

TRANSLATION FROM LATVIAN TO ENGLISH

PUBLIC LIMITED COMPANY "VALMIERAS STIKLA ŠĶIEDRA"

Uniform registration No 40003031676

Registered address: Valmiera, Cempu iela 13, LV-4201, Latvia

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

Valmiera, December 3, 2020

1. DEFINITIONS USED IN THE AMENDMENTS

Terms of the following meaning have been used in the amendments to the Plan:

Company	AS "VALMIERAS STIKLA ŠĶIEDRA", registration number: 40003031676, registered address: Cempu iela 13, Valmiera, Latvia, LV-4201
US Subsidiary	P-D VALMIERA GLASS USA Corp., registered address: 168 Willie Paulk Parkway, Dublin, Georgia, 31021, USA
VALMIERA GLASS GRUPA	AS "VALMIERAS STIKLA ŠĶIEDRA" and its affiliates
LBBW Bank	Landesbank Baden-Württemberg US branch, registered 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, Kopenhagen, Holmens Kanal 2-12), represented by Danske Bank AS branch in Lithuania, registered in Lithuania with the register of legal entities under identification code 301694694, registered address: Saltoniškiu St.2, Vilnius, LT-08500 Republic of Lithuania
Company's subsidiary	VALMIERA GLASS UK Ltd., (Company No. 02189095, VAT No. GB 469 7513 02) address: Westbury, Sherborne, Dorset, DT9 3RB, United Kingdom
Guarantee Letter	Guarantee Letter – Affirmation executed on 22 June 2017 by the Company at the presence of Sworn notary Ineta Nilandere for the benefit of J. Aron & Company and registered in the books of Sworn notary with registration No 4462
<u>J.ARON & COMPANY</u>	J.ARON & COMPANY LLC, address: 200 West St, New York, NY, 10282-2102 United States
Master Lease Agreement	Master Lease Agreement executed among J.ARON & COMPANY, US Subsidiary and the Company on 22 June 2017
SEB	AS "SEB banka", registration number: 40003151743, registered address: Meistarū iela 1, Valdlauči, Ķekava parish, Ķekava region, Latvia, LV-1076
SEB Facility Agreement	A loan facility agreement to be entered into with SEB as further described in Subsection 9.1.3. of the LPP Plan
SEB Guarantee Facility agreement	A guarantee facility agreement to be entered into with SEB as further described in Subsection 9.1.3. of the LPP Plan
Development Authority	City of Dublin and County of Laurens Development Authority
Secured Creditors	AS "SEB banka" and Danske Bank A/S, or their legal successors, assignees or transferees
Warwick (or International Investor)	Duke I Lux S.à r.l., private limited liability company registered and operating under the law of Luxembourg under registration No B247170, registered address: 11-13 Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg
Warwick Facility Agreement	A loan facility agreement to be entered into with Warwick as further described in Subsection 9.1.1. of the LPP Plan
US Facility	The production facility of the US Subsidiary in Dublin, State of Georgia, USA
Phase One	Needle Mat production facility in the USA
Phase Two	Vertically integrated fiberglass production in the USA

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LPP	Legal protection (composition) proceedings
LPP Plan	The plan of legal protection (composition) proceedings of the Company which is approved by the judgment of the Vidzeme Regional Court of 18 October 2019 in civil case No C71260919.
Amendments	The present amendments to the Plan of Legal Protection Proceedings
Amendments of 3 April 2020	The amendments to the Plan of Legal Protection Proceedings dated 3 April 2020
EUR	The official currency of Eurozone countries, including Latvia – <i>euro</i>
USD	The official national currency of the United States of America – US dollar
Principal Claim	The claim for the principal amount of the obligations
Ancillary Claims	Claims for the Interest, Default Interest, Contractual Penalty etc.

2. BACKGROUND INFORMATION ON REASONS BEHIND AMENDING THE PLAN OF LEGAL PROTECTION (COMPOSITION) PROCEEDINGS OF THE COMPANY

By the judgement of the Vidzeme Regional Court of 18 October 2019 in civil case No C71260919, the LPP Plan has been approved as well as it has been resolved to implement LPP of the Company establishing a timeline of two years from 18 October 2019.

By the decision of 19 May 2020 amendments to the LPP Plan have been approved as stated in the wording of 3 April 2020.

