

COMPOSITION PROPOSALS

**of Ferax spółka z ograniczoną odpowiedzialnością w restrukturyzacji with
its registered office in Zduńska Wola**

A. GENERAL PROVISIONS

1. Creditors' claims will be satisfied by the Debtor under the composition with separate Groups.
2. The same creditor with multiple claims may be classified in different Groups depending on the type of claims it is entitled to and the criteria for distinguishing a particular Group.
3. The classification of individual claims into Groups is based on the criterion of the subject (relating to the creditor), the object (relating to the type and source of the claim) or the criterion of the amount of the claim or the criterion of the amount of claims.
4. When classifying individual claims to the Groups, priority is given to the subject criterion, followed by the object criterion.
5. The assignment of claims to a given Group means that the principal claim is recognized in the Group together with all secondary claims.
6. If, after the date of approval of the composition, claims are discovered which by operation of law are covered by the composition and which are not included in the list of claims, they shall be classified in the relevant Creditors' Group in accordance with the criteria for classification in the Groups and the rules laid down in these general provisions. They are subject to satisfaction in accordance with the composition proposals provided for the Group, with the first instalment to be paid within one month from the date the claim is disclosed in the Debtor's books.
7. Time limits for payment under the composition are reserved in favour of the Debtor.
8. In the case of claims in foreign currency, the Debtor shall pay them in accordance with the provisions of the arrangement, as to the amount and term of repayment, in the currency of the respective claim.
9. For the purposes of the composition, costs related with pursuing and recovering claims shall be understood to include, but not be limited to, compensation for recovery costs referred to in Article 10 of the Act on Prevention of Excessive Delays in Commercial Transactions of 8 March 2013 (consolidated text, Journal of Laws of 2021, item 424) and recovery costs in excess of the compensation amount.

B. SPECIFIC PROVISIONS

I. GROUP I

1. Group description:

Claims due to creditors holding a security in kind on the debtor's assets.

2. Repayment proposal:

1) Repayment of the principal claims subject to Section 2.2 below at 100% plus interest at 4% p.a. accrued from the date of final approval of the Arrangement.

2) Redemption shall be effected by virtue of the Arrangement upon full and due execution of the Arrangement:

2.1. in 100% of secondary claims, including collection costs and interest accrued up to the day before the day on which the decision to approve the arrangement became final, excluding:

a) guarantee disbursement commission (commission calculated on the amount of the demand for payment)

b) guarantee disbursement commission (for each 3-month guarantee period started);

2.2. in 100 % of the receivables arising from the sureties granted by the Debtor, while in the case of agreements providing for joint and several liability of the Debtor for the liabilities of third parties - redemption will be made only to the extent of the elimination of the Debtor's liability for the Receivables

3. Mode of satisfaction:

Repayment of the total claim according to the repayment proposal will be made in 29 (twenty-nine) instalments according to the repayment schedule.

REPAYMENT SCHEDULE

1. The schedule provides for payments to creditors in instalments ("**Instalments**") accordance with the Instalment Schedule ("**Schedule**") set forth in section 2.

2. Instalment schedule:

- 1) **Instalment No. 1** - payable on April 30, 2023 in the amount of 1.92% of the total claims in accordance with the repayment proposal for the indicated Group,
- 2) **Instalment No. 2** - payable on 31/07/2023 in the amount of 1.92% of the total claims in accordance with the repayment proposal for the designated Group,
- 3) **Instalment No. 3** - payable on 31/10/2023 in the amount of 1.35% of the total claims in accordance with the repayment proposal for the indicated Group,
- 4) **Instalment No. 4** - payable on 31.01.2024 in the amount of 2.49% of the total debt in accordance with the repayment proposal for the indicated Group,
- 5) **Instalment No. 5** - payable on 30.04.2024 in the amount of 1.92% of the total debt in accordance with the repayment proposal for the indicated Group,
- 6) **Instalment No. 6** - payable on 31.07.2024 in the amount of 1.92% of the total claims in accordance with the repayment proposal for the designated Group,
- 7) **Instalment No. 7** - payable on 31.10.2024 in the amount of 1.35% of the total claims in accordance with the repayment proposal for the designated Group,
- 8) **Instalment No. 8** - payable on 31.01.2025 in the amount of 2.49% of the total claims in accordance with the repayment proposal for the designated Group,
- 9) **Instalment No. 9** - payable on 30.04.2025 in the amount of 1.92% of the outstanding debt in accordance with the repayment proposal for the designated Group.

