

To:

Beazley Staff Underwriting Ltd
Markel Syndicate Management Limited
AmTrust Syndicates Limited
Catlin Underwriting Agencies Limited
HCC International Company Plc, Sucursal en España
Antares Lloyd's Syndicate 1274
AIG Europe Limited
AmTrust Syndicates Limited
Antares Lloyd's Syndicate 1274
Starstone Insurance SE
AIG Europe Limited
Allied World Assurance Company (Europe)
XL Insurance Company SE
Great Lakes Reinsurance (UK) Plc

By means of exchange between legal advisers

Subject: Settlement Agreement Granbio

Dear Sirs,

Following the correspondence between us as well as between our advisers we herewith submit you the following settlement proposal.



**SETTLEMENT AGREEMENT
 BY AND BETWEEN**

1. **Beta Renewables S.p.A.**, a company duly established under Italian law, with registered office in Tortona (Alessandria), Strada Ribrocca 11, VAT number and number of registration with the Companies' Register of Alessandria 02232720066, represented herein by its legal representative Dr. Dario Giordano ("**Beta**");
2. **Biochemtex S.p.A.** (previously Chemtex Italia S.p.A.), a company duly established under Italian law, with a sole shareholder, with registered office in Tortona (Alessandria), Strada Ribrocca 11, VAT number and number of registration with the Companies' Register of Alessandria 04740320967, represented herein by its legal representative Dr. Giovanni Bolcheni ("**Biochemtex**");
3. **M&G Finanziaria S.p.A.** (previously, M&G Finanziaria S.r.l.), a company duly established under Italian law, with registered office in Tortona (Alessandria), Strada Ribrocca 11, VAT number 02098590066, represented herein by its legal representative Dr. Vittorio Ghisolfi ("**M&G Finanziaria**");

hereinafter, Beta, Biochemtex and M&G Finanziaria collectively referred to as "**Insureds**";

and

4. **Beazley Staff Underwriting Ltd for and on behalf of Lloyd's Syndicate 2623 and Beazley Underwriting Ltd for and on behalf of Lloyd's Syndicate 0623**, with registered office at Plantation Place South, 60 Great Tower Street, London EC3R 5AD, United Kingdom, represented herein by its authorised representative Anthony Kerr;
5. **Markel Syndicate Management Limited (in its capacity as managing agent for Lloyd's Syndicate 3000)**, with registered office at 20 Fenchurch Street, London EC3M 3AZ, United Kingdom, represented herein by its authorised representative Jennifer Smith;
6. **AmTrust Syndicates Limited (in its capacity as managing agent for Lloyd's Syndicate 1206)**, with registered office at 47 Mark Lane, London, EC3R 7QQ, United Kingdom, represented herein by its authorised representative Tom Maloney;

hereinafter, insurers under nos. 4., 5. and 6. above collectively referred to as "**Primary Insurers**";

7. **Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE**, with registered office at 20 Gracechurch Street, London EC3V 0BG, United Kingdom, represented herein by its authorised representative David Friend;

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8. **HCC International Company Plc, Sucursal en España**, with registered office in Torre Diagonal Mar, Josep Pla, Planta 10, 08019 Barcelona, VAT number ESW0060927A, represented herein by its authorised representative Marta Ruiz;
9. **Antares Lloyd's Syndicate 1274**, with registered office at 21 Lime Street, London, EC3M 7HB, United Kingdom, represented herein by its authorised representative Marshall Jones;
10. **AIG Europe Limited**, a member company of American International Group Inc (AIG), registered in England under company number 1486260, with registered office in AIG Building, 58 Fenchurch Street, London EC3M 4AB, United Kingdom, represented herein by its authorised representative Andrew Kelcher;

hereinafter, insurers under nos. 7., 8., 9., and 10. above collectively referred to as "**First Excess Insurers**";

11. **AmTrust Syndicates Limited (In its capacity as managing agent for Syndicate 1861)**, with registered office at 47 Mark Lane, London, EC3R 7QQ, United Kingdom, represented herein by its authorised representative Tom Maloney;
12. **Antares Lloyd's Syndicate 1274** with registered office at 21 Lime Street, London, EC3M 7HB, United Kingdom, represented herein by its authorised representative Marshall Jones;
13. **Starstone Insurance SE**, with registered office in Zollstrasse 82, 9494 Schaan, Liechtenstein, represented herein by its authorised representative Nick Rogers;
14. **AIG Europe Limited**, a member company of American International Group Inc (AIG), registered in England under company number 1486260, with registered office in AIG Building, 58 Fenchurch Street, London EC3M 4AB, United Kingdom, represented herein by its authorised representative Andrew Kelcher;
15. **Allied World Assurance Company (Europe) dac**, with registered office in 19th Floor, 20 Fenchurch Street, London EC3M 3BY, represented herein by its authorised representative Ting Low;
16. **XL Insurance Company SE**, with registered office at 20 Gracechurch Street, London EC3V 0BG, United Kingdom, represented herein by its authorised representative David Friend;
17. **Great Lakes Reinsurance (UK) Plc**, with registered office in Munich Re Königinstr. 107, 80802 Munich, Germany, represented herein by its legal representative Saba Rehman;

hereinafter, insurers under nos. 11., 12., 13., 14., 15., 16., and 17. above collectively referred to as "**Second Excess Insurers**";

hereinafter, all the insurers listed under nos. 4. to 17. above collectively referred as "**Insurers**".



RECITALS

Whereas:

