, the "Amendment No. 1 Effective Date"):

(a) the Administrative Agent shall have received from the Borrower and Lenders constituting the Required Lenders either (x) counterparts of this Amendment No. 1 signed on behalf of such parties or (y) written evidence reasonably satisfactory to the Administrative Agent (which may include delivery of an Electronic Record executed using Electronic Signatures (each as defined below)) that such parties have signed counterparts of this Amendment No. 1;

(b) to the extent invoiced at least three (3) Business Days prior to the date hereof and payable under and in accordance with Section 10.04 of the Credit Agreement, the Borrower shall have paid the reasonable out of pocket expenses of the Administrative Agent in connection with this Amendment (including the reasonable fees and disbursements of Cahill Gordon & Reindel LLP, counsel for the Administrative Agent) incurred in connection with this Amendment;

(c) the Borrower shall have delivered to the Administrative Agent a certificate from a Responsible Officer of the Borrower dated as of the Amendment No. 1 Effective Date, to the effect set forth in Sections 2(i) and 2(ii) hereof; and

(d) the Administrative Agent shall have received, for the account of the Consenting Lenders, consent fees in an amount equal to 0.125% of their Term Loans; this fee will be fully earned and due and payable on the Amendment No. 1 Effective Date.

SECTION 5. **Acknowledgement and Affirmation.**

(a) The Borrower hereby expressly acknowledges the terms of this Amendment and affirms or reaffirms, as applicable, as of the date hereof the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby.

(b) The Borrower, by its signature below, hereby affirms and confirms (1) its obligations under each of the Loan Documents to which it is a party, and (2) the pledge of and/or grant of a security interest in its assets as Collateral to secure such Obligations, all as provided in the Collateral Documents as originally executed, and acknowledges and agrees that such guarantee, pledge and/or grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Loan Documents.

SECTION 6. Counterparts; eSignatures.

(a) This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute a single contract. Delivery of an executed counterpart of this Amendment by facsimile or other electronic imaging means (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment.

(b) This Amendment and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Amendment (each a “Communication”), including Communications required to be in writing, may be in the form of an Electronic Record (as defined below) and may be executed using Electronic Signatures (as defined below), including, without limitation, facsimile and/or .pdf. The Borrower agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Administrative Agent. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent and each of the Lenders of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“Electronic Copy”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Borrower without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

SECTION 7. Applicable Law. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

CALLAWAY GOLF COMPANY,
as the Borrower

By: /s/ Brian P. Lynch
Name: Brian P. Lynch
Title: Executive Vice President and Chief Financial
Officer

[Callaway – Signature Page to Amendment No. 1]

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Jeremy L. Webb

Name: Jeremy L. Webb

Title: AVP

[Callaway – Signature Page to Amendment No. 1]

[Consenting Lender signatures on file with Administrative Agent]

[Callaway – Signature Page to Amendment No. 1]

CALLAWAY GOLF COMPANY ANNOUNCES PROPOSED CONVERTIBLE SENIOR NOTES OFFERING

CARLSBAD, Calif., April 29, 2020 /PRNewswire/ —Callaway Golf Company (NYSE: ELY) announced today its intention to offer, subject to market and other conditions, \$200,000,000 aggregate principal amount of convertible senior notes due 2026 (the “notes”) in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Callaway also expects to grant the initial purchasers of the notes an option to purchase, for settlement within a period of 13 days from, and including, the date notes are first issued, up to an additional \$30,000,000 principal amount of notes.

The notes will be senior, unsecured obligations of Callaway, will accrue interest payable semi-annually in arrears and will mature on May 1, 2026, unless earlier repurchased, redeemed or converted. Noteholders will have the right to convert their notes under certain circumstances and during specified periods. Callaway will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at Callaway’s election. The notes will be redeemable, in whole or in part, for cash at Callaway’s option at any time, and from time to time, on or after May 6, 2023 and on or before the 40th scheduled trading day immediately before the maturity date, but only if the last reported sale price per share of Callaway’s common stock exceeds 130% of the conversion price for a specified period of time. The redemption price will be equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The interest rate, initial conversion rate and other terms of the notes will be determined at the pricing of the offering.

