

TRANSLATION FROM LATVIAN TO ENGLISH

VALMIERAS STIKLA ŠĶIEDRA, AS
uniform registration No. 40003031676
registered office: Valmiera, Cempu iela 13, LV-4201, Latvia

**AMENDMENTS
TO THE PLAN OF LEGAL PROTECTION
PROCEEDINGS**

Valmiera, April 3, 2020

TRANSLATION FROM LATVIAN TO ENGLISH

1. DEFINITIONS USED IN THE AMENDMENTS

The following defined terms used in these Amendments to the Plan shall be ascribed the following meaning:

Company	VALMIERAS STIKLA ŠĶIEDRA, AS, registration No.: 40003031676, legal address: Cempu iela 13, Valmiera, Latvia, LV-4201
US Subsidiary	P-D VALMIERA GLASS USA Corp., legal address: 168 Willie Paulk Parkway, Dublin, Georgia, 31021, USA
VALMIERA GLASS GROUP	VALMIERAS STIKLA ŠĶIEDRA, AS and its subsidiaries
LBBW Bank	Landesbank Baden-Württemberg branch in the USA, legal address: 280 Park Avenue, West Building, New York, 10017, NY, USA
Danske	Danske Bank, A/S (registered in Denmark under CVR registration No. 61126228, address: Denmark, Copenhagen, Holmens Kanal 2-12), on whose behalf Danske Bank, A/S Lithuanian branch, registered in the Republic of Lithuania, in Register of Legal Entities with identification no. 301694694, legal address: Saltoniškiu St.2, Vilnius, LT-08500, Republic of Lithuania
SEB	AS "SEB banka", registration No.: 40003151743, legal address: Meistaru iela 1, Valdlauči, Ķekava Municipal Parish, Ķekava Municipality, Latvia, LV-1076
Authority	City of Dublin and County of Laurens Development Authority
Secured Creditors	AS "SEB banka" and Danske Bank, A/S
US Facility	The production facility of the US Subsidiary in Dublin, Georgia, USA
Phase Two	Vertically integrated glass fibre production unit in the USA
LPP	Legal protection proceedings
Plan	Plan of Company's legal protection proceedings, approved by the Decision of the Vidzeme District Court of October 18, 2019 in Civil Case No C71260919
Amendments	These amendments to the plan of legal protection proceedings
EUR	Official currency of the Eurozone countries, including Latvia, i.e., Euro
USD	Official currency of the United States of America, i.e., US Dollar
Principal Claim	The claims for the repayment of principal debt
Ancillary Claims	The claim for the repayment of interest, default interest, contractual penalty, etc.

2. GENERAL INFORMATION ON THE REASONS FOR INTRODUCING AMENDMENTS TO THE PLAN OF COMPANY'S LEGAL PROTECTION PROCEEDINGS MEASURES

By the Decision of the Vidzeme District Court of October 18, 2019 in Civil Case No. C71260919, the Plan was approved and it was decided to implement the Company's LPP, setting the period of two years starting from October 18, 2019.

The Company faces temporary financial difficulties related to insufficiency of current assets and for this reason the Company is unable to implement the approved Plan in full extent. The Company's ability to meet the planned production output and the Company's activity forecast that was based on the planned production output was affected by the need to make the reconstruction of melting furnace. The Company has made payments to all unsecured creditors as it is determined in the Plan and has reached an agreement with Secured Creditors on the postponement of Principal Claim payments for the fourth and fifth months of the Plan until 31 October 2021.

The Company is not able to fulfil the undertaking stipulated in Sub-section 9.1.3 of the Plan to sell shares in US Subsidiary and/or ensure the alienation of its pledged property and/or to attract third-party funds for the total amount of at least EUR 35,000,000 by March 31, 2020, the commitment set forth in Sub-section 9.3.1 to attract additional financial resources in the amount of EUR 5,000,000 by March 31, 2020, as well as is unable to make monthly Principal Claim payments to Secured Creditors in the amount of EUR 500,000. Hence, the Company will be unable to pay the monthly Principal Claim payments to Secured Creditors in the amount of EUR 500,000 as defined in Sub-section 9.1.1 as well as the Principal Claim of EUR 35,000,000 to Secured Creditors and will be unable to ensure the availability of additional funds to the Company in the amount of EUR 5,000,000 as defined in Sub-section 9.3.1.