- A. Mossi & Ghisolfi International S.a.r.l. have entered into the Errors and Omissions Liability Insurance Policies for the period 30 June 2014 to 30 June 2015 nos. 1902736 ("**Primary Policy**"), 1902737 ("**First Excess Policy**") and 1902738 ("**Second Excess Policy**") (collectively also "**Policies**") respectively with Primary Insurers, First Excess Insurers and Second Excess Insurers;
- B. Beta, Biochemtex and M&G Finanziaria are named insured under the Policies;
- C. Beta is the owner of a technology to produce fuel grade ethanol from energy crops and agricultural residues ("**Proesa Technology**") and is also the owner of certain patents related to the Proesa Technology;
- D. Biochemtex is a company active in the engineering, procurement and construction of chemical plants;
- E. On May 15, 2012, Beta and Graal Bio LLC (now GranBio LLC - "**GranBio**") entered into a license agreement, by which Beta licensed the Proesa Technology to GranBio to design, procure, construct, operate and maintain a commercial manufacturing facility in Brazil (Sao Miguel dos Campos – State of Alagoas – "**Brazilian Plant**") to produce maximum 65 kt/y of cellulosic ethanol ("**License Agreement**");
- F. On May 15, 2012, Biochemtex and Bioflex Agroindustrial Ltda (now Bioflex Agroindustrial S.A. - "**Bioflex**") entered into two separate agreements: (i) the basic engineering and technical services agreement by which Biochemtex undertook to provide Bioflex with basic design and engineering information for the construction and operation of the Brazilian Plant ("**BETS Agreement**"); (ii) the equipment supply agreement by which Biochemtex undertook to provide Bioflex with certain critical equipment for the construction and operation of the Brazilian Plant ("**Supply Agreement**"). Hereinafter, the License Agreement, BETS Agreement and Supply Agreement will be collectively referred to as the "**Proesa Agreements**";
- G. A dispute arose between the parties listed under E. and F. above in relation to the Proesa Agreements, including, without limitation, as to (i) the alleged inability of the Brazilian Plant to achieve stable operations and perform in accordance with the License Agreement; (ii) the services provided by Biochemtex under the BETS Agreement; (iii) the equipment supplied by Biochemtex under the Supply Agreement; (iv) the liability of M&G Finanziaria for the matters set out in this Recital G; and (v) the non-payment of certain invoices by GranBio and BioFlex under the Proesa Agreements ("**Disputes**");
- H. By letter dated April 24, 2015, M&G Finanziaria - also in the name and for account of Beta and Biochemtex - gave precautionary notice of "circumstances", which would then result in the Disputes, to the Insurers through the broker Miller Insurance Services LLP.;
- I. On April 7, 2016, GranBio and Bioflex filed a request for arbitration with the International Court of Arbitration of the International Chamber of Commerce against Beta and Biochemtex (ICC Case No. 21856/TO - "**Arbitration**") in relation to the Disputes. GranBio and Bioflex sought damages in excess of USD 85,000,000.00 in relation to their claims against Beta and Biochemtex;



- J. On May 19, 2016, Beta and Biochemtex filed separate responses to the request for arbitration and, *inter alia*: (i) objected to the jurisdiction of the International Court of Arbitration of the International Chamber of Commerce in the Arbitration on the basis that GranBio and Bioflex could not bring claims against Beta and Biochemtex in a single arbitration proceeding; (ii) rejected the claims brought by GranBio and Bioflex in the request for arbitration; and (iii) filed counterclaims against GranBio and Bioflex for the payment of several outstanding invoices, related to the Proesa Agreements and, in particular, USD 4,108,578.00 due by GranBio to Beta and USD 3,588,213.11 due by Bioflex to Biochemtex;
- K. On June 23, 2017, GranBio, Bioflex and GranBio Investimentos S.A. ("Plaintiffs") filed an application before the First Civil Court of the city of Sao Paulo Miguel Dos Campos for the early production of evidence against M&G Finanziaria on the basis of the inability of the Brazilian Plant to achieve stable operations and the inability to meet the performances set out in the License Agreement. The application requested the production of technical evidence to be carried out by a court-appointed expert with expertise in chemical engineering (Case no. 0700751-57.2017.8.02.0053 - "**Brazilian Proceedings**");
- L. On September 20, 2017, M&G Finanziaria filed its response in the Brazilian Proceedings and rejected the claims. M&G Finanziaria objected, *inter alia*, that (i) M&G Finanziaria had no relationship with the Plaintiffs; (ii) the International Court of Arbitration of the International Chamber of Commerce in the Arbitration is the only body with jurisdiction over the claims raised in the Brazilian Proceedings; (iii) the claims were wrongly directed at M&G Finanziaria and (iv) the Plaintiffs lacked a procedural interest in the claims;
- M. Since the commissioning of Bioflex plant in 2014, GranBio and Bioflex carried out several modifications to the Brazilian Plant, in particular, ceasing to use the two-step configuration of the Proesa Technology, changing the 25% total solids and 19-hour residence time of the enzymatic hydrolysis, changing the fermentation/propagation process and repurposing certain equipment, as described in a letter sent by GranBio to Beta and Biochemtex, dated March 28, 2018 ("**GranBio Letter**"). The new technical solutions adopted in the Brazilian Plant include, but are not limited to, a new configurations to the pre-treatment system, new heat exchange equipment, new hydrolysis system, a new fermentation/propagation process, a new effluent system with a vinasse evaporator, repurposing of equipment and other changes ("**New Technical Solutions of the Brazilian Plant**");
- N. A difference has arisen between the Insureds and the Insurers as to whether the claims relating to the Disputes and/or made in the Arbitration and in the Brazilian Proceedings are presently or may ultimately be found to be covered under the Policies and to what extent; as a consequence, Insurers have not provided any confirmation of coverage under the Policies to the Insureds;
- O. On January 16, 2017 and July 27, 2017, the Insureds and the Primary Insurers entered into, under a full reservation of rights, two separate agreements with respect to the interim funding of costs and expenses incurred or to be incurred by the Insureds in investigating, defending or managing the settlement of the claims raised against them in the Arbitration and in the Brazilian Proceedings ("**Interim Funding Agreements**");
- P. In the meantime, the Insureds and the Insurers started settlement negotiations with GranBio, Bioflex and GranBio Investimentos S.A. with a view to reach an amicable settlement in relation to the facts and claims specified under the Recitals and the Disputes, as well as to the facts and claims indicated in the Arbitration and in the Brazilian Proceedings ("**Master Settlement Agreement**", attached as Exhibit 1);

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- Q. The Insureds and the Insurers intend to resolve definitively any and all claims and requests that the Insureds have made or could make against Insurers under the Policies in relation to or having any connection with the facts set forth in the Recitals, the Disputes, the Arbitration and the Brazilian Proceedings, the GranBio Letter and the New Technical Solutions of the Brazilian Plant, on the conditions indicated hereafter in this settlement agreement. This is without acknowledging in any way whatsoever, even in part, that the respective claims are admissible or grounded.