- 10) **Instalment No. 10** - payable on 31.07.2024 in the amount of 1.92% of the total outstanding in accordance with the repayment proposal for the designated Group,
 - 11) **Instalment No. 11** - payable on 31.10.2024 in the amount of 1.35% of the total debt in accordance with the repayment proposal for the indicated Group,
 - 12) **Instalment No. 12** - payable on 31.01.2025 in the amount of 2.49% of the total debt in accordance with the repayment proposal for the designated Group,
 - 13) **Instalment No. 13** - payable on 30.04.2025 in the amount of 1.92% of the total debt in accordance with the repayment proposal for the designated Group,
 - 14) **Instalment No. 14** - payable on 31.07.2025 in the amount of 1.92% of the total debt in accordance with the repayment proposal for the designated Group,
 - 15) **Instalment No. 15** - payable on 31/10/2025 in the amount of 1.35% of the total claims in accordance with the repayment proposal for the designated Group,
 - 16) **Instalment No. 16** - payable on 31.01.2026 in the amount of 2.49% of the total debt in accordance with the repayment proposal for the designated Group,
 - 17) **Instalment No. 17** - payable on 30.04.2026 in the amount of 1.92% of the total debt in accordance with the repayment proposal for the designated Group,
 - 18) **Instalment No. 18** - payable on 31.07.2026 in the amount of 1.92% of the total debt in accordance with the repayment proposal for the designated Group,
 - 19) **Instalment No. 19** - payable on 31.10.2026 in the amount of 1.35% of the total debt in accordance with the repayment proposal for the designated Group,
 - 20) **Instalment No. 20** - payable on 31.01.2027 in the amount of 2.49% of the total debt in accordance with the repayment proposal for the designated Group,
 - 21) **Instalment No. 21** - payable on 30.04.2027 in the amount of 1.92% of the outstanding debt in accordance with the repayment proposal for the designated Group.
 - 22) **Instalment No. 22** - payable on 30.07.2027 in the amount of 1.92% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 23) **Instalment No. 23** - payable on 31/10/2027 in the amount of 1.35% of the outstanding balance in accordance with the repayment proposal for the indicated Group.
 - 24) **Instalment No. 24** - payable on 31.01.2028 in the amount of 2.49% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 25) **Instalment No. 25** - payable on 30.04.2028 in the amount of 1.92% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 26) **Instalment No. 26** - payable on 31.07.2028 in the amount of 1.92% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 27) **Instalment No. 27** - payable on 31/10/2029 in the amount of 1.40% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 28) **Instalment No. 28** - payable on 31.01.2030 in the amount of 2.49% of the outstanding balance in accordance with the repayment proposal for the designated Group.
 - 29) **Instalment No. 29** - payable on April 30, 2030, in the amount of the total outstanding debt in accordance with the repayment proposal for the indicated Group, less amounts settled up to the date of final approval of the Arrangement and increased by receivables under guarantees granted that became due after the date of the decision of the restructuring court on the validity of the decision on the approval of the Arrangement.
3. The payment of the first instalment will include that instalment whose due date according to the schedule will fall at the earliest after the day on which the restructuring court issues a ruling on confirming the validity of the decision on approving the composition, but not earlier than 30 days from that day.

4. Instalments scheduled to become due earlier than the due date of the first Instalment referred to in section 3 shall move to the end of the schedule with quarterly intervals whereby installment No. 29 will always be paid last.

GROUP II

1. Group description:

Claims due to the strategic creditors i.e. creditors who, from the Company's point of view, are strategic counterparties with which cooperation has a significant impact on the continuation of the Company's operations. Strategic creditors are the following: "WOWO" Drukarnia Ofsetowa sp. z o.o., "FERAX POLONIA-ITALIA JOINT VENTURE CO. LTD" sp. z o.o. and Zrinko Bakovic and Cedric Roland as partners in Global Textiles s.c.

2. Repayment proposal:

- 1) Repayment of the principal claim in **50%** of principal claim and the redemption of the remaining amount on the day of final instalment payment.
- 2) Redemption of **100%** of secondary claims, including collection costs and interest.

3. Mode of satisfaction:

- 1) Repayment of the total claim according to the repayment proposal will be made in 84 (eighty-four) monthly instalments.
- 2) The payment of first instalment will be made at the end of the month in which the restructuring court issues a ruling on the validity of the decision on the approval of the composition.

GROUP III

1. Group description:

Claims due to the Social Insurance Institution referred to in Article 160 of the Act of 15 May 2015 - Restructuring Law (consolidated text, Journal of Laws of 2021, item 1588).

2. Repayment proposal:

Repayment of **100%** of the principal claim and **100%** the secondary claims.

3. Mode of satisfaction:

- 1) Repayment of the total claim according to the repayment proposal will be made in 84 (eighty-four) monthly instalments.

- 2) The payment of first instalment will be made at the end of the month in which the restructuring court issues a ruling on the validity of the decision on the approval of the composition.

GROUP IV

1. Group description:

Other creditors not classified in the other groups.

2. Repayment proposal:

- 1) Repayment in **20%** of the principal claim and the redemption of the remaining amount on the day of final instalment payment.
- 2) Redemption of **100%** of secondary claims, including collection costs and interest.

3. Mode of satisfaction:

- 1) Repayment of the total claim according to the repayment proposal will be made in 84 (eighty-four) monthly instalments.
- 2) The payment of first instalment will be made at the end of the month in which the restructuring court issues a ruling on the validity of the decision on the approval of the composition.