The Company's inability to fulfil the duties stipulated in Sub-sections 9.1.1, 9.1.3 and 9.3.1 of the Plan is justified by the following circumstances:

- 1) On January 14, 2020, the Company convened an extraordinary shareholders' meeting, during which it was planned to adopt a decision on the issuance of convertible bonds, thus implementing the duty to attract funds as stipulated in the LPP Plan. On January 29, 2020, majority shareholders of the Company announced that they had commenced business negotiations with potential investors with regard to the strategic future of the Company;
- 2) Given the new circumstances, the decision on the issuance of convertible bonds (initiated for adoption at the extraordinary shareholders' meeting on February 14, 2020) could not be passed due to concurrent negotiations with potential investors; therefore on January 31, 2020 the Company cancelled the announced meeting;
- 3) In the beginning of March, 2020, the process of alienation of the US Subsidiary's property in the United States of America resulted in the signing of the Asset Purchase Agreement. The fulfilment of the asset sales transaction depends on the approval of the US court that is planned to be received in April, 2020; Hence, the financial means from the sale of the property of the US Subsidiary cannot be received until 31 March 2020 as it is defined in the LPP's Plan.
- 4) The Company's cash flow forecast defined in the initial LPP Plan and the planned income from economic activity was based on the results of economical activity in previous years. Nevertheless, due to unpredictable changes that have occurred in the relevant markets, the actual income from the Company's economic activity is less than initially planned. Moreover, it is not planned that income from the economic activity of the Company will substantially increase in the upcoming accounting periods.

Likewise, in order to ensure the continuation of Company's economic activities and manufacturing of the production in full capacity within LPP, the Company must carry out the reconstruction of the equipment crucial for the Company's economic activities, i.e., production/glass melting furnace until the end of 2020. Considering that it is required to maintain stable cash flow to cover these expenses, the Company has agreed with Secured Creditors on the postponement of Principal Claim payments after the implementation of the Plan, while within the term of implementation of the LPP the Company will continue to make compensation payments to Secured Creditors, as well as commission payments for the use of guarantees in force.

The reconstruction of the production/glass melting furnace will require significant investments; thus,

TRANSLATION FROM LATVIAN TO ENGLISH

to ensure the effective progress of reconstruction works, the Company will be required to attract funding and undertake additional obligations until 30 November 2020 up to EUR 10 000 000.

Amendments are introduced with an aim to make the aforementioned changes in the Plan, as well as to ensure the sustainable economic activities of the Company and to promote a stable cash flow, which is a precondition to enable the Company to settle accounts in full with all the creditors.

The methods and payment schedule stipulated in the Plan with regard to Unsecured Creditors are not being amended.

According to the current accounting data of the Company and these Amendments, it is necessary to clarify information in Annexes No. 1, No. 2, No. 3, No. 4 and No. 6 of the Plan.

3. AMENDMENTS TO THE PLAN OF COMPANY'S LEGAL PROTECTION PROCEEDINGS MEASURES

Amendments are introduced to the following sections and sub-sections of the Plan, as well as annexes thereto; the remaining part of the Plan is not being changed.

1. To express the second sub-clause of the ninth paragraph of Section 4 of the Plan as follows:
- 2) On June 22, 2017, the Company issued a guarantee letter/confirmation to the US precious metals company J.ARON & COMPANY as a security for any losses which might arise from obligations existing between the US Subsidiary and J.ARON & COMPANY for platinum and rhodium lease services. The maximum amount of the guarantee is USD 2,250,000. The actual debt obligations of USD 1,500,000 arising from the lease agreement were undertaken by Secured Creditors in accordance with letters of credit issued to J.ARON & COMPANY as beneficiary in equal shares of fulfilment guarantees. Secured Creditors have paid J.ARON & COMPANY funds in the total amount of USD 1,500,000. The claims of Secured Creditors towards the Company with regard to the guarantees of USD 1,500,000, referred to in this clause, are included in Annex No. 6 of the Plan.

