

**JUDICIAL RECOVERY PLAN**  
**PRESENTED BY**  
**FXX ADMINISTRAÇÃO E PARTICIPAÇÕES S.A., ARTECOLA**  
**PARTICIPAÇÕES S.A., ARTECOLA QUÍMICA S.A., ARTECOLA EXTRUSÃO**  
**LTDA., ARTEFLEX MAXIMINAS EQUIPAMENTOS DE PROTEÇÃO**  
**INDIVIDUAL LTDA. AND ARTECOLA NORDESTE S.A. – CHEMICAL**  
**INDUSTRIES - all of them under judicial Recovery**

*Judicial Recovery Process of FXX Administração e Participações S.A., Arteccla Participações S.A., Arteccla Química S.A., Arteccla Extrusão Ltda., Arteflex Maximinas Equipamentos de Proteção Individual Ltda. e Arteccla Nordeste S.A. – Chemical Industries, underway before the Bankruptcy and Recovery Court of Novo Hamburgo, State of Rio Grande do Sul, in the case files under no. 0002843-89.2018.8.21.0019.*

**FXX ADMINISTRAÇÃO E PARTICIPAÇÕES S.A.**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 91.669.135/0001-08 (“**FXX**”); **ARTECOLA PARTICIPAÇÕES S.A.**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 21.315.899/0001-01 (“**Arteccla Participações**”); **ARTECOLA QUÍMICA S.A.**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 44.699.346/0001-03 (“**Arteccla Química**”); **ARTECOLA EXTRUSÃO LTDA.**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 10.439.439/0001-79 (“**Arteccla Extrusão**”); **ARTEFLEX MAXIMINAS EQUIPAMENTOS DE PROTEÇÃO INDIVIDUAL LTDA.**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 10.852.767/0001-00 (“**Arteflex**”); **ARTECOLA NORDESTE S.A. – INDÚSTRIAS QUÍMICAS**, a legal entity of private law, enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 08.567.190/0001-35 (“**Arteccla Nordeste**” and, jointly with FXX, Arteccla Participações, Arteccla Química, Arteccla Extrusão and Arteflex, hereinafter referred to as “**Debtors**”), all of them duly qualified in the case files of the abovementioned judicial Recovery and with head offices located at Rua Curitibanos, nº 133, Sala A, Canudos, Novo Hamburgo/RS, CEP 93.542-130, present this Judicial Recovery Plan (“**PRJ**”) to be approved by the Creditor’s General Meeting and for the judicial homologation according to the terms of art. 45 and 58 of Law 11.101/2005, as amended (“**LRF**”):

- (i) Considering that the Debtors have faced economic, market and financial difficulties;



- (ii) Whereas that, in response to these difficulties, the Debtors filed a petition for judicial Recovery under the LRF, on February 5, 2018, and shall submit a judicial Recovery plan to the approval of the Creditors' Meeting and homologation under the terms of art. 53 of LRF;
- (iii) Considering that this PRJ meets the requirements contained in art. 53 of the LRF, is that: (a) it details the means of recovery of the Debtors; (b) is feasible from an economic point of view; and (c) is accompanied by the respective economic-financial report and evaluation of assets and goods of the Debtors, subscribed by specialized professionals;
- (iv) Whereas that, due to the PRJ, the Debtors seek to overcome their economic-financial crisis and restructure their business aiming at: (a) preserving and adapting their business activities; (b) to maintain itself as a source of wealth generation, taxes and jobs; (c) renegotiate the payment of its creditors;

The Debtors submit this PRJ to the approval of the Creditor's General Meeting and to the judicial homologation, under the following terms:

## SECTION I - INTRODUCTION

### 1. INTERPRETATION AND DEFINITIONS

**1.1. Rules of Interpretation.** The terms defined in this Clause 1 shall be used, as appropriate, in their singular or plural form, in the male or female gender, without thereby losing the meaning attributed to them. Unless otherwise specified, all clauses and annexes mentioned in this PRJ refer to clauses and annexes of the PRJ itself. The titles of the chapters and clauses of this PRJ have been included for reference only and shall not affect the content of their forecasts. This PRJ shall be interpreted, in its application, according to art. 47 et seq. of the LRF.