As announced to the shareholders and the stock exchange on 28 October 2020 the majority shareholders of the Company have concluded a share purchase agreement with Warwick for the purchase and sale of 83.14% of the equity in the Company. As a result of attracting this International Investor, the Company intends to initiate negotiations with Secured Creditors and Warwick to restructure existing debt liabilities towards Secured Creditors and attract additional financing.

The potential agreement on the restructuring of the Company's secured debt liabilities is conditional upon the number of circumstances the occurrence of which is or may be beyond the reasonable control of the Company and/or International Investor. Therefore, in the circumstances in which the occurrence of the potential restructuring is not yet certain, the terms and conditions of such restructuring with respect to the Company are expressed rather in the form of rights than the obligations.

Within the framework of the envisaged restructuring the Company may restructure its obligations with the Secured Creditors. In case the negotiations are successful, the Company may restructure its existing obligations towards SEB into the new SEB Facility Agreement and the new SEB Guarantee Facility Agreement. Likewise, the Company may restructure its obligations towards Danske into the new Warwick Facility Agreement. In the result of such restructuring the aggregate debt amount of the Company towards Secured Creditors will remain the same as it was before the restructuring as well as the assets pledged under security provided by the Company for the purpose of securing debt liabilities deriving from SEB Guarantee Facility Agreement and Warwick Facility Agreement will remain the same they were before the restructuring.

The Company plans that as a result of restructuring the Company will benefit from longer maturity for the repayment of secured obligations and the payments that will need to be paid to the Secured Creditors during LPP in respect of the existing secured obligations will be reduced. This will provide stability for the Company's future operations within LPP and thereafter. It is intended that in case the referred restructuring will occur and the payments of the Company to Secured Creditors and/or the International Investor as the case may be will be reduced, it will not require making amendments to the LPP Plan and any surplus of funds thus accumulated by the Company will be used and treated as expenses of the LPP.

The terms and conditions under which the Company intends to restructure its obligations with Secured Creditors is further described in Clause 4 of Amendments and Subsection 9.1.3. of the LPP Plan respectively.

In case the preconditions for the restructuring will not be satisfied or it will be impossible for the Company to agree with Secured Creditors and/or Warwick on the restructuring of secured obligations, then the Company will continue the fulfilment of its obligations under the current LPP Plan.

The Company believes that attraction of additional financing and restructuring of existing secured debts will facilitate the fulfilment of Company's liabilities, completion of the LPP Plan (as amended) with respect to both Unsecured and Secured Creditors and bring the Company back to solvency. Certain provisions of the LPP Plan limit Company's ability to attract additional financing or restructure its existing secured debts therefore the Company proposes Amendments. The Company believes that the Amendments will enable the Company to continue negotiations with Secured Creditors and Warwick, and, if such negotiations are successful, to attract additional financing and restructure its existing secured obligations.

Within the framework of the feasible restructuring of the Company's secured debt obligations against Secured Creditors, the Company may simultaneously with execution of new SEB Facility Agreement and new Warwick Facility Agreement enter into certain security agreements with SEB and

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International Investor envisaging the establishment of new security the aggregate secured amount of which might be increased if compared to the Company's current amount of secured debt obligations. Nevertheless, considering that the whole property of the Company already now is secured for the benefit of Secured Creditors and the value of the property is lower than the secured amount, it will have no or insignificant effect on the Company's capabilities to meet its obligations towards its creditors.

During LPP the Company shall continue conducting economic activity, producing of products and deliveries to the customers concurrently procuring compliance with the requirements of LPP in full as well as the timelines set by LPP. For the purpose to ensure further development of the Company and planned replacement of depreciated fixed assets, the Company needs to borrow funds in the amount of up to EUR 10,000,000 in order to carry out reconstruction of the glass melting furnace. Concurrently, in order to ensure the necessary cash flow and working capital, for the sake of uninterrupted economic activity of the Company, the Company needs to raise additional funds in the amount of up to EUR 5,000,000. Finally, the Company anticipates that the Secured Creditors will be able to recover part of their claims from the sale of US Subsidiary's assets that will reduce the Company's liabilities towards Secured Creditors. After the Secured Creditors have received proceeds from the sale of US Subsidiary's assets, the Company may be provided with the additional loan facility of up to USD 15,000,000 in the form of a new secured loan from Secured Creditors and/or International Investor and use it to ensure the necessary cash flow and working capital of the Company.

The terms and conditions under which the Company intends to raise the additional funds is further described in Clause 7 of Amendments and Subsection 9.3.1. of the LPP Plan respectively. If additional funds will be attracted by the Company according to the procedures and terms defined in Section 9.3.1. of the LPP Plan, such event and any potential changes in the cash flow of the Company resulting from it would not trigger the obligation of the Company to make amendments to the LPP Plan.