AGREED TERMS

Now therefore, the Insureds and the Insurers hereby agree as follows:

1. Recitals A. to Q. are an integral and binding part of this agreement;
2. This settlement agreement shall enter into force and effect subject to and after the fulfilment of all the following conditions precedent:
 - i. the filing by Beta and Biochemtex, by April 23, 2018, of a *concordato preventivo* proposal ("**Concordato Proceeding**") providing for the settlement of the claims of GranBio and Bioflex on the terms set out in the Master Settlement Agreement;
 - ii. the Court of Alessandria:
 - (ii.a) admitting Beta and Biochemtex to the Concordato Proceeding;
 - (ii.b) authorizing Beta and Biochemtex, pursuant to Article 167 of the Italian Bankruptcy Law (or to any other applicable provision of law), to enter into the Master Settlement Agreement and this settlement agreement with the Insurers, as well as to agree to the making of the Payment (as defined in the Master Settlement Agreement);
 - iii. the Master Settlement Agreement (which is also subject to and conditional upon fulfilment of conditions precedent 2(i) and 2(ii)) having been signed by the parties concerned;
3. Within seven (7) days from the entry into force of this settlement agreement and of the Master Settlement Agreement, Primary Insurers will pay the total lump-sum amount of US\$ 25,000,000 (Twenty Five Million Dollars) (which the Parties agree is in full and final settlement and includes all interest, costs, taxes and the like) directly to GranBio and/or to Bioflex under the terms and the conditions set forth in articles 2.1. and 3 of the Master Settlement Agreement. Such payment does not imply in any way acknowledging that the claims made against the Insureds referred to in the Recitals are grounded and that the Insureds' claims for indemnity are covered or otherwise under the Policies;
4. The payment referred to in art. 3. above (together with any earlier payments made pursuant to the Interim Funding Agreements) shall be made by Primary Insurers by way of settlement in relation to the facts and circumstances set forth in the Recitals, and in full and final settlement of:
 - a. all claims and requests that the Insureds made or could make against Insurers under the Policies (including all interest payments);

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b. all claims and demands that the Insureds made or could make against Insurers under the Policies in relation to any professional fees and costs (and interest payments) due to their lawyers and/or experts, *inter alia* and by way of example, in the Arbitration, in the Brazilian Proceedings and in relation to the negotiation and the drafting of the Master Settlement Agreement and this settlement agreement;

5. Insureds acknowledge that the payment by Primary Insurers of the amount under art. 3. above shall immediately, unconditionally and permanently release and forever discharge Primary Insurers, First Excess Insurers and Second Excess Insurers, to the fullest extent permitted by law, from all their obligations under the Policies. Insureds represent and warrant, therefore, that they have no claims against Insurers whatsoever and that they irrevocably, unconditionally and definitively waive vis-à-vis Insurers – which accept that waiver – the right to enforce in legal proceedings (whether civil, criminal, administrative, etc.) any right, claim or action, including future rights, claims or actions under the Policies, including any claim for professional fees and costs (and any associated interest payments) under the policies, under art. 1917 of the Italian Civil Code and under the Interim Funding Agreements;

6. Insurers acknowledge that any and all payments already made by Primary Insurers pursuant to the Interim Funding Agreements and to be made under the Master Settlement Agreement shall not be clawed back or repaid. Insurers hereby waive any right, claim or action, including future rights of repayment, payback and recovery of any deductible under the Policies against Insureds and/or third parties.

7. This settlement agreement has novative effect pursuant to art. 1976 of the Italian Civil Code;

8. This settlement agreement, including the second paragraph of this article 8. and any non-contractual obligations arising out of or in connection with it, is governed by Italian law.

Any dispute, claim, difference arising out of, relating to or having any connection with this settlement agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination, or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it shall be submitted to the exclusive jurisdiction of the Court of Milan;

9. No variation of this settlement agreement shall be effective unless it is in writing and signed by the Insureds and the Insurers (or their authorized representatives);

10. This settlement agreement constitutes the entire agreement between the Insureds and the Insurers and supersedes and extinguishes all previous agreements (including the Interim Funding Agreements), promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter. The Insureds and the Insurers acknowledge and agree that in entering into this settlement agreement, they do not rely on, and shall have no right or remedy in respect of, any agreement, representation, warranty, statement, assurance or undertaking of any nature whatsoever (other than those expressly set out in this settlement agreement) made by or given by any person prior to the date of this settlement agreement and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law. Nothing in this clause shall limit or exclude any liability for fraud;



11. Each of the signatories to this settlement agreement represents and warrants in his capacity as an authorised signatory of such party and not individually that it has the capacity and has been duly authorised to execute this settlement agreement on behalf of the entity so indicated and that no additional authorisation or approval is required;
12. The Insureds and the Insurers undertake to refrain from disseminating or disclosing to third parties information concerning the existence or content of this settlement, unless (i) any of the parties is required or requested to do so by law or any competent statutory or regulatory body (including but not limited to the Italian Bankruptcy Court dealing with the Concordato Proceeding), (ii) to the parties' respective auditors, insurers, reinsurers and legal advisors to the extent necessary, or (iii) disclosure is authorised in writing by the party concerned or (iv) any of the parties is required to implement and enforce any terms of this settlement agreement, as far as necessary, including for any judicial proceedings arising out of this settlement agreement. The party in breach of the confidentiality obligations shall compensate the party which has suffered any damage due to its breach;
13. This settlement agreement shall inure to the benefit of and be binding upon the Insureds and the Insurers and their successors and assigns;

The following Exhibits form an integral part of this settlement agreement:

Exhibit 1: Master Settlement Agreement




If you intend to accept the above settlement agreement proposal, we ask you to copy the above text of the settlement agreement on your letterhead and to send it to us by certified mail with return receipt, anticipated by means of email-exchange between legal advisers, duly initialed on each of its pages (Annexes included) and undersigned on its last page by your legal representative, as a sign of integral acceptance of said settlement agreement.

Beta

Date: _____

Dr. Dario Giordano
Legal representative

Biochemtex

Date: 10-1-2018


Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative

SETTLEMENT AGREEMENT

BY AND BETWEEN

This settlement agreement ("Settlement Agreement") is dated 20 April 2018:

PARTIES

- (1) **Beta Renewables S.p.A.**, a company duly established under Italian law, with registered office in Tortona (Alessandria), Strada Ribrocca 11, VAT number and number of registration with the Companies' Register of Alessandria 02232720066, represented herein by its legal representative Dr. Dario Giordano ("**Beta**");
- (2) **Biochemtex S.p.A.**, (previously Chemtex Italia S.p.A.) a company duly established under Italian law, with a sole shareholder, with registered office in Tortona (Alessandria), Strada Ribrocca 11, VAT number and number of registration with the Companies' Register of Alessandria 04740320967, represented herein by its legal representative Dr. Giovanni Bolcheni ("**Biochemtex**");
- (3) **GranBio LLC** (previously Graal Bio LLC), a company duly established under the laws of Delaware (U.S.), with registered office in Atlanta, 3625 Cumberland Boulevard SE Suite 1000, GA 30339-6403 – U.S.A., VAT number 322475575, represented herein by its legal representative Mr. Bernardo Gradin ("**GranBio**");
- (4) **Bioflex Agroindustrial S.A.** (previously Bioflex Agroindustrial Ltda), a company duly established under Brazilian law, with registered office in Av. Brigadeiro Faria Lima, 2277 15th Floor, CEP 01452-000, Sao Paulo, Brazil, enrolled with the Brazilian Taxpayer Number under n. 13.808.130/0001-05, represented herein by its legal representatives Mr. Carlos Arruti Rey and João Baptista Emiliano Farah ("**Bioflex**");
- (5) **GranBio Investimentos S.A.**, a company duly established under Brazilian law, with registered office at Av. Brigadeiro Faria Lima, 2277 15th Floor, CEP 01452-000, Sao Paulo, Brazil, enrolled with the Brazilian Taxpayer Number under n. 14.191.427/0001-29, represented herein by its legal representative Mr. Bernardo Gradin ("**GranBio Investimentos**");
- (6) **Beazley Staff Underwriting Ltd** for and on behalf of **Lloyd's Syndicate 2623** and **Beazley Underwriting Ltd** for and on behalf of **Lloyd's Syndicate 0623**, with registered office at Plantation Place South, 60 Great Tower Street, London EC3R 5AD, United Kingdom, represented herein by their authorised representative Anthony Kerr (together, "**Beazley**");



- (7) **Markel Syndicate Management Limited** (in its capacity as managing agent for Lloyd's **Syndicate 3000**), with registered office at 20 Fenchurch Street, London EC3M 3AZ, United Kingdom, represented herein by its authorised representative Jennifer Smith ("**Markel**");
- (8) **AMTrust Syndicates Limited** (in its capacity as managing agent for Lloyd's **Syndicate 1206**), with registered office at 47 Mark Lane, London, EC3R 7QQ, United Kingdom, represented herein by its authorised representative Tom Maloney ("**AMTrust**").

Hereinafter, Beta, Biochemtex, GranBio, Bioflex and GranBio Investimentos will be collectively referred to as "**Parties**" and individually as "**Party**."

Hereinafter, Beazley, Markel and AMTrust will be collectively referred to as "**Primary Insurers**".

M&G Finanziaria S.p.A. (previously, **M&G Finanziaria S.r.l.**), a company duly established under the laws of Italy, with registered office in Strada Ribrocca 11 – 15057 Tortona (Alessandria), Italy, VAT number 02098590066, represented herein by its legal representative Dr. Vittorio Ghisolfi, is not a party to this Settlement Agreement. However, pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999, **M&G Finanziaria S.p.A. ("M&G Fin.")** is a beneficiary of this Settlement Agreement, entitled to all of its benefits, including a release from all of liabilities and may, in its own right, enforce all of its terms.

RECITALS

Whereas:

- A. Beta is the owner of a technology to produce fuel grade ethanol from energy crops and agricultural residues that is better described in **Exhibit 1 ("Proesa Technology")**. Proesa Technology originally included the patents listed in **Exhibit 2 ("First Patents")**. Following further development of Proesa Technology by Beta after May 2012, Beta filed and/or registered the patent applications / patents listed in **Exhibit 3 ("Second Patents")**. Beta owns the First and Second Patents. For the avoidance of any doubt, the definition of Proesa Technology in this Settlement Agreement does not include the Second Patents;
- B. Biochemtex is a company experienced in engineering, procurement and construction of chemical plants;
- C. On May 15, 2012, Beta and Graal Bio LLC (now GranBio) entered into a license agreement, by which Beta licensed the Proesa Technology (including the First Patents) to GranBio to design, procure, construct, operate and maintain a commercial manufacturing facility in Brazil (Sao Miguel dos Campos – State of Alagoas – "**Brazilian Plant**") to produce maximum 65 kt/y of cellulosic ethanol ("**License Agreement**" - **Exhibit 4**);



- D. On May 15, 2012, Chemtex Italia S.p.A. (now Biochemtex) and Bioflex Agroindustrial Ltda (now Bioflex) entered into two separate agreements: (i) the basic engineering and technical services agreement by which Biochemtex undertook to provide Bioflex with basic design and engineering information for the construction and operation of the Brazilian Plant ("BETS Agreement" - Exhibit 5); (ii) the equipment supply agreement by which Biochemtex undertook to provide Bioflex with certain critical equipment for the construction and operation of the Brazilian Plant ("Supply Agreement" - Exhibit 6). Hereinafter, the License Agreement, BETS Agreement and Supply Agreement will be collectively referred to as the "Proesa Agreements";
- E. A dispute arose between the Parties in relation to the Proesa Agreements, including, without limitation, as to (i) the alleged inability of the Brazilian Plant to achieve stable operations and perform in accordance with the License Agreement; (ii) the services provided by Biochemtex under the BETS Agreement; (iii) the equipment supplied by Biochemtex under the Supply Agreement; (iv) the liability of M&GFin. for the matters set out in this Recital E (i) to (iii) above; and (iv) the non-payment of certain invoices by GranBio and BioFlex under the Proesa Agreements ("Disputes");
- F. On April 7, 2016, GranBio and Bioflex filed a request for arbitration with the International Court of Arbitration of the International Chamber of Commerce ("ICC") against Beta and Biochemtex (ICC Case No. 21856/TO - "Arbitration") in relation to the Disputes. GranBio and Bioflex sought damages in excess of USD 85,000,000.00 in relation to their claims against Beta and Biochemtex;
- G. On May 19, 2016, Beta and Biochemtex filed separate responses to the request for arbitration and, *inter alia*: (i) objected to the jurisdiction of the International Court of Arbitration of the International Chamber of Commerce in the Arbitration on the basis that GranBio and Bioflex could not bring claims against Beta and Biochemtex in a single arbitration proceeding; (ii) rejected the claims brought by GranBio and Bioflex in the request for arbitration; and (iii) filed counterclaims against GranBio and BioFlex for the payment of several outstanding invoices, related to the Proesa Agreements and, in particular, USD 4,108,578.00 due by GranBio to Beta and USD 3,588,213.11 due by Bioflex to Biochemtex;
- H. On June 23, 2017, GranBio, Bioflex and GranBio Investimentos ("Plaintiffs") filed an application before the First Civil Court of the city of Sao Paulo Miguel Dos Campos for the early production of evidence against M&G Fin. on the basis of the inability of the Brazilian Plant to achieve stable operations and the inability to meet the performances set out in the License Agreement. The application requested the production of technical evidence to be carried out by a court-appointed expert with expertise in chemical engineering (Case no. 0700751-57.2017.8.02.0053 - "Brazilian Proceedings");