**1.2. Definitions.** The terms used in this PRJ have the meanings defined below:

**1.2.1. "Judicial Administrator":** Judicial administrator appointed by the Recovery Court, pursuant to Chapter II, Section III of the LRF, thus understood as the company Medeiros & Medeiros Administração de Processos de Falência e Empresas em Recuperação Ltda., enrolled in the National Registry of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 24.593.890/0001-50, with head offices located at Rua Júlio de Castilhos, 679, salas 111 e 112, city of Novo Hamburgo, State of Rio Grande do Sul, CEP 93510130, represented by Mr. Laurence Bica Medeiros;



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1.2.2. "AGC": Means the Creditors' General Meeting under the terms of Chapter II, Section IV, of the LRF.

1.2.3. "Approval of the PRJ": Approval of the PRJ in terms of art. 45 or art. 58 of LRF, respecting the provisions of arts. 55 and 56 of LRF.

1.2.4. "Credits": All Labor Credits, Security Interest Credits, Unsecured Credits and ME and EPP Credits, as well as the corresponding obligations existing on the Order Date.

1.2.5. "Security Interest Credits": Credits held by Creditors with Security Interest.

1.2.6. "ME and EPP Credits": Credits held by ME and EPP Creditors.

1.2.7. "Unsecured Credits": Credits held by Unsecured Creditors.

1.2.8. "Labor Credits": Credits held by Labor Creditors.

1.2.9. "Creditors": Persons, whether individuals or legal entities, who are on the list of creditors drawn up by the Recovery Trustee, with the changes resulting from agreements between the parties or from judicial decisions, and which are subject to the effects of judicial Recovery.

1.2.10. "Security Interest Creditors": Creditors that have credits with security interest granted by real guarantee rights (including pledge and/or mortgage), pursuant to Article 41, II, of the LRF, which guarantees shall be maintained, unless expressly released by the respective Security Interest Creditor that holds such guarantee.

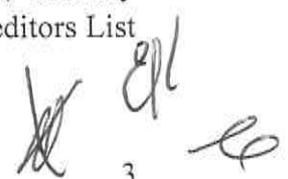
1.2.11. "ME and EPP Creditors": Creditors constituted as microenterprise or small business, under the terms of art. 41, IV, of LRF.

1.2.12. "Unsecured Creditors": Creditors holding unsecured credits, with general privilege, especially privileged and subordinated, under the terms of art. 41, III, of LRF.

1.2.13. "Labor Creditors": Creditors holding credits derived from labor legislation or arising from work accidents, pursuant to art. 41, I of the LRF, including those credits arising from the notice of waiver of the employment agreement prior to the filing of the Order Date, regardless of the manner in which the notice is complied with.

1.2.14. "Order Date": The date on which the request for judicial Recovery was filed by the Debtors, that is, February 5, 2018.

1.2.15. "Restructured Debt": Means the new terms of the total debt of the Debtors with the Creditors after the homologation of the PRJ, including Labor Credits, Security Interest Credits, Unsecured Credits and ME and EPP Credits, listed in the Creditors List

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and as they may be determined upon completion of the general framework of creditors, applying the percentages of discount, terms and forms of payment as provided in this PRJ.

1.2.16. "Homologation of the PRJ": Judgment decision of the trial court that approves the PRJ pursuant to article 45 or 58, caput and paragraph 1, of the LRF, as the case may be.

1.2.17. "Recovery Court": Judge of Law of the Bankruptcy and Recovery Court of Novo Hamburgo, State of Rio Grande do Sul.

1.2.18. "List of Creditors": The last list presented by the Debtors in the records of the Judicial Recovery, as replaced by the list to be disclosed by the Recovery Trustee pursuant to article 7, § 2 of the LRF, and amended by the decisions regarding the respective claim challenges.

1.2.19. "LRF": Law no. 11,101, of February 9, 2005, as amended.

1.2.20. "PRJ": This judicial Recovery plan of the Debtors, in the form presented and, as the case may be, in the form in which it passes through the Homologation of the PRJ.

1.2.21. "Judicial Recovery": Means the judicial Recovery process no. 0002843-89.2018.8.21.0019, filed by the Debtors, underway before the Recovery Court.