The Amendments shall be made for a purpose to introduce the said changes and update the information about the Company's obligations in the LPP Plan, as well as in order to ensure sustainable economic activity of the Company, as well as in order to facilitate stable cash flow, which is a precondition for the Company to be able to settle accounts with all creditors.

The payment schedule contained in the LPP Plan shall not be modified with regard to the unsecured creditors. The payment schedule included in the LPP plan with respect to the existing claims of Secured Creditors will not be modified either, however in case the Company is successful to restructure its obligations with Secured Creditors as described in amended Subsection 9.1.3. of the LPP Plan, then the amounts payable to Secured Creditors under the restructured obligations may be lower than indicated in the payment schedule.

According to the latest accounting data of the Company and the present Amendments it is necessary to update the information contained in Appendices No 1, No 2, No 3, No 4 and No 6 to the LPP Plan.

3. AMENDMENTS TO THE PLAN OF LEGAL PROTECTION PROCEEDINGS OF THE COMPANY

The amendments are made to the sections and subsections of the LPP Plan as stated below, while the rest of the LPP Plan shall remain unmodified.

1. Introduce the following amendments to Section 4 of the LPP Plan:

State the second sub-section of ninth paragraph of Section 4 of the LPP Plan as follows:

- 2) On June 22, 2017, J.ARON & COMPANY, US Subsidiary and the Company entered into the Master Lease Agreement and on the same date the Company issued a Guarantee Letter to J.ARON & COMPANY securing the implementation of obligations deriving the Master Lease Agreement to the limited amount of USD 2,250,000.

The Master Lease Agreement among other defines that the main obligations of the Company deriving from it are associated and linked with the Company's guarantor obligations deriving from the Guarantee Letter. The Master Lease Agreement contains pre-agreed Schedule 7 providing for the Form of the Letter of Credit to be issued by Secured Creditors for the benefit

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of J.ARON & COMPANY.

Secured Creditors pursuant to the Letters of Credit have paid J.ARON & COMPANY funds in the total amount of USD 1,500,000.

The Letters of credit executed by the Secured Creditors were issued by order and for the account of the Company relative to the obligations of the Company under the Master Lease Agreement. Considering that the Company's obligations deriving from the Master Lease Agreement are linked and associated with its guarantor obligations deriving from the Guarantee Letter, the payments made by the Secured Creditors to J.ARON & COMPANY pursuant to the Letters of Credit were made by order and for the account of the Company's guarantor obligations deriving from the Guarantee Letter thus reducing its outstanding guarantor obligations towards J.ARON & COMPANY to amount not exceeding USD 750 000.

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 and agreeing with the objections and argumentation 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. Despite the above-referred nothing contained and/or expressed in this paragraph should be perceived or construed as the waiver of the Company's rights to object to J.ARON & COMPANY's claim against it either on the bases of the argumentations and objections maintained by the US Subsidiary or any other independent grounds the Company might have either in the courts of the USA or in courts of its domestic jurisdiction.

2. Introduce the following amendments to Section 7 of the LPP Plan:

State the second paragraph of Section 7 of the LPP Plan as follows:

"In the course of implementation of LPP of the Company the forecast of the Company's income from economic activity is EUR 169 397 261.00. In addition, the Company for the purpose of its operational needs plans to raise funds in the amount of up to EUR 15 000 000.00 and USD 15,000,000.00, in accordance with Subsection 9.3.1. of the LPP Plan.

Replace amount EUR 174,188,286.00 with the amount of EUR 169 397 261.00 in the third paragraph, after the words "the forecast of the Company's income from the economic activity".

3. Introduce the following amendments to Section 8 of the LPP Plan:

Replace the amount EUR 168,745,021.87 with the amount of EUR 164 123 874.44 in the second paragraph, after the words "The planned overall expenses during the implementation of LPP of the Company are".

4. Introduce the following amendments to Section 9 of the LPP Plan:

Make the following amendments to the listing of LPP methods contained in Section 9 of the LPP Plan:

State Paragraph three in the following wording:

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"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 right, while not an obligation, to restructure Company's payment obligations and provide new security over the assets of the Company;
- 4) Alienation of the Company's shares in the US Subsidiary and/or its assets, and/or attracting funding from third parties;
- 5) 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."