In December 2019, the Company received J.ARON & COMPANY's request, wherein the Company, without taking into account USD 1,500,000 paid to J.ARON & COMPANY, was requested to pay USD 3,778,451.80 (this amount is before deduction of USD 1,500,000 of payments received from the Secured Creditors). On January 8, 2020, the US Subsidiary as the principal debtor sent an objection to J.ARON & COMPANY, referring to, in the opinion of the US Subsidiary, unjustified J.ARON & COMPANY'S claim. On January 8, 2020, the Company, taking into account the objections expressed by the US Subsidiary and based on the rule set by the law applicable thereto, sent the letter of objection to J.ARON & COMPANY, rejecting the claim until the US Subsidiary and J.ARON & COMPANY reached an agreement on the amount of debt or the objections of the US Subsidiary were refuted through legal proceedings. J.ARON & COMPANY's claim will be included in the LPP Plan in the form of amendments as soon as one of these circumstances occurs: (i) the aforementioned legal impediments for the recognition of this claim are eliminated and/or cease to exist, or (ii) the US Subsidiary will not contest that the claim of J.ARON & COMPANY on the US Subsidiary is at least partially justified (in such case the claim of J.ARON & COMPANY will be included in the LPP Plan in that uncontested amount). The claim of J.ARON & COMPANY will be included in the plan in such a way to respect, inter alia, the principle of equality of the creditors described in Section 6 of the Insolvency Law.

2. To introduce the following amendments to Section 6 of the Plan:

To express the third paragraph of Section 6 of the Plan as follows:

"It is expected that during the implementation of LPP measures, the Principal claims of unsecured creditors for the total amount of EUR 6,826,846.59. The Company is not intending to cover the Principal claims of Secured Creditors from its income in the course of the implementation of LPP measures, however such claims may reduce by satisfying the measures stipulated under clause 9.1.3. of the Plan."

TRANSLATION FROM LATVIAN TO ENGLISH

3. To introduce the following amendments to Section 7 of the Plan:

To replace the wording of second paragraph of Section 7 of the Plan as follows:

"In the course of LPP of the Company, the Company's operating income forecast is EUR 174,188,286.00. In addition, the Company plans to raise up to EUR 10,000,000 in proceeds from raising funds from third parties and / or Secured Creditors. Subject to the fact that all of the Company's property is pledged in favour of the Secured Creditors, and subject to the terms and conditions of Article 40 (5) of the Insolvency Law and the restrictions arising from the Company's contractual obligations to the Secured Creditors, the Company will obtain consent of certain Secured Creditors to raise additional funds. In the event that the Company objectively needs to raise smaller amounts of funds from third parties and / or Secured Creditors, the Company will coordinate with Secured Creditors the amount of funds required without making any separate amendments to the Plan."

In the third paragraph, to replace the amount of EUR 206,403,940.25 with the amount of EUR 174,188,286.00 after the words "The forecast of income from the Company's economic activities is".

4. To introduce the following amendments to Section 8 of the Plan:

In the second paragraph, to replace the amount of EUR 185,890,655.67 with the amount of EUR 168,745,021.87 after the words "The total expenses planned during the implementation of Company's LPP measures are".

5. To introduce the following amendment to Section 9 of the Plan:

To express the introductory part of Section 9 of the Plan as follows:

"In accordance with Section 38, Paragraph one of the Insolvency Law, methods which comply with the objective of LPP and do not restrict creditors' rights more than it is necessary for the successful implementation of the Plan and the attainment of the objective of LPP determined in the Law shall be applied during the LPP.

To successfully implement the Plan and attain the objective of LPP, namely, to restore the Company's ability to fulfil its obligations, the Company will apply the following methods during the LPP:

In the group of Secured Creditors:

- 1) the postponement of fulfilment of Company's payment obligations (creditors' Principal Claims);
- 2) the release of the Company from its payment obligations (creditors' Ancillary Claims);
- 3) the alienation of the assets of the US Subsidiary;
- 4) the signing of an agreement with Secured Creditors on the postponement of the fulfilment of payment obligations for a period after the fulfilment of the Plan.