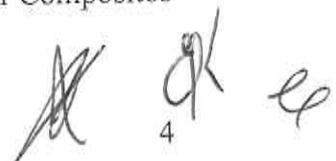
1.2.22. "Debtors" or "Arteca Group": FXK Administração e Participações S.A., Arteca Participações S.A. Arteca Química S.A., Arteca Extrusão Ltda., Arteflex Maximinas Equipamentos de Proteção Individual Ltda. and Arteca Nordeste S.A. – Chemical Industries; as qualified in the case files of the Recovery Court.

## SECTION II - PURPOSE OF THE PRJ

### 2. PURPOSE OF THE PRJ

2.1. **Purpose.** In view of the difficulties of the Debtors in complying with their current financial obligations, this PRJ foresees the accomplishment of measures that aim at the new profile of the indebtedness of the Debtors, the generation of operational cash flow necessary for the payment of the debt and the generation of working capital and resources necessary for the continuity of the activities of the Debtors, duly sized for the new reality of the Debtors.

2.2. **Reasons for Judicial Recovery.** The financial crisis of the Debtors was the result of an unfortunate combination of negative events, which began with the entry of the Arteca Group, after the acquisition of an interest in Gatron Inovação em Compósitos

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S.A. in the construction market through adherence to the *Programa Nacional de Reestruturação e Aquisição de Equipamentos para a Rede Escolar Pública de Educação Infantil* - National Program of Recovery and Acquisition of Equipments for Kindergarten Public Schools - (Proinfancia) that, in the face of the crisis that has affected Brazil in the last decade, provoked, as of the year 2014, a successive and relevant default by the public bodies, “emptying” the cash of the Artecologia Group. Added to this, the crisis has led to abrupt claim cuts with suppliers and financial institutions, further damaging the business. These abovementioned facts, as previously duly demonstrated in the initial petition for the judicial Recovery, generated the economic-financial and liquidity crisis of the Debtors that culminated in the request for Judicial Recovery.

**2.3. Economic Viability of the PRJ and Evaluation of Debtors’ Assets.** In compliance with the provisions of items II and III of art. 53 of the LRF, the Economic-Financial Report and the Appraisal of Goods and Assets and the Report of Economic Viability of this PRJ, subscribed by specialized professionals, are in Annexes 2.3-A and 2.3-B, respectively.

### SECTION III - RECOVERY MEASURES

#### 3. MAINTENANCE OF ACTIVITIES AND NEEDS OF NEW SUPPLIES

**3.1. Maintenance of Supply Activities.** Subject to the limitations set forth by law, the Debtors retain the right and ability to carry out its activities and to perform all acts consistent with its corporate purpose, in the normal course of its business, including with respect to renewal, payment or contracting of new supplies, whether with new or current partners/suppliers, provided that under normal commercial market conditions, without the need of prior authorization of AGC or of the Judgment of Recovery.

**3.1.1.** The Debtors operate their activities in an integrated way, in order to optimize the operational and managerial management, reason why the resources of one of the Debtors may be transferred to the other in the normal course of the businesses of the Debtors.

**3.2. Acquisition of Resources.** The Debtors may contract new financing and supplies, without the prior authorization of the AGC or the Recovery Court, and may enter into loan agreements in order to enable the development of its activities.

### SECTION IV - PAYMENT OF CREDITORS

#### 4. NOVATION

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4.1. **Novation.** In accordance with art. 59 of the LRF, all Creditor Credits are novated in the form of this PRJ. The credits novated after the application of the discount, amortization and eventual cash payments and payment periods provided in this PRJ shall constitute the Restructured Debt, as set forth in this PRJ.

4.2. **Origin of Resources for Payment of Creditors.** The funds for the payment of the Creditors shall be derived from the operational profits eventually generated by the continuity of the conduct of the business by the Debtors.

## 5. PAYMENT OF LABOR CREDITORS

5.1. The Labor Creditors will receive payment of their Labor Credits in twelve (12) equal and consecutive monthly installments, the first due in the month immediately following the homologation of the PRJ or the definitive authorization of the respective credit, if made after the Homologation of the PRJ, duly restated by the variation of the Referential Rate, plus interest of one percent (1%) per year.