State Paragraph five in the following wording:

"In the group of Secured and Unsecured Creditors:

- 1) Right, while not an obligation, of the Company to raise additional funds in the amounts defined in amended Subsection 9.3.1 of the LPP Plan for the purpose of ensuring the Company's daily operations and restoration of its fixed assets, and provide new security over the assets of the Company;
- 2) Right, while not an obligation, of the Company to perform capitalization of the claims of affiliate creditors by increasing the share capital of the Company;

5. State Subsection 9.1.1 of the LPP Plan in the following wording:

"9.1.1. Postponement of the fulfilment of Company's payment obligations (creditors' Principal Claims) (*subparagraph 1 and 5 of paragraph one of Article 38 of the Insolvency Act*)

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, foreseeing the possibility 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.

The Company will pay compensation to Secured Creditors for the restriction of rights unless the Company has agreed with Secured Creditors to terminate the agreement referred to in Section 9.1.5. of the LPP Plan.

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.

6. Add new Subsection 9.1.3 of the LPP Plan in the following wording:

9.1.3. The right, but not an obligation to restructure the Company's financial obligations with Secured Creditors (*subparagraph 5 of paragraph one of Article 38 of the Insolvency Act*)

The Company has the right, but not an obligation to restructure its financial obligations with Secured Creditors in the following manner:

- 1) the Company may transform its trilateral contracts with the Secured Creditors into bilateral contracts between the Company and SEB and bilateral contracts between the Company and Danske without making any changes to the currently outstanding debt amounts to Secured Creditors, retaining the existing security, and without amending in any material respect terms and conditions as currently defined in trilateral contracts;
- 2) the Company may enter into a new SEB Facility Agreement, whereby SEB provides a new loan to the Company that is used to refinance Company's current obligations against SEB in the amount of up to EUR 45,575,442.87. In the result of Company entering into new SEB Facility Agreement the existing Company's current obligations against SEB will be repaid and simultaneously substituted with the new SEB Facility Agreement. The amount of the

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Company's current debt to SEB thus will not be increased, and the same assets of the Company as currently provided to SEB will be used as a new security to secure the implementation of the Company's obligations deriving from SEB Facility Agreement. Such new SEB Facility Agreement may have a maturity date of not less than five (5) years from the time of issuance of the loan. No repayments of the principal amount are intended to be made under the SEB Facility Agreement during the operation of the LPP Plan;

- 3) the Company may agree that its bilateral contractual obligations between Danske and the Company are novated with the effect that Warwick substitutes Danske in the contractual relationships with the Company while remaining all material terms and conditions unchanged if compared to existing contractual arrangements in force with Danske;
- 4) the Company may novate or amend and restate its bilateral contracts with Warwick into a new Warwick Facility Agreement. In the result of Company entering into new Warwick Facility Agreement the existing contractual arrangements with Danske will be terminated and simultaneously substituted with the new Warwick Facility Agreement. The amount of the Company's current debt to Danske thus will not be increased, and the same assets of the Company as currently provided to Danske will be used as a new security to secure the implementation of the Company's obligations deriving from Warwick Facility Agreement in the form of a junior pledge. Such new Warwick Facility Agreement may have a maturity date of not less than five (5) years from the date of the agreement. No repayments of the principal amount are intended to be made under the Warwick Facility Agreement during the operation of the LPP Plan;
- 5) the Company may enter into a new SEB Guarantee Facility Agreement, whereby SEB extends the validity of existing guarantee that SEB has provided for the favour of the Company while remaining all material terms and conditions unchanged if compared to the existing guarantee;
- 6) the Company may agree to pay interest in respect to the Company's obligations specified in this Section 9.1.3. of the LPP Plan to SEB and Warwick within LPP provided that monthly interest payments are lower than current monthly forbearance payments to the Secured Creditors. For the avoidance of doubts, the payment of such interest to SEB and Warwick will simultaneously exclude the Company's obligation to pay forbearance payments.

Subject to all assets of the Company being pledged in favour of the Secured Creditors, as well as taking into account the provisions set in paragraph five of Article 40 of the Insolvency Act and the restrictions arising out of the contractual obligations of the Company towards the Secured Creditors, the Company will obtain a separate approval of the Secured Creditors to implement the restructuring of secured obligations. In case it will be impossible for the Company to agree with Secured Creditors on the restructuring of secured obligations, then the Company will continue the fulfilment of its obligations against the Secured Creditors as provided under the LPP Plan."

