

Decision

On 24 April 2006

District Court in Opole 5th Commercial Division Bankruptcy Section

The bench: **Chair:** District Court Judge Anna Zborzyńska

having considered at the trial on 24 April 2006 **the petition of the debtor** Fabryka Maszyn i Urządzeń "FAMAK" SA in Kluczbork **for approval of the composition agreement**

decides

on the basis of art. 287 of the bankruptcy and reorganisation law

I. to approve of the composition agreement concluded on 03 April 2006 between the debtor – Fabryka Maszyn i Urządzeń "FAMAK" SA in Kluczbork and its creditors under which:

1. the debtor shall pay off debts to the creditors whose receivables arise from the employment:

a. without reducing the sum of debts,

b. in three quarterly instalments, payable in the last month which ends a full calendar quarter, starting from the date when the court's decision on completion of the bankruptcy proceedings becomes valid;

2. the debtor shall pay off debts to the privileged creditors (art. 279 par. 2 of the bankruptcy and reorganisation law) whose sum of total receivables does not exceed 10,000 PLN:

a. without reducing the sum of debts,

b. with a deferment of payment by three calendar quarters starting from the date when the court's decision on completion of the bankruptcy proceedings becomes valid;

c. in three quarterly instalments, payable in the last month which ends a full calendar quarter after the grace period;

3. the debtor shall pay off debts to other creditors whose sum of total receivables exceeds 10,000 PLN:

a. through conversion of 100% of debts into the shares of Fabryka Maszyn i Urządzeń "FAMAK" SA in Kluczbork following the rule that each 10 PLN of the debt shall be converted into one ordinary bearer Cshare of face value 10 PLN.

4. the agreement includes receivables with default interests due accrued from the maturity date for major receivables until the date when a decision to declare bankruptcy with the possibility to conclude the composition agreement was made, i.e. 22 March 2005, however, the interests shall not be accrued after this date.

II. to set a final court's entry for the composition proceedings at the amount of 40,000 PLN (forty thousand zlotys) in total payable by the debtor.

A round seal with the national emblem of the Republic of Poland in the centre and the lettering in the rim: "DISTRICT COURT IN OPOLE".

An oblong stamp with the lettering: "On the original a relevant signature: Certified to be a true copy of the original, Senior secretary, Irena Spatek". Signature illegible.