5.2. Within thirty (30) days of the homologation of the PRJ, any Labor Creditors shall be paid up to a limit of five (5) minimum salaries per worker, due in the three (3) months prior to the filing of the Judicial Recovery, provided that the credits are duly and definitely enabled.

5.3. For the purposes of the clause above, any payments due shall be required on the fifteenth (15<sup>th</sup>) day of each month, provided that if the fifteenth (15<sup>th</sup>) day is not considered a business day, payment shall be due on the first subsequent business day to such fifteenth (15<sup>th</sup>) day.

5.4. Payments made in the manner set forth in this Clause shall result in the full, irrevocable and irreversible discharge of Labor Credits.

## 6. PAYMENT OF CREDITORS WITH SECURITY INTEREST.

6.1. **Payment of Creditors with Security Interest.** The Security Interest Creditors shall be entitled to receive the face value of the credits novated in accordance with this PRJ, excluding any amounts due to interest, fines and other charges.

6.2. Security Interest Credits shall be paid as follows:

(i) **Discount.** A discount of eighty percent (80%) will be applied to the face value of each Security Interest Credit.

(ii) **Grace Period.** Grace period of eighteen (18) months counted from the

    
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Homologation of the PRJ;

- (iii) **Monetary Correction.** Monetary correction restated by the variation of the Reference Rate, plus interest of one percent (1%) per year;
- (iv) **Amortization.** Payment in thirty (30) semiannual installments, equal and consecutive, as of the end of the grace period.

6.3. For the purposes of the clause above, any payments due shall be required on the fifteenth (15<sup>th</sup>) day of each month, provided that if the fifteenth (15<sup>th</sup>) day is not considered a business day, payment shall be due on the first subsequent business day to such fifteenth (15<sup>th</sup>) day.

6.4. Payments made in the manner set forth in this Clause shall result in the full, irrevocable and irreversible discharge of Security Interest Credits.

## 7. PAYMENT OF UNSECURED CREDITORS

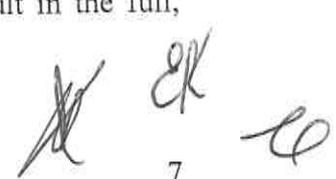
7.1. **Payment of Unsecured Creditors.** The Unsecured Credit Creditors shall be entitled to receive the face value of the credits novated in accordance with this PRJ, excluding any amounts due to interest, fines and other charges.

7.2. The Unsecured Credits shall be paid as follows:

- (i) **Discount.** A discount of eighty five percent (85%) will be applied on the face value of each Unsecured Credit.
- (ii) **Grace Period.** Grace period of eighteen (18) months counted from the Homologation of the PRJ;
- (iii) **Monetary Correction.** Monetary correction restated by the variation of the Reference Rate, plus interest of one percent (1%) per year;
- (iv) **Amortization.** Payment in thirty eight (38) semiannual installments, equal and consecutive, as of the end of the grace period.

7.3. For the purposes of the clause above, any payments due shall be required on the fifteenth (15<sup>th</sup>) day of each month, provided that if the fifteenth (15<sup>th</sup>) day is not considered a business day, payment shall be due on the first subsequent business day to such fifteenth (15<sup>th</sup>) day.

7.4. Payments made in the manner set forth in this Clause shall result in the full, irrevocable and irreversible discharge of Unsecured Credits.

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## 8. PAYMENT OF ME AND EPP CREDITORS

8.1. **Payment of ME and EPP Creditors.** The ME and EPP Creditors shall be entitled to receive the face value of the credits novated in accordance with this PRJ, excluding any amounts due to interest, fines and other charges.

8.2. The ME and EPP credits shall be paid as follows:

- (i) **Discount.** A discount of fifty percent (50%) will be applied on the face value of each ME and EPP Credit.
- (ii) **Grace Period.** Grace period of six (6) months counted from the Homologation of the PRJ;
- (iii) **Monetary Correction.** Monetary correction restated by the variation of the Reference Rate, plus interest of one percent (1%) per year;
- (iv) **Amortization.** Payment in twenty (20) semiannual installments, equal and consecutive, as of the end of the grace period.