7. State Subsection 9.1.4 of the LPP Plan in the following wording:

"9.1.4. Alienation of the assets of the US Subsidiary (*subparagraph 5 of paragraph one of Article 38 of the Insolvency Act*)

On 2 June 2020, the US Subsidiary accomplished the sale of its assets and transferred Phase One and Phase Two located in Dublin, State of Georgia, USA, to corporation Saint-Gobain Adfors America, Inc. On the same day the US Subsidiary has received the payment for the transferred assets from Saint-Gobain Adfors America.

The distribution of the proceeds obtained from the sale of Phase One and Phase Two assets is governed by the plan of liquidation of the US Subsidiary. On 10 September 2020 a plan of liquidation of the US Subsidiary was lodged in the US insolvency court for ratification. On 1 December 2020 the US insolvency court approved the US Subsidiary plan of liquidation.

8. Add a Subsection 9.1.5 of the LPP Plan in the following wording:

"9.1.5. 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 (*subparagraph 5 of paragraph one of Article 38 of the Insolvency Act*)

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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 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.

The Company and the Secured Creditors may agree to terminate the agreement described in this Subsection 9.1.5. of the Plan in case the Company has restructured its payment obligations substantially as specified in Subsection 9.1.3 of the Plan. In such event the Company shall cease to make forbearance payments to the Secured Creditors under Section 16 of the LPP Plan."

9. State Subsection 9.3.1 of the LPP Plan in the following wording:

"9.3.1. Right of the Company to raise additional funding and provide new security (*subparagraph 2 and 5 of paragraph one of Article 38 of the Insolvency Act*)

The Company has a right, while not an obligation, to raise additional funding, if necessary, for the purpose to supplement working capital of the Company, improve the liquidity of the Company, and secure covering of operational costs and reconstruction of the glass melting furnace. In order to accomplish the said purpose the Company shall have a right, while not an obligation, to enter, if necessary, into a revolving credit facility agreement with SEB for issuance of a loan to the Company in the amount of up to **EUR 10,000,000** with the loan maturity date in 5 years after the date of issuance of the loan. The loan would be secured upon a new pledge on Company's assets and assets of Company's subsidiary (cash, movable and immovable) over the assets of the Company that are currently pledged in favour of the Secured Creditors. Accordingly, after the issuance of this loan the secured claim of SEB would be increased by the amount of the loan issued. No repayments of the principal amount are intended to be made under this revolving credit facility agreement during the operation of the LPP Plan. The Company may agree to pay interest for borrowed funds from SEB at market rates or lower, not exceeding the annual rate of 4.5% during the implementation of LPP Plan.

The Company has a right, while not an obligation, to borrow funds in the amount of up to **EUR 5,000,000**, if necessary, to supplement the working capital, improve the liquidity of the Company and to cover the operational costs, by entering into a loan agreement with Warwick for granting of a revolving credit facility in the amount of up to EUR 5,000,000 establishing the maturity date in 5 years after the date of issuance of the first instalment of the loan. The provisions of the revolving credit facility may allow the Company to repay the loan in full or in part before the maturity date either, if each such payment reached the amount of at least EUR 500,000, by applying the rate of interest on use of the capital of 10% (in the form of interest payment of PIK or '*payment in kind*', which shall be added to the principal amount of the loan on quarterly basis). The Company's obligations under this loan would be contractually subordinated to the Company's obligations to SEB. Consequently, no repayment or prepayment may be made by the Company unless in the amount and on the terms as agreed with SEB or consented by SEB on a case-by-case basis. No security would be provided for this revolving credit facility.

The Company has a right, while not an obligation, to borrow from Secured Creditors USD 15,000,000 or less which is an amount equivalent to the proceeds recovered by the Secured Creditors from US Subsidiary. The Company may use the loan to supplement the working capital, improve the liquidity cover operational costs or make capital investments. The loan may be obtained either under a new loan agreement or be added to the new SEB Facility Agreement and Warwick Facility Agreement as additional loan. In either case the loan may be returned within 5 years' time after the date of issuance of the loan. The loan would be secured upon new security on Company's assets (cash, movable and immovable) and assets of Company's subsidiary that are currently pledged in favour of the Secured Creditors as well as guarantee of Company's subsidiary. Accordingly, after the issuance of this loan

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the secured claims of Secured Creditors would be increased by the amount of the loan issued. In such event the security provided to Warwick would be subordinated to the security provided to SEB. No repayments of the principal amount of the loan are intended to be made during the operation of the LPP Plan. The Company may agree to pay interest for the loan from Secured Creditors at market rates or lower, not exceeding the annual rate of 4.5% during the implementation of LPP Plan. The Company's obligations towards Warwick under this loan would be subordinated to the Company's obligations to SEB. Consequently, no repayment or prepayment may be made by the Company to Warwick unless in the amount and on the terms as agreed with SEB or consented by SEB on a case-by-case basis.