In the group of Unsecured Creditors:

- 1) the postponement of the fulfilment of Company's payment obligations (creditors' Principal Claims) and division in instalments for a period of up to 24 payments;
- 2) the release of the Company from its payment obligations (creditors' Ancillary Claims);
- 3) the signing of an agreement with LBBW Bank on the division of payment obligations in instalments for a period of up to 48 months;
- 4) the receipt of certifications from individual Unsecured Creditors (related parties) on the postponement of the fulfilment of payment obligations for a period after the fulfilment of the Plan.

In the group of Secured and Unsecured Creditors:

1) the undertaking of the Company to ensure the availability of additional funds.”

6. To introduce the following amendments to Section 9.1 of the Plan:

To express Sub-section 9.1.1 of the Plan as follows:

“9.1.1. Postponement of the fulfilment of Company’s payment obligations (creditors’ Principal Claims)

The Principal payment obligations of the Company, the repayment or fulfilment deadline of which has set in before the initiation of the Company’s LPP or will set in during the Company’s LPP, shall be postponed after the deadline for implementation of the LPP by a written agreement, providing the Company with an obligation to repay the Principal Claim to the Secured Creditors within 25 months from the commencement date of the Plan, ensuring that during the execution of the LPP, a partial settlement of the Principal Claim will be settled from the alienation of US Subsidiary’s assets in accordance with Section 9.1.3 of the Plan.

During the entire LPP period, the Company will pay compensation to Secured Creditors for the restriction of rights.

The postponement of the deadline for the fulfilment of payment obligations will allow stabilising the Company’s cash flow during the implementation of LPP measures. This method will be applied and implemented, taking into account the forecast of Company’s income and expenses during the implementation of LPP measures.

To express Sub-section 9.1.3 of the Plan as follows:

“9.1.3. Alienation of US Subsidiary’s Assets (*Section 38, Paragraph one, Clause 5 of the Insolvency Law*)

The Company undertakes to ensure the alienation of assets of the US Subsidiary owned thereby in order to cover Claims to the Secured Creditors within the Plan. On 2 March 2020, an agreement for sale of the US subsidiary's assets for USD 17,500,000 was signed. The closing amount of the sale of the US Subsidiary assets depends on the offers that may be made in the subsequent process of the asset sale. Execution of the sale is subject to confirmation by a court in the US.

The Company undertakes to continue to facilitate the sale of the US Subsidiary’s assets and ensure that the proceeds of the sale of the US Subsidiary’s assets in the amount of at least USD 17,500,000 or a smaller amount if agreed in writing by the Secured Creditors will be utilised for the payment of the Secured Creditors’ claims by no later than 31 December 2020.

The alienation of the assets of the US Subsidiary, pledged in favour of Secured Creditors, shall be agreed on with Secured Creditors, and all income from selling those assets, in so far it is allowed by applicable US Bankruptcy laws, shall be used to cover Secured Creditors’ claims.

To express Sub-section 9.1.4 of the Plan as follows:

“9.1.4. Signing of an agreement with Secured Creditors on the postponement of the fulfilment of payment obligations for a period after the fulfilment of the Plan

The Company and Secured Creditors will enter into an agreement, by which Secured Creditors would agree to accept the fulfilment of Company’s obligations during the implementation of LPP pursuant to the procedures laid down in Section 9.1.1 of the Plan and postpone the deadline for the fulfilment of Company’s obligations towards Secured Creditors for a period after the deadline for the implementation of the LPP, providing the Company with an obligation to repay the Principal Claim to the Secured Creditors within 25 months from the date of the start of the performance of the Plan. This agreement does not restrict or cancel the rights, obligations and securities of Secured Creditors towards the US Subsidiary and other persons, which have provided a guarantee or security for the Company’s obligations.

The signing of this agreement on the postponement of the fulfilment of payment obligations for a

TRANSLATION FROM LATVIAN TO ENGLISH

period after the fulfilment of the Plan prolongs the term of the fulfilment of the Company's largest payment obligations and provides the Company the availability of incoming funds for the successful fulfilment of the Plan and the coverage of LPP expenses."