- I. On September 20, 2017, M&G Fin. filed its response in the Brazilian Proceedings and rejected the claims. M&G Fin. objected, *inter alia*, that (i) M&G Fin. had no relationship with the Plaintiffs; (ii) the International Court of Arbitration of the International Chamber of Commerce in the Arbitration is the only body with jurisdiction over the claims raised in the Brazilian Proceedings; (iii) the claims were wrongly directed at M&G Fin; (iv) the claims lack the procedural requirements for the production of the technical evidence; (v) the Plaintiffs lacked a procedural interest in the claims; and (vi) should the production of evidence take place, M&G Fin. reserved a right to submit queries to the expert;
- J. Since the commissioning of Bioflex plant in 2014, GranBio and Bioflex carried out several modifications to the Brazilian Plant, in particular, ceasing to use the two-step configuration of the Proesa Technology, changing the 25% total solids and 19-hour residence time of the enzymatic hydrolysis, changing the fermentation/propagation process and repurposing certain equipment, as described in a letter sent by GranBio to Beta and Biochemtex, dated 28/03/18 ("**GranBio Letter**" - Exhibit 7). The new technical solutions adopted in the Brazilian Plant include, but are not limited to, new configurations to the pre-treatment system, new heat exchange equipment, a new hydrolysis system, a new fermentation/propagation process, a new effluent system with a vinasse evaporator, repurposing of equipment and other changes ("**New Technical Solutions of the Brazilian Plant**" - Exhibit 8);
- K. Mossi & Ghisolfi International S.a.r.l. has entered into the professional indemnity insurance policy no. 1902736 ("**Primary Policy**") with Primary Insurers and the professional indemnity insurance policies nos. 1902737 ("**First Excess Policy**") and 1902738 ("**Second Excess Policy**") with other insurers (respectively: "**First Excess Insurers**" and "**Second Excess Insurers**" - Primary Insurers, First Excess Insurers and Second Excess Insurers collectively also "**Insurers**"). Beta, Biochemtex and M&G Fin. are named insured under the Primary Policy, the First Excess Policy and the Second Excess Policy (collectively also "**Policies**");
- L. Insurers have not provided any confirmation of coverage under the Policies to Beta, Biochemtex and M&G Fin. in relation to any matter contained in the Disputes, the Arbitration and/or the Brazilian Proceedings;
- M. The Parties now desire to achieve full and final settlement of the Disputes, including the Arbitration and the Brazilian Proceedings, and to minimize the risk that similar disputes will arise in the future.

AGREED TERMS

Now therefore, the Parties hereby agree as follows:

1. RECITALS AND EXHIBITS

1.1. The Recitals and Exhibits set out in Art. 11.9 below form an integral part of the Settlement Agreement.



2. UNDERTAKINGS OF THE PARTIES AND OF INSURERS

2.1. The entry into force of this Settlement Agreement is subject to and conditional upon the fulfillment of the conditions precedent set out at Article 8.1 below. Within seven (7) days from the entry into force of this Settlement Agreement, Primary Insurers will pay the total lump-sum amount of US\$ 25,000,000 (Twenty Five Million Dollars) (which the Parties agree is in full and final settlement and includes all interest, costs, taxes and the like) and, in particular, US\$ 6,000,000.00 to GranBio and US\$ 19,000,000.00 to Bioflex under the terms and the conditions set forth in the following Art. 3 of the Settlement Agreement ("**Payment**");

2.2 With the entry into force of this Settlement Agreement:

- a) Beta and GranBio will amend the License Agreement (Exhibit 4) as indicated in Art. 4 of this Settlement Agreement;
- b) Beta will grant 2 (two) non-exclusive and non-transferrable licenses of the First Patents and the Second Patents to GranBio so that GranBio may, at its discretion, construct two new plants in Brazil ("**Two New Plants**") under the terms and the conditions set forth in the separate agreement herewith attached as Exhibit 9 ("**Further License Agreement**"); and
- c) The Parties will withdraw all claims and counterclaims in the Arbitration and Brazilian Proceedings in accordance with Art. 6 of this Settlement Agreement.

3. PAYMENT

3.1. Primary Insurers will make the Payment to the following bank accounts:

For GranBio (US\$ 6,000,000.00):

Bank: Itaú Unibanco SA, New York Branch – NY - USA

Account: 3470622106

ABA: 026002613

For Bioflex (US\$ 19,000,000.00):

Beneficiary Bank: Itau Unibanco SA / Sao Paulo / Brazil – Swift Code ITAUBRSPNHO – Account 3544030205001

Intermediary Bank: Standard Chartered Bank / New York / USA – Swift Code SCBLUS33 – ABA 026002561

Additional Information: Branch 4005 and Account 00603-8

3.2. This Settlement Agreement will release Beta, Biochemtex and M&G Fin. in full from all other liabilities to GranBio, Bioflex and subsidiary companies, in accordance with Article 6.5 below.

3.3 A separate agreement is entered into by and between Beta, Biochemtex and M&G Fin., on the one side, and Insurers, on the other side, settling all respective obligations, claims, requests and



demands in relation to or having any connection with the facts set forth in the Recitals, the Disputes, the Arbitration and the Brazilian Proceedings, the GranBio Letter and the New Technical Solutions of the Brazilian Plant.

- 3.4. GranBio and Bioflex retain all rights to pursue their own insurers (construction, engineering and operational risks) ("**GranBio Claims**") including local insurers in the Brazilian market (the Brazilian Insurers). GranBio, Bioflex and GranBio Investimentos hereby agree to indemnify and keep indemnified Beta and/or Biochemtex and/or M&G Fin. (and/or any entity controlled, directly and/or indirectly, by M&G Fin.) and/or the Insurers against all and any costs and damages (including all legal costs and expenses) incurred in the event that any party, including but not limited to the Brazilian Insurers, seeks to pursue Beta and/or Biochemtex and/or M&G Fin. (and/or any entity controlled, directly and/or indirectly, by M&G Fin.) and/or the Insurers in relation to the GranBio Claims, whether following any settlement, by means of subrogation, or otherwise.
- 3.5 Upon the entry into force of this Settlement Agreement, GranBio, Bioflex and GranBio Investimentos acknowledge that, notwithstanding the Payment, they do not have, never had and will never have any right, claim, request and/or demand whatsoever against Insurers in relation to or having any connection with the facts set forth in the Recitals, the Disputes, the Arbitration and the Brazilian Proceedings, the GranBio Letter and the New Technical Solutions of the Brazilian Plant, as well as the Policies,