Callaway intends to use a portion of the net proceeds from the offering to pay the cost of the capped call transactions described below, and the remainder for working capital and other general corporate purposes. If the initial purchasers exercise their option to purchase additional notes, then Callaway intends to use a portion of the net proceeds from the sale of the additional notes to enter into additional capped call transactions as described below and the remainder for working capital and other general corporate purposes.

In connection with the pricing of the notes, Callaway expects to enter into privately negotiated capped call transactions with one or more dealers, which may include certain initial purchasers or their affiliates and/or one or more financial institutions (the “option counterparties”). The capped call transactions are expected to cover, subject to anti-dilution adjustments substantially similar to those applicable to the notes, the number of shares of Callaway’s common stock underlying the notes. If the initial purchasers exercise their option to purchase additional notes, Callaway expects to enter into additional capped call transactions with the option counterparties.

The capped call transactions are expected generally to reduce the potential dilution to Callaway’s common stock upon any conversion of the notes and/or offset any potential cash payments Callaway is required to make in excess of the principal amount of converted notes, as the case may be, upon conversion of the notes. If, however, the market price per share of Callaway’s common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates expect to enter into various derivative transactions with respect to Callaway's common stock and/or purchase shares of Callaway's common stock concurrently with or shortly after the pricing of the notes. This activity could increase (or reduce the size of any decrease in) the market price of Callaway's common stock or the notes at that time.

In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Callaway's common stock and/or purchasing or selling Callaway's common stock or other securities in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to a conversion of notes). This activity could also cause or avoid an increase or decrease in the market price of Callaway's common stock or the notes, which could affect the ability of noteholders to convert the notes, and, to the extent the activity occurs following conversion or during any observation period related to a conversion of notes, it could affect the number of shares of Callaway common stock and value of the consideration that noteholders will receive upon conversion of the notes.

The offer and sale of the notes and any shares of common stock issuable upon conversion of the notes have not been, and will not be, registered under the Securities Act or any other securities laws, and the notes and any such shares of common stock cannot be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, the notes or any shares of common stock issuable upon conversion of the notes, nor will there be any sale of the notes or any such shares of common stock, in any state or other jurisdiction in which such offer, sale or solicitation would be unlawful.

About Callaway Golf Company

Callaway Golf Company (NYSE: ELY) is a premium golf equipment and active lifestyle company with a portfolio of global brands, including Callaway Golf, Odyssey, OGIO, TravisMathew and Jack Wolfskin. Callaway manufactures and sells premium golf clubs, golf balls, golf and lifestyle bags, golf and lifestyle apparel and other accessories.

Forward-Looking Statements

Statements used in this press release that relate to future plans, events, financial results, performance, prospects or growth and scale opportunities, including statements relating to the anticipated terms of the notes being offered, the completion, timing and size of the proposed offering, the intended use of the proceeds and the anticipated terms of, and the effects of entering into, the capped call transactions described above, are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made and are not guarantees of future performance. These statements are based

upon current information and expectations. Accurately estimating the forward-looking statements is based upon various risks and unknowns, including market conditions, market interest rates, the trading price and volatility of Callaway's common stock and the risks and uncertainties relating to Callaway's business, including those related to the COVID-19 pandemic, which may cause disruptions to business operations, production delays, closures of manufacturing facilities, retail locations, warehouses and supply and distribution chains and related decreases in customer demand and spending, and the other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and Forms 10-Q and 8-K subsequently filed with the Securities and Exchange Commission. Callaway may not consummate the proposed offering described in this press release and, if the proposed offering is consummated, cannot provide any assurances regarding the final terms of the offer or the notes or its ability to effectively apply the net proceeds as described above. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Callaway undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Contacts:

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