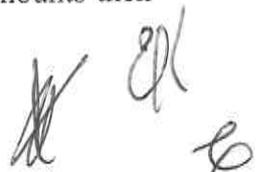
8.3. For the purposes of the clause above, any payments due shall be required on the fifteenth (15<sup>th</sup>) day of each month, provided that if the fifteenth (15<sup>th</sup>) day is not considered a business day, payment shall be due on the first subsequent business day to such fifteenth (15<sup>th</sup>) day.

8.4. Payments made in the manner set forth in this Clause shall result in the full, irrevocable and irreversible discharge of ME and EPP Credits.

## 9. PROVISIONS COMMON TO THE PAYMENT OF CREDITORS

9.1. **Payment Terms.** The amounts owed to the Creditors, under the terms of this PRJ, shall be paid through (i) judicial deposit with the Recovery Court or (ii) direct transfer of funds by means of a credit order document (DOC) or available electronic transfer (TED), to the account of each of the creditors to be informed individually by the creditor or by means of a petition indicating such account in the records of the judicial recovery.

9.1.1. The documents of the actual transfer of funds shall serve as proof of discharge of the respective amounts effectively paid by the Debtors, granting, therefore, to the Creditors, the broadest, plain and irrevocable discharge in relation to the amounts then paid.



9.1.2. Payments that are not made because the Creditors have not informed their bank accounts shall not be considered as noncompliance with the PRJ. There will be no interest or late payment charges if the payments have not been made because the Creditors did not inform their bank accounts.

9.2. **Percentages of the Flow of Payments**. In the event of a dispute or contestation of a Creditor, which judgment occurs after the homologation of the PRJ and which may change the percentage due to a particular Creditor, such new percentage shall only take effect for purposes of this PRJ as of the date of the final and unappealable decision, and any payments made previously based on the old percentages remain in full and unchanged.

9.3. **Values**. The amounts considered for payment of credits, calculation of discount and other rules for novation, are those included in the List of Creditors and their subsequent modifications resulting from agreement between the parties or from judicial decisions. No interest, monetary correction, penalties and contractual fines shall be charged on these amounts, except for the charges provided in this PRJ.

9.3.1. In order to make payments feasible, as well as reduce costs with bank transfer fees and make the administrative procedure faster, the Debtors shall make all payments due under this PRJ when the minimum amount of BRL five hundred Brazilian Reais (BRL 500.00) has been reached, in benefit of the Creditor, respecting the balance of each of the Creditors and according to the form, term and increase of payment charges of each class of Creditors, until the respective Credit settlements. If the payment installments are less than the minimum amount established in this PRJ, the Debtors shall make the payment to the Creditor as soon as the minimum value of five hundred Brazilian Reais (BRL 500.00) described herein is reached.

9.3.2. If the value of the respective Credit is less than the amount of the minimum amount of payments provided in this PRJ in relation to the List of Creditors, the respective payment shall be made up to the limit of the amount due according to the List of Creditors in order to achieve the effective discharge of the respective Credit.

9.4. **Allocation of Values**. The payment projections provided herein were based on the Credits in the List of Creditors included in the records of this Judicial Recovery by the Debtors, subject to the Restructured Debt provisions under this PRJ. Any difference between the List of Creditors and the general framework of final creditors under Article 18 of the LRF shall result in a change in the percentages of the payment in the total amount that shall be distributed among the Creditors of each class. In the event of a dispute or contestation of a Creditor, which judgment occurs after the homologation of the PRJ and which changes the percentage due to a particular Creditor, such divergence or contestation shall only take effect for purposes of this PRJ as of the date of the final and unappealable decision, and any payments made previously based on the old percentages remain in full and unchanged. Under no circumstances there will be the increase (i) in the

   
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flow of payments and (ii) the total amount to be distributed among the Creditors, according to the respective form of payment.

**9.5. Allocation of Payments between Principal and Charges.** All payments under this PRJ shall be allocated first to meet the principal amount of the Credits, as applied to the respective discount or reduction.