The additional funding obtained by the Company under this Subsection 9.3.1. of the LPP Plan will be treated as financing provided for the purpose to implement the LPP Plan, which is further described under paragraph 5 of Article 40 of the Insolvency Act. Any payments paid to the providers of additional financing during LPP will be treated as costs related to the securing the economic activity of the Company in accordance with subparagraph 5 of paragraph three of Article 167 of the Insolvency Act. In case the LPP is terminated and Company's insolvency is declared, the funds provided to the Company under this Subsection 9.3.1. of the LPP Plan will be treated as costs of insolvency process, however will be subordinated to the secured claims of Secured Creditors. The security that has been provided to SEB and Warwick shall be respected in case the Company's insolvency is declared.

Subject to the contracts concluded with the Secured Creditors, as well as the fact that all assets of the Company are pledged in favour of the Secured Creditors, pursuant to provisions of paragraph five of Article 40 of the Insolvency Act, any transaction concerning raising of additional funding or providing a security requires written approval of the Secured Creditors.

If for any reasons it will not be possible for the Company to attract financing from Secured Creditors and/or Warwick as referred above in this Section, the Company is still upon its own discretion entitled to attract financing from any other third party on the condition that: 1) the aggregate amount of such potential financing does not exceed the aggregate financing limits set forth above; 2) Secured Creditors have provided prior written approval to the Company for the attraction of such financing from third party or parties as the case may be."

10. Introduce the following amendments to Section 12 of the LPP Plan:

State the third paragraph to Section 12 of the LPP Plan:

"During LPP the Company has a right, while not an obligation, to undertake new debt obligations that are described in Section 9.3.1 of the LPP Plan, if necessary, in order to supplement the working capital of the Company, improve the liquidity of the Company or secure reconstruction of an equipment crucial for the economic activity of the Company – production facility / glass melting furnace – without obtaining prior approval of the person supervising LPP and the unsecured creditors for such transaction, if the total amount of such new debt obligations does not exceed the total amount of debt (i.e. EUR 15,000,000 plus USD 15,000,000) as described in Section 9.3.1 of the LPP Plan.

11. Introduce amendments to the appendices of the LPP Plan:

State Appendix No 1 to the LPP Plan in a new wording pursuant to the restated Appendix No 1 enclosed to the Amendments.

State Appendix No 2 to the LPP Plan in a new wording pursuant to the restated Appendix No 2 enclosed to the Amendments.

State Appendix No 3 to the LPP Plan in a new wording pursuant to the restated Appendix No 3 enclosed to the Amendments.

State Appendix No 4 to the LPP Plan in a new wording pursuant to the restated Appendix No 4 enclosed to the Amendments.

State Appendix No 6 to the LPP Plan in a new wording pursuant to the restated Appendix No 6 enclosed to the Amendments.

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12. Introduce amendments to the text of the LPP Plan:

Establish that everywhere in the text of the LPP Plan where references are made to Appendices No 1, No 2, No 3, No 4 and No 6 to the LPP Plan it shall be deemed that the reference is made with regard to Appendices No 1, No 2, No 3, No 4 and No 6 to the LPP Plan in such a wording as they are enclosed to the present Amendments.

ENCLOSED:

1. Appendix No 1 to the LPP Plan – All Payment Obligations – in the wording as of December 3, 2020;
2. Appendix No 2 to the LPP 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 as of December 3, 2020;
3. Appendix No 3 to the LPP Plan – Schedule for Performance of Payment Obligations – in the wording as of December 3, 2020;
4. Appendix No 4 to the LPP Plan – Planned Income and Expenditure – in the wording as of December 3, 2020;
5. Appendix No 6 to the LPP Plan – Obligations of the Company Towards the Secured Creditors – in the wording as of December 3, 2020.

Valmiera, December 3, 2020,

Yours sincerely,

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

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

THE PRESENT DOCUMENT IS SIGNED ELECTRONICALLY WITH A QUALIFIED ELECTRONIC
SIGNATURE AND CONTAINS A TIME STAMP