4. LICENSE AGREEMENT

- 4.1. As set out in Art. 2.2(a) above, Beta and GranBio agree to amend the following terms of the License Agreement (Exhibit 4):
- a) Delete Articles 2 and 3 of the License Agreement. For the avoidance of any doubt, no further fee and/or sum will be due by GranBio and GranBio shall have no right to request the restitution of any fee and/or sum already paid in the performance of the License Agreement.
 - b) Replace the definition of "Patent Rights" as follows:

"means any and all patents listed in Annex 2 hereof."
 - c) Delete Art. 10, 11, 13.4, 13.5 and 13.6, of the License Agreement in order to release Beta from any liability under those provisions and under Art. 28.3 of the License Agreement (Exhibit 4).
 - d) Replace Art. 12.1 as follows:

"Supplier gives no warranties or guarantees, either expressed or implied, with reference to the Proesa Technology and/or the Technical Information, that are licensed to Recipient on an "as is" basis. In particular, by way of example and without limitation, Supplier does not warrant or guarantee: a) the merchantability or fitness of the Proesa Technology and/or of the Technical Information for a particular purpose, b) that the Proesa Technology and/or the Technical



Information will allow Supplier to design, procure, construct, operate and/or maintain the Plant, and/or to produce ethanol, c) that the Plant will meet specific performance levels, d) that the Plant will produce ethanol of a certain quality, and e) that the Proesa Technology and/or the Technical Information do not infringe third parties' rights."

- e) Replace Art. 15.2 as follows:

"In the event that Supplier makes any improvement with regard to the PROESA™ Process Technology or the Patent Rights or Technical Information licensed hereunder, such improvement shall be the exclusive property of Supplier.";

- f) Replace Art. 15.3 as follows:

"In the event that Recipient makes any improvement with regard to the process being operated by Recipient in the Plant, such improvement shall be the exclusive property of Recipient and Recipient can freely license such improvement to any third party with no fees due to Supplier and/or Contractor or their successors.

For the avoidance of doubt, the improvements to which this article 15.3 refer are the ones that have been developed and implemented by Recipient at the Plant with no participation from Supplier and/or Contractor at any time between the Date of Start-Up and 18 April 2018 and that are described in Annex 9".

- g) Replace Art. 20.2 as follows:

"Recipient expressly consents to the assignment and/or transfer of this Agreement by Supplier to any third party that will eventually result as the owner of the Patent Rights and/or of the Technical Information and/or of the Proesa Technology as a result of a competitive procedure pursuant to Art. 163 bis of the Italian Bankruptcy Law (R.d. 16.3.1942 n. 267)".

- h) Replace Art. 28.2 as follows:

"Annexes 1 to 9 are integral part of and shall have the same force as this Agreement itself. However, in the event of any inconsistency between the Annexes and the Definitions and/or Articles 1 to 28, the Definitions and Articles 1 to 28 shall prevail."

- 4.2. All the above mentioned deletions or amendments to the License Agreement shall become effective as from the entry into force of the Settlement Agreement.

5. ACKNOWLEDGEMENTS OF BETA AND BIOCHEMTEX

- 5.1. Beta and Biochemtex, only for settlement purposes and on the basis of the examination of Exhibit 7,



agree that the New Technical Solutions of the Brazilian Plant (Exhibit 8), to the best of their knowledge: (i) do not infringe the First Patents (Exhibit 2) and Second Patents (Exhibit 3); (ii) are the exclusive property of GranBio, GranBio Investimentos and BioFlex; and (iii) can be freely licensed by GranBio, GranBio Investimentos and BioFlex to any third parties, with no fees due to Beta and Biochemtex or their successors.

- 5.2. GranBio, Bioflex and GranBio Investimentos grant Beta and Biochemtex the right to visit the first plant, other than the Brazilian Plant and the Two New Plants in which the New Technical Solutions of the Brazilian Plant is or will be used ("First Possible Plant"), in order to verify whether the technology in the First Possible Plant use the First Patents and/or the Second Patents. For this purpose, in order to visit the First Possible Plant, Beta and Biochemtex only need to give GranBio and/or Bioflex and/or GranBio Investimentos and/or to third parties that will own the First Possible Plant 10 (ten) business days written notice.
- 5.3 Any visit(s) to the First Possible Plant shall be conducted on business days between 9am and 5pm and should not affect the normal activity of the plant. The right of visitation in Art. 5.2 will last for 5 (five) years from the date of entry into force of this Settlement Agreement and for a maximum total of 3 (three) visits per year by Beta and/or Biochemtex.
- 5.4 GranBio, Bioflex and GranBio Investimentos will use their best efforts to ensure that any sale and/or license and/or sub-license agreements with third parties regarding the New Technical Solutions of the Brazilian Plant in the First Possible Plant will include this right of visitation for Beta and/or Biochemtex.
- 5.5. If, during the visits indicated in Art. 5.2., Beta and/or Biochemtex become aware of any infringement of the First Patents and/or of the Second Patents by GranBio, Bioflex and/or GranBio Investimentos and/or by third parties' using the New Technical Solutions of the Brazilian Plant, they will promptly inform GranBio and/or Bioflex and/or GranBio Investimentos and the Parties will use reasonable endeavours to find a solution in good faith that may include a possible license agreement between the Parties or between some of them in relation to the infringed patent.

6. **DISPOSAL OF CLAIMS AND COUNTERCLAIMS IN THE ARBITRATION AND THE BRAZILIAN PROCEEDINGS**

- 6.1. Within five (5) business days of GranBio's and Bioflex's receipt of the Payment
- a) GranBio, Bioflex, Beta and Biochemtex shall irrevocably instruct their respective legal representatives in the Arbitration to request an Award by Consent in the agreed form at Exhibit 10 (the "Award by Consent"). Each of GranBio, Bioflex, Beta and Biochemtex shall instruct and procure that a copy of the agreed form letter at Exhibit 11 is signed by the legal representatives acting for them in the Arbitration and sent to the ICC.
 - b) GranBio, Bioflex and GranBio Investimentos shall withdraw the Brazilian Proceedings pursuant to art. 487(III)(c) of the Brazilian Code of Civil Procedure. In their motion requesting withdrawal