**9.6. Compensation.** The Debtors may pay any Credits or Creditors, as applicable and at their credit, by offsetting (i) credits of any nature that it has against the Creditors; and (ii) Credits owed by the Creditors, as applicable and as modified by this PRJ. In this case, the compensation shall extinguish both obligations up to the limit of the amount effectively compensated. Failure to make such compensation shall not lead to the waiver or release by the Debtors of any credits it may have against such Creditors.

**9.7. Credits in Foreign Currency.** For voting purposes, credits in foreign currency which have not yet been converted into the national currency for the purpose of determining the applicable exchange rate shall be converted into the national currency in accordance with the rate of sale of the foreign currency disclosed by the Central Bank of Brazil on the eve of the AGC, through its Internet website on exchange rates (<http://www.bcb.gov.br/?txcambio>), in the “*Cotações e Boletins*” section, “*Cotações de fechamento de todas as moedas em uma data*” option.

**9.8. Settlement.** Payments and distributions made in the manner established in this PRJ shall entail the full, irrevocable and irreversible discharge of all Credits novated in accordance with the PRJ, of any kind and nature, against the Debtors, including interest, monetary correction, penalties, fines and indemnities, where applicable. Upon the occurrence of the discharge, the Creditors shall be deemed to have paid, released and/or waived any and all Credits, and shall no longer be able to claim them against the Debtors.

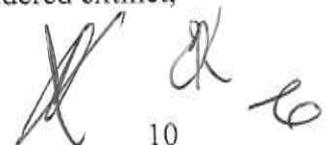
## SECTION V - POST-HOMOLOGATION

### 10. EFFECTS OF THE PRJ

**10.1. Binding Effect of the PRJ.** The provisions of the PRJ bind the Debtors and their Creditors, their respective assignees and successors, as of the Homologation of the PRJ.

**10.2. Conflict with Contractual Provisions.** In the event of conflict between the provisions of this PRJ and those provided in the agreements entered into with any Creditors, in relation to any obligations of the Debtors, whether to give, to do or not to do, the provisions contained in this PRJ shall prevail.

**10.3. Extinguishing of Legal Measures.** From the Homologation of the PRJ, all the executions of the Credits then in progress against the Debtors shall be considered extinct,

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due to the novation of this PRJ, under the terms of art. 59 of LRF.

**10.4. Lawsuits.** In order to effectively conduct this process of judicial Recovery of the Debtors, unless otherwise provided in this PRJ, the Creditors identified in the List of Creditors may no longer, as of the homologation of the PRJ, as the case may be: (i) file or pursue any legal action or proceeding of any kind relating to any Credit against the Debtors; (ii) enforce any judgment order, judicial decision or arbitration award against the Debtors, as related to any Credit; (iii) pledge any assets of the Debtors to satisfy their Credits; (iv) create, perfect or execute any security interest on assets and rights of the Debtors in order to ensure payment of their Credits; (v) claim any right of set-off against any credit due to the Debtors with their Credits; and (vi) file or pursue any legal action or proceeding of any kind relating to any Credit.

## 11. MODIFICATION OF THE PRJ

**11.1. Amendment of PRJ in AGC.** Amendments, alterations, changes or modifications to the judicial Recovery plan may be proposed by the Debtors at any time after the homologation of the PRJ, provided that (i) such amendments, changes or modifications are submitted to the vote in the AGC convened for such purpose and (ii) that are approved by the Debtors and approved by the minimum quorum of the LRF.

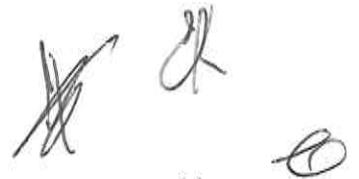
## 12. NON-FULFILLMENT WITH THE PRJ

**12.1. Event of Default of the PRJ.** This PRJ shall only be considered unfulfilled by judicial declaration, in any case, during the period established in art. 61 of LRF and also when it refers to payment obligations, provided that it also has arrears of payment of up to five (5) consecutive installments of payment as provided in this PRJ.

**12.2. Cure Period after Judicial Supervision.** After the expiration of the period described in the above clause, this PRJ shall not be considered as not fulfilled, unless the Creditor has notified in writing the Debtors, under the terms of this PRJ, specifying the noncompliance and requesting the purgation of the default interest within thirty (30) days after such notification. In this case, this PRJ shall not be considered unfulfilled and the judicial recovery shall not be considered as bankruptcy if: (i) the delay is purged within thirty (30) days from the date of notification.

