

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

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) dac
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;
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 Investimientos 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);
- 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);*
 - 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: _____

Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative"

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)
Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE
Date: 20/04/13

David Friend
Authorised representative

DAF

HCC International Company Plc, Sucursal en España
Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274
Date: _____

Marshall Jones
Authorised representative

AIG Europe Limited
Date: _____

Andrew Kelcher
Authorised representative

Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) dac
Date: _____

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: _____

Saba Rehman
Authorised representative

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
 Strada Ribocca 11
 15057 Tortona (Alessandria)

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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 Bolcheri ("**Biochemtex**");
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RECITALS

Whereas:

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- 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"**);

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- 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**")
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- 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);
- 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);*
 - 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: _____

Dr. Giovanni Bolcheni

Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi

Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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

Market 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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney

Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend

Authorised representative

HCC International Company Plc, Sucursal en España

Date: _____

Marta Ruiz

Authorised representative

Antares Lloyd's Syndicate 1274

Date: _____

Marshall Jones

Authorised representative

AIG Europe Limited

Date: _____

Andrew Kelcher

Authorised representative

Starstone Insurance SE

Date: 20/4/18

N. Rogers

Nick Rogers

Authorised representative

Allied World Assurance Company (Europe) dac

Date: _____

Ting Low

Authorised representative

Great Lakes Reinsurance (UK) Plc

Date: _____

Saba Rehman

Authorised representative

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

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) dac
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 Bolchini ("**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;
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 Königstr. 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 to 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 Invetimientos 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);
- 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);*
 - 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: _____

Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend
Authorised representative



HCC International Company Plc, Sucursal en España
Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274
Date: _____

Marshall Jones
Authorised representative

AIG Europe Limited
Date: _____

Andrew Kelcher
Authorised representative

Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) dac
Date: _____

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: 29/4/2018

Saba Rehman
Authorised representative



To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

"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) dac
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;
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);
- 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);*
 - 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: _____

Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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: 20/4/2018

Jennifer Smith
Authorised representative



AmTrust Syndicates Limited (in its capacity as managing agent for Lloyd's Syndicate 1206 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend
Authorised representative

HCC International Company Plc, Sucursal en España

Date: _____

Marta Ruiz

Authorised representative

Antares Lloyd's Syndicate 1274

Date: _____

Marshall Jones

Authorised representative

AIG Europe Limited

Date: _____

Andrew Kelcher

Authorised representative

Starstone Insurance SE

Date: _____

Nick Rogers

Authorised representative

Allied World Assurance Company (Europe) dac

Date: _____

Ting Low

Authorised representative

Great Lakes Reinsurance (UK) Plc

Date: _____

Saba Rehman

Authorised representative

To
Beta Renewables S.p.A.
Blochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
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To
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BY AND BETWEEN**

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

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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**");

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- 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 Inestimientos 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);
- 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);
 - 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: _____

Dr. Giovanni Bolcheri
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend
Authorised representative

HCC International Company Plc, Sucursal en España

Date: _____

20-APRIL-2018

Marta Ruiz

Authorised representative

Antares Lloyd's Syndicate 1274

Date: _____

Marshall Jones

Authorised representative

AIG Europe Limited

Date: _____

Andrew Kelcher

Authorised representative

Starstone Insurance SE

Date: _____

Nick Rogers

Authorised representative

Allied World Assurance Company (Europe) plc

Date: _____

Ting Low

Authorised representative

Great Lakes Reinsurance (UK) Plc

Date: _____

Saba Rehman

Authorised representative

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes Included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

*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) dac
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 Bolcheri ("**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;
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 Proesse 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);
- 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);
 - 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: _____

Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative"

All the above being stated, we herewith confirm the acceptance of your proposal.

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: 19TH APRIL 2012



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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend
Authorised representative

HCC International Company Plc, Sucursal en España

Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274

Date: _____

Marshall Jones
Authorised representative

AIG Europe Limited

Date: _____

Andrew Kelcher
Authorised representative



Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) dac
Date: _____

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: _____

Saba Rehman
Authorised representative



To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

*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) dac
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**

WJH

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 Bolcheri ("**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;
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**";

WTLaw

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 Zolistrasse 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**");

W/Low

- 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

WTLaw

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);
- 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;

W/Law

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);*
 - 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);*

W Law

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

WT Law

Biochemtex

Date: _____

Dr. Giovanni Bolcheni

Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi

Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney

Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend

Authorised representative



HCC International Company Plc, Sucursal en España
Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274
Date: _____

Marshall Jones
Authorised representative

AIG Europe Limited
Date: _____

Andrew Kelcher
Authorised representative

Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) dac
Date: 20 April 2018

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: _____

Saba Rehman
Authorised representative

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

in the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

To
Beazley Staff Underwriting Ltd
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Great Lakes Reinsurance (UK) Plc

By means of exchange between legal advisers

Subject: Settlement Agreement Granbio

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

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BY AND BETWEEN**

AUL
1274 29/4/18

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 Bolcheri ("**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**";

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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;
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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 to 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**;
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- 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

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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);
- 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;

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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);
 - 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);

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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



Biochemfex

Date: _____

Dr. Giovanni Bolcheni

Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi

Legal representative

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney

Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend

Authorised representative



HCC International Company Plc, Sucursal en España
Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274

Date: 20/4/18
[Signature]



Marshall Jones
Authorised representative

AIG Europe Limited
Date: _____

Andrew Kelcher
Authorised representative

Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) dac
Date: _____

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: _____

Saba Rehman
Authorised representative

To
Beta Renewables S.p.A.
Biochemtex S.p.A.
M&G Finanziaria S.p.A.
Strada Ribrocca 11
15057 Tortona (Alessandria)

*by means of registered letter with return receipt
anticipated by means of exchange between legal advisers*

Subject: Settlement Agreement Granbio

Dear Sirs,

In the above captioned matter we received your proposal, transcribed below, which we initialize on each of its pages (Annexes included) and undersign on its last page, as a sign of integral acceptance of said settlement agreement.

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) dac
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 Boicheni ("**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;
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 Königstr. 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 Invetimimentos 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);
- 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);*
 - 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: _____

Dr. Giovanni Bolcheni
Legal representative

M&G Finanziaria

Date: _____

Dr. Vittorio Ghisolfi
Legal representative"

All the above being stated, we herewith confirm the acceptance of your proposal.

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 and in its capacity as managing agent for Syndicate 1861)

Date: _____

Tom Maloney
Authorised representative

Catlin Underwriting Agencies Limited for and on behalf of XL Syndicate 1209 and XL Insurance Company SE

Date: _____

David Friend
Authorised representative

HCC International Company Plc, Sucursal en España
Date: _____

Marta Ruiz
Authorised representative

Antares Lloyd's Syndicate 1274
Date: _____

Marshall Jones
Authorised representative

AIG Europe Limited
Date: 20 April 2018


Andrew Kelcher
Authorised representative

Starstone Insurance SE
Date: _____

Nick Rogers
Authorised representative

Allied World Assurance Company (Europe) plc
Date: _____

Ting Low
Authorised representative

Great Lakes Reinsurance (UK) Plc
Date: _____

Saba Rehman
Authorised representative