of the Brazilian Proceedings based on said provision, GranBio, Bioflex and GranBio Investimentos shall include wording stating that they not only waive the right to produce evidence and other rights upon which the Brazilian Proceedings is based, but specific wording stating that they also unconditionally and permanently release and forever discharge M&G Fin. as well as any entity that is controlled, directly and/or indirectly, by M&G Fin. to the fullest extent permitted by law, of any dispute, difference, controversy or claim of any kind, whether in law or equity, in this jurisdiction or any other, known or unknown, asserted or unasserted, arising out of, relating to or having any connection with the Proesa Agreements, the Disputes and the Brazilian Proceedings, that GranBio, Bioflex and GranBio Investimentos may have against M&G Fin. as well as against any entity that is controlled, directly and/or indirectly, by M&G Fin. The procedural costs of the Brazilian Proceedings shall be borne only by GranBio, Bioflex and GranBio Investimentos. GranBio and Bioflex will bear its own costs and expenditures with respect to attorney fees, expert fees and other related costs, while M&G Fin will bear its own costs and expenditures with respect to attorney fees, expert fees and other related costs incurred and to be incurred with regard to the Brazilian Proceedings.

- 6.2 For the avoidance of doubt, GranBio, Bioflex, Beta and Biochemtex agree that the Award by Consent shall be a final, binding and non-appealable determination, and in agreeing such Award by Consent GranBio, Bioflex, Beta and Biochemtex have waived any and all rights they may have to (i) challenge the jurisdiction of the arbitral tribunal for any reason whatsoever, (ii) challenge the Award by Consent on grounds of jurisdiction or for any other reason and (iii) resist enforcement of the Consent Award for any reason and in any jurisdiction.
- 6.3 GranBio, Bioflex, Beta and Biochemtex agree that none of the grounds for refusal of recognition and enforcement set out in Article V of the Convention on the Recognition of Foreign Arbitral Awards apply.
- 6.4 GranBio, Bioflex, Beta and Biochemtex agree that the Parties will request that the ICC Secretariat fix the costs of the arbitration, which will be borne equally by the Parties up to the amount already paid by the Parties. GranBio and Bioflex will bear any remaining costs of the Arbitration above the amount already paid by the parties. GranBio and Bioflex will bear each its own costs and expenditures with respect to attorney fees, expert fees and other related costs, while Beta and Biochemtex will bear each its own costs and expenditures with respect to attorney fees, expert fees and other related costs incurred and to be incurred with regard to the Arbitration;
- 6.5. Upon receipt of the Payment, the Parties shall immediately, unconditionally, and permanently release and forever discharge each other, to the fullest extent permitted by law, of any dispute, difference, controversy or claim of any kind, whether in law or equity, in this jurisdiction or any other, known or unknown, asserted or unasserted, arising out of, relating to or having any connection with the Proesa Agreements, the Disputes, the Arbitration, or the Brazilian Proceedings, that either Party may have against the other as of the date of entry into force of this Settlement Agreement. For the avoidance of

doubt, GranBio is not liable for any past or future payments or fees under Articles 2-3 of the License Agreement (Exhibit 4) (which are to be deleted pursuant to Art. 4.1(a) above). Moreover, upon receipt of the Payment, GranBio, Bioflex and GranBio Investimentos shall immediately, unconditionally, and permanently release and forever discharge M&G Fin. as well as any entity that is controlled, directly and/or indirectly, by M&G Fin. to the fullest extent permitted by law, of any dispute, difference, controversy or claim of any kind, whether in law or equity, in this jurisdiction or any other, known or unknown, asserted or unasserted, arising out of, relating to or having any connection with the Proesa Agreements, the Disputes and the Brazilian Proceedings, that GranBio, Bioflex and GranBio Investimentos may have against M&G Fin. as well as against any entity that is controlled, directly and/or indirectly, by M&G Fin. as of the date of entry into force of this Settlement Agreement.

7. GOVERNING LAW AND DISPUTE RESOLUTION

- 7.1 This Settlement Agreement, including Clause 7.2 and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 7.2 Any dispute, claim, difference between the Parties and/or M&G Fin. arising out of, relating to or having any connection with this Settlement Agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination, or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it shall be submitted to the exclusive jurisdiction of the courts of England and Wales.

8. CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENT

- 8.1. This Settlement Agreement shall enter into force and effect subject to and after the fulfilment of all the following conditions precedent:
- i. the filing by Beta and Biochemtex, by April 23, 2018, of a *concordato preventivo* proposal ("Concordato Proceeding") providing for the settlement of the claims of GranBio and Bioflex on the terms set out in this Settlement Agreement which will be attached to the petition of *concordato preventivo* in an executed copy together with an executed copy of the separate settlement agreement referred to under Art. 3.3;
 - ii. the Court of Alessandria:
 - (ii.a) admitting Beta and Biochemtex to the Concordato Proceeding;
 - (ii.b) authorizing Beta and Biochemtex, pursuant to Article 167 of the Italian Bankruptcy Law (or to any other applicable provision of law), to enter into this Settlement Agreement and the separate settlement agreement referred to under Art. 3.3. above with the Insurers and to agree to the making of the Payment under Art. 3 of this Settlement Agreement;
 - iii. Beta, Biochemtex and M&G Fin., on the one side, and Insurers, on the other side signing the separate settlement agreement referred to under Art. 3.3 (which is also subject to and conditional

upon fulfilment of conditions precedent 8.1(i) and 8.1(ii) above);

9. **NOTICES**

- 9.1 Any notice to be given under this Settlement Agreement shall be sent either by certified mail with return receipt requested, or by overnight delivery by commercial or other service which can verify delivery to the following addresses and such notice so sent shall be effective as of the date it is received by the other Party:

For Beta:

Beta Renewables S.p.A.
Strada Ribrocca 11,
15057 - Tortona (AL) Italy
Attn.: Dario Giordano

For Biochemtex:

Biochemtex S.p.A.
Strada Ribrocca 11,
15057 - Tortona (AL) Italy
Attn.: Giovanni Bolcheni

For GranBio:

GranBio LLC
Atlanta, 3625 Cumberland Boulevard SE Suite 1000,
GA 30339-6403 – U.S.A.
Attn.: Bernardo Gradin

For Bioflex:

Bioflex Agroindustrial S.A.
Brigadeiro Faria Lima, 2277 15th Floor,
CEP 01452-000, Sao Paulo, Brazil
Attn.: Bernardo Gradin

For GranBio Investimentos:

GranBio Investimentos S.A.
Brigadeiro Faria Lima, 2277 15th Floor,
CEP 01452-000, Sao Paulo, Brazil
Attn.: Bernardo Gradin