## SECTION VI - COMMON PROVISIONS

### 13. GENERAL PROVISIONS

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**13.1. Annexes.** All Annexes to this PRJ are incorporated hereto and constitute an integral part of this PRJ. In the event of any inconsistency between this PRJ and any Annex, the PRJ shall prevail.

**13.2. Severability.** If any provision of this PRJ, for any reason, is held to be invalid, illegal or unenforceable in any respect, in any jurisdiction, such invalidity, unlawfulness or unenforceability shall not affect any other provision of this PRJ, which shall remain in full force, however, this PRJ shall be construed in such jurisdiction as if such invalid, illegal or unenforceable provision is so considered only against the Creditor who has presented its refusal, reservation or judicial action against the related provision, within the maximum limit permitted in such jurisdiction.

**13.3. Closure of Judicial Recovery.** The judicial recovery process shall be terminated at any time after the Homologation of the PRJ, at the request of the Debtors, provided that (i) such closure is approved by the majority of the Credits present in the AGC, in the manner set forth in art. 42 of the LRF; or (ii) all obligations of the PRJ that expire up to two (2) years after the Homologation of the PRJ have been complied.

**13.4. Communications:** All notifications, requests, orders and other communications to the Debtors required or permitted by this PRJ to be effective shall be made in writing and shall be deemed to have been made when sent by registered correspondence, with acknowledgment of receipt, or by courier, and effectively delivered.

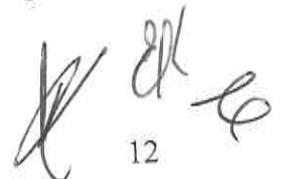
#### 14. ASSIGNMENTS

**14.1. Assignment of Credits.** The Creditors may assign their Credits to other Creditors or to third parties, and the assignment shall take effect provided that (i) the Debtors and the Judgment of Recovery are informed and (ii) the transferees receive and confirm receipt of a copy of this PRJ, acknowledging that the assigned credit shall be subject to its provisions upon the Homologation of the PRJ.

**14.2. Assignment of Obligations.** Except for the cases expressly provided in this PRJ, the Debtors may not assign any obligations arising from this PRJ without the prior consent of the simple majority of the Credits present in the AGC.

#### 15. LAW AND VENUE

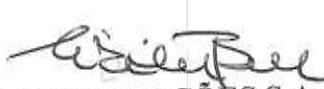
**15.1. Governing Law.** The rights, duties and obligations arising from this PRJ shall be governed, interpreted and enforced in accordance with the laws in force in the Federative Republic of Brazil, although there are Credits originating under the governance of laws of another jurisdiction and without any rules or principles of international law agreements being implemented.

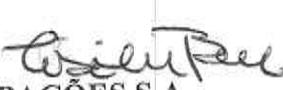


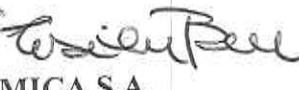
12

15.2. Venue. All controversies or disputes that arise or are related to this PRJ shall be resolved by the Recovery Court.

Novo Hamburgo, April 18, 2018.

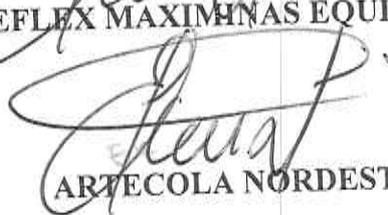
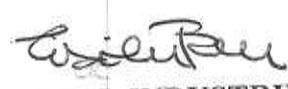
   
FXK ADMINISTRAÇÃO E PARTICIPAÇÕES S.A.

   
ARTECOLA PARTICIPAÇÕES S.A.

   
ARTECOLA QUÍMICA S.A.

  
ARTECOLA EXTRUSÃO LTDA.

   
ARTEFLEX MAXIMINAS EQUIPAMENTOS DE PROTEÇÃO INDIVIDUAL  
LTDA.

   
ARTECOLA NORDESTE S.A. - CHEMICAL INDUSTRIES