7. To introduce the following amendments to Section 9.3 of the Plan:

To express Sub-section 9.3.1 of the Plan as follows:

"9.3.1. Undertaking of the Company to ensure the availability of additional funds

The Company undertakes to ensure the attraction of additional funds with the aim to supplement the Company's current assets, improve the Company's liquidity and ensure the reconstruction of glass melting furnace. For the purposes of reaching the set goal, the Company will ensure that by 30 November 2020 at the latest, funds in the amount of EUR 10,000,000 or a lower amount if agreed in writing with the Secured Creditors, will be available in the Company's bank account.

The attraction of funds referred to in this clause shall be implemented by the Company attracting funds from third parties or Secured Creditors. Funds may be raised in in the form of a loan or receiving investment in the Company's capital. Subject to existing agreements entered into with the Secured Creditors and the fact that all of the Company's property is pledged to the Secured Creditors, in accordance with the provisions of Article 40 (5) of the Insolvency Law, any transaction for raising funds requires the written approval from the Secured Creditors. With the consent from the Secured Creditors, the obligations arising from the loan granted for the purposes of the LPP implementation may be secured by encumbering the Company's movable and immovable property with rights in rem. The loan granted for the purposes of the LPP implementation, will be considered as expenses of the LPP and upon receipt of the written approval from the Secured Creditors, may be repaid within the time limit set for the implementation of the LPP. "

8. To introduce the following amendments to Section 9.4 of the Plan:

To replace the amount of EUR 52,373,141.09 with the amount of EUR 6,826,846.59 after the words "During the LPP, creditors' claims will be covered for the amount".

9. To introduce the following amendments to Section 12 of the Plan:

To supplement Section 12 of the Plan with the third paragraph:

"During the LPP, the Company has the right to undertake new debt obligations to supplement the Company's current assets, improve the Company's liquidity and ensure the reconstruction of the equipment crucial for the Company's economic activities, i.e., production/glass melting furnace, without agreeing on these transactions with the LPP supervisor and Unsecured creditors, unless the total amount of these new debt obligations exceeds EUR 10,000,000."

10. To introduce amendments to Annexes to the Plan:

To express Annex No. 1 to the Plan in the new wording in accordance with the new wording of Annex No. 1 enclosed to the Amendments.

To express Annex No. 2 to the Plan in the new wording in accordance with the new wording of Annex No. 2 enclosed to the Amendments.

To express Annex No. 3 to the Plan in the new wording in accordance with the new wording of Annex No. 3 enclosed to the Amendments.

To express Annex No. 4 to the Plan in the new wording in accordance with the new wording of Annex No. 4 enclosed to the Amendments.

To express Annex No. 6 to the Plan in the new wording in accordance with the new wording of Annex No. 6 enclosed to the Amendments.

11. To introduce amendments to the text of the Plan:

To determine that everywhere, where references to Annexes No. 1, No. 2, No. 3, No. 4 and No. 6 to

TRANSLATION FROM LATVIAN TO ENGLISH

the Plan are used in the text of the Plan, it shall be deemed that the reference is used with regard to Annexes No. 1, No. 2, No. 3, No. 4 and No. 6 to the Plan in the wording, in which they are enclosed to these Amendments.

ENCLOSED:

1. Annex No. 1 to the Plan — All obligations of the Company — in the wording of April 3, 2020;
2. Annex No. 2 to the Plan — Obligations which fell due or became payable prior to initiation of LPP, or will fall due or become payable during LPP — in the wording of April 3, 2020;
3. Annex No. 3 to the Plan — Schedule for Satisfying Creditor Claims — in the wording of April 3, 2020;
4. Annex No. 4 to the Plan — Income and Expenditure Forecast — in the wording of April 3, 2020;
5. Annex No. 6 to the Plan — Obligations of the Company in Relation to Secured Creditors — in the wording of April 3, 2020.

Valmiera, April 3, 2020

Respectfully,

VALMIERAS STIKLA ŠĶIEDRA, AS
Chairman of the Management Board, Stefan Jugel

VALMIERAS STIKLA ŠĶIEDRA, AS
Member of the Management Board, Ģirts Vēveris