For Beazley

Beazley Staff Underwriting Ltd for and on behalf of Lloyd's Syndicate 2623 and Beazley Underwriting Ltd for and on behalf of Lloyd's Syndicate 0623 Plantation Place South, 60 Great Tower Street,

London EC3R 5AD, United Kingdom

Attn.: Anthony Kerr

For Markel

Markel Syndicate Management Limited (in its capacity as managing agent for Lloyd's Syndicate 3000)

20 Fenchurch Street,

London EC3M 3AZ, United Kingdom

Attn.: Jennifer Smith

For AMTrust

AMTrust Syndicates Limited (in its capacity as managing agent for Lloyd's Syndicate 1206)

47 Mark Lane,

London EC3R 7QQ United Kingdom

Attn.: Tom Maloney

10. CONFIDENTIALITY AND ANNOUNCEMENTS

10.1 Subject to clause 10.2, each Party shall, and shall ensure that its respective affiliates, officers, employees, agents and professional and other advisers shall, treat as strictly confidential and not disclose or use the terms of this Settlement Agreement and any information or material received or obtained as a result of entering into this Settlement Agreement (the "Confidential Information").

10.2 Clause 10.1 shall not prevent disclosure or use of any Confidential Information where such disclosure or use is:

- a) for purposes of complying with Art. 6.1 above;
- b) required or requested by law or any competent statutory or regulatory body (including but not limited to the Italian Bankruptcy Court and/or Judicial Commissioners);
- c) required to implement and enforce any terms of this Settlement Agreement, as far as necessary, including for any judicial proceedings arising out of this Settlement Agreement;
- d) made to a governmental authority in connection with the tax affairs of the disclosing Party;
- e) made to the auditors, insurers, reinsurers, professional advisers or any banker of any Party on a need-to-know basis; or

- f) made to any shareholders of any Party, with the understanding that those shareholders will also observe the confidentiality provisions set for in this clause;
- g) in respect of information which is or becomes publicly available (other than by breach of this Settlement Agreement).

10.3 No Party shall issue any external statement or announcement concerning the existence or subject matter of this Settlement Agreement without the prior written consent of each of the other Parties which either of such other Parties shall be fully entitled to withhold.

10.4 The restriction in Art. 10.3 shall not apply to any announcement which is required to be made by a Party by law or by any applicable regulatory body provided that the Party with an obligation to make an announcement shall consult with each of the other Parties (where practicable) before complying with such obligation.

11. MISCELLANEOUS

11.1. This Settlement Agreement shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns. With the exception of M&G Fin., which is to receive all of the benefits of this Settlement Agreement and be able to enforce its terms as described above, the Parties agree that the terms of this Settlement Agreement are not enforceable by any other third party under the Contracts (Rights of Third Parties) Act 1999.

11.2. The Parties shall take such actions reasonably requested by the other party for the purpose of putting this Settlement Agreement into effect.

11.3. If any provision or part-provision of this Settlement Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted and the Parties shall use their respective reasonable endeavours to procure that any such provision is replaced by a provision which is valid, legal and enforceable and which gives effect to the spirit and intent of this Settlement Agreement. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Settlement Agreement unless it is a term that is fundamental to the operation of this Settlement Agreement. Moreover, if:

- a) the Further License Agreement (Exhibit 8) will expire and/or will be terminated, and/or
- b) the License Agreement (Exhibit 4) will expire pursuant to Art. 21.1. of the License Agreement and/or will be terminated by the Parties;

this would not affect the validity of this Settlement Agreement that will remain in full force.

11.4. No variation of this Settlement Agreement shall be effective unless it is in writing and signed by the

Parties (or their authorised representatives).

11.5. This Settlement Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter. Each Party acknowledges and agrees that in entering into this Settlement Agreement, it does not rely on, and shall have no right or remedy in respect of, any agreement, representation, warranty, statement, assurance or undertaking of any nature whatsoever (other than those expressly set out in this Settlement Agreement) made by or given by any person prior to the date of this Settlement Agreement and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law. Nothing in this clause shall limit or exclude any liability for fraud.

11.6. This Settlement Agreement is entered into in connection with the compromise of the Disputes, the Arbitration and Brazilian Proceedings and in the light of other considerations. The Parties hereby acknowledge and agree that no Party has made any admission as to liability or wrongdoing and that nothing in this Settlement Agreement shall be represented or construed by the Parties as an admission of liability or wrongdoing on the part of any of the Parties to this Settlement Agreement or any other person or entity.

11.7. Each of the signatories to this Settlement Agreement represents and warrants in his capacity as an authorised signatory of such Party and not individually that it has the capacity and has been duly authorised to execute this Settlement Agreement on behalf of the entity so indicated and that no additional authorisation or approval is required.

11.8. The following Exhibits form an integral part of this Settlement Agreement:

Exhibit 1: Proesa Technology

Exhibit 2: First Patents

Exhibit 3: Second Patents

Exhibit 4: License Agreement

Exhibit 5: BETS Agreement

Exhibit 6: Supply Agreement

Exhibit 7: GranBio letter

Exhibit 8: New Technical Solutions of the Brazilian Plant

Exhibit 9: Further License Agreement

Exhibit 10: Disposal of the Arbitration - Consent Award;

Exhibit 11: Disposal of the Arbitration – Agreed form letter to ICC.



11.9. This Settlement Agreement may be signed in any number of counterparts, each of which, when signed, shall be an original and all of which together evidence the same Settlement Agreement.

Beta

Date: _____

Dr. Dario Giordano

Legal representative

Biochemtex

Date: _____

Dr. Giovanni Bolcheni

Legal representative

GranBio

Date: _____

Dr. Bernardo Gradin

Legal representative

Bioflex

Date: _____

Dr. Carlos Arruti Rey and João Baptista Emiliano Farah

Legal representative

GranBio Investimentos

Date: _____

Dr. Bernardo Gradin

Legal representative

Beazley Staff Underwriting Ltd for and on behalf of Lloyd's Syndicate 2623 and Beazley Underwriting Ltd
for and on behalf of Lloyd's Syndicate 0623

Date: _____

Anthony Kerr

Authorised representative

Markel Syndicate Management Limited (in its capacity as managing agent for Lloyd's Syndicate 3000),

Date: _____

Jennifer Smith

Authorised representative

AmTrust Syndicates Limited (in its capacity as managing agent for Lloyd's Syndicate 1206)

Date: _____

Dr. Tom Maloney

Authorised representative

