

Deadlock

1. Whenever this Agreement provides that corporate action with respect to the Company can be taken only with the approval of both Parties and there is, despite the foregoing, a disagreement among the shareholders or the Directors, the Parties shall use their best efforts to amicably resolve any disagreement.
2. If, despite the foregoing, a Board meeting or a Shareholders' Meeting cannot be held due to a lack of quorum or if the Directors are unable to make a decision on a matter referred to them, or the shareholders of the Company are unable to make a decision on a matter referred to them, within 30 (thirty) days of the matter first being considered, or scheduled for consideration, by the Board or the shareholders, as the case may be, then either Party may by written notice to the other require that the relevant matter be referred to the General Manager of Biokosma and the chairman of the board of directors of Chempower for consideration and adjudication by them.
3. If the General Manager of Biokosma and the chairman of the board of directors of Chempower are together unable to resolve any matter referred to them pursuant to para. 2 within 90 (ninety) days of the date of such referral then upon request of either Party the matter shall be submitted to a mediator appointed jointly by the Parties. In the event the Parties fail to appoint a mediator within 10 (ten) days following the request of mediation by either Party, then a mediation procedure in accordance with the Swiss Rules of Commercial Mediation of the Swiss Chambers of Commerce in force on the date when the request for mediation was submitted in accordance with these Rules shall be initiated on request by either Party. The mediation shall be held before the Chambre of Commerce of the Canton of Zurich.
4. If the Parties are unable to resolve the deadlock pursuant to the mediation proceedings in para. 3 within 90 (ninety) days of the date of such beginning of the mediation proceedings, then the following procedure shall apply:
 - a. upon request of either Party the matter shall be submitted to an Expert appointed by the Parties jointly in order to determine the Fair Value of the Shares. In the event the Parties fail to appoint the Expert within 10 (ten) days following the request for an Expert by either Party, then on application by either Party, the Expert shall be nominated

by the President of the time being of the Chambre of Commerce of the Canton of Zurich.

- b. The Expert shall stipulate within 30 (thirty) days of its appointment what in its opinion is the Fair Value of the Shares calculated as a *pro rata* proportion of the value of the whole of the issued share capital of the Company.
- c. In stipulating its opinion the Expert shall be deemed to act as expert and not as arbitrator and its determination shall be final and binding on all Parties, unless based on fraud, or manifest calculation errors, in which case the company valuation as corrected by the Expert shall be binding.
- d. Upon determination of the Fair Value the Parties shall conduct an auction in which the Party offering to purchase all but not some of the Shares owned by the other Party at the highest price offered shall have the right and obligation to acquire all shares held by the other Party, and the other Party shall be obligated to sell and deliver all Shares held by it to the Party offering the highest price. The procedure for this auction shall be as set out below.
- e. A Party wanting to buy out the other Party (the **First Offeror**) may within 10 (ten) days following the final determination of the Fair Value notify the other Party (the **Second Offeror**) in writing that it offers to purchase all, but not some of, the Shares owned by the Second Offeror (the **First Offer**), at a purchase price equal to or higher than the Fair Value (the **First Offer Price**). Additionally, the First Offeror shall submit a confirmation in writing from an internationally reputed financial institution confirming the financial capacity of the First Offeror to acquire the Shares at the First Offer Price.
- f. The Second Offeror shall have the right to (i) accept the First Offer by the First Offeror, or (ii) notify the First Offeror in writing within 10 (ten) days following the offer that it offers to purchase all, but not some of the Shares owned by the First Offeror (the **Second Offer**) at a purchase price higher than the First Offer Price (the **Second Offer Price**). Additionally, the Second Offeror shall submit a confirmation in writing from an internationally reputed financial institution confirming the financial capacity of the Second Offeror to acquire the Shares at the Second Offer Price.

- g. The Party receiving the Second Offer shall then have the right to (i) accept the Second Offer by the Second Offeror, or (ii) offer to make a Last Offer within 10 (ten) days following receipt of the Second Offer. In the latter case, each Party shall submit their final offer (the **Last Offer**) to acquire the Shares of the other Party. The Last Offer shall be a precise CHF figure per Share which is higher than the Second Offer (the **Last Offer Price**), shall be accompanied by a confirmation in writing from an internationally reputed financial institution confirming the financial capacity of the respective Party to acquire the Shares at the Last Offer Price, and shall be submitted to a notary public in the Canton of Zurich.
- h. The notary public shall open the Last Offers in the presence of both Parties, or their representatives and shall confirm that both Last Offers conform to the conditions set out in lit. g above, in which case the Party who has proposed to acquire the other Party's shares at the highest price per Share shall have the right and the obligation to acquire all but not some of the other Party's shares at the Last Offer Price. If one of the Last Offers does not conform to the conditions set out in lit. g above, such Last Offer shall be deemed invalid and the Party submitting a valid Last Offer shall have the right and the obligation to acquire all but not some of the other Party's shares at the Last Offer Price. In case both Parties submit a valid Last Offer at exactly the same Last Offer Price, the Parties shall repeat the procedure of the Last Offer according to lit. g and h the following day.
- i. In the event that none of the Parties notifies the other that it offers to purchase all but not part of the other Party's Shares within 10 (ten) days following the final determination of the Fair Value, the Expert shall initiate a single-round sealed bid reverse auction pursuant to the following principles: Each Party is obliged to submit a valid offer in writing to acquire all but not some of the Shares of the other Party (the **Reverse Auction Offer**). The Reverse Auction Offer shall be a precise CHF figure per Share which is higher than 0 (the **Reverse Auction Price**), shall be accompanied by a confirmation in writing from an internationally reputed financial institution confirming the financial capacity of the respective Party to acquire the Shares at the Reverse Auction Price, and shall be submitted to a notary public in the Canton of Zurich.

- j. The notary public shall open both Reverse Auction Offers in the presence of both Parties, or their representatives and shall confirm that both Reverse Auction Offers conform to the conditions set out in lit. i above, in which case the Party who has proposed to acquire the other Party's shares at the highest price per Share shall have the right and the obligation to acquire all but not some of the other Party's Shares at the Reverse Auction Price. If one of the Reverse Auction Offers does not conform to the conditions set out in lit. i above, such Reverse Auction Offer shall be deemed invalid and the Party submitting a valid Reverse Auction Offer shall have the right and the obligation to acquire all but not some of the other Party's Shares at the Reverse Auction Price. In case both Parties submitted a valid Reverse Auction Offer at exactly the same Reverse Auction Price, the Parties shall repeat the procedure according to lit. i and j the following day.
- k. Completion of the sale of Shares shall take place no later than within 10 (ten) days following (i) acceptance by one party of the First Offer or Second Offer, or (ii) unsealing Last Offer or Reverse Auction Offer, as the case may be, or, (iii) if any governmental or regulatory approvals are required, within 10 (ten) days of obtaining the last necessary governmental or regulatory approval with respect to the transaction. The selling Party shall take all steps required and shall ensure that its Directors approve any transfer of Shares to the other Party.