

COMPLIANCE OVERVIEW CLAIM CODE 2019

Introduction

The foundation was established in October 2015 and is an interest organization within the meaning of article 3:305a Dutch Civil Code ('**DCC**'). Currently, the foundation has a management board ('**MB**') consisting of three members and a supervisory board ('**SB**') also consisting of three members.

The foundation fully commits to the Claim Code that came into force on 1 July 2011 and was recently amended in March 2019 ('**Claim Code**'). The Claim Code is a private initiative that currently consists of seven principles ('**Principles**') that are accepted general guidelines and views on the way interest organizations such as the foundation should represent collective interests. The Principles contain a set of standards for the founders, board members, supervisory board members, consultants and advisors engaged by the interest organization.

With this underlying document, the MB provides a high-level explanation of the foundation's compliance to the Claim Code (in conformity with Principle I, elaboration 1 of the Claim Code).

Principle I: Compliance with the Claim Code 2019

The governance structure of the foundation is set up in accordance with the principles of the Claim Code. The articles of association of the foundation ('**Articles**') determine that the MB and SB together are responsible for the compliance of that governance.

The compliance of the foundation to the Claim Code will be discussed annually within the (joint) MB and SB meeting. If the MB wishes to deviate from the Claim Code, it will need prior written approval of the SB as set out in clause 6.5 of the Articles.

This document is a document as set out in clause 6.4 of the Articles and elaboration 1 of Principle I of the Claim code and will be published together with the Annual Report on the Foundation's websites www.derclaim.nl and www.stichtingvolkswagencarclaim.com.

Principle II: Protecting collective interests on a non-profit basis

The foundation is a non-profit organization that represents the interests of all private and corporate owners of vehicles from one of the brands carried by *inter alia* Volkswagen AG, Audi AG, SEAT S.A. and/or Škoda a.s. ('**Volkswagen c.s.**'), which have been delivered with an engine affected by the Volkswagen diesel-emissions-scandal.

The Articles of the foundation provide important safeguards, which prevent that any natural or legal person can – directly or indirectly – dispose of the capital or income of the foundation (within the meaning of elaboration 1, Principle II of the Claim Code). As a result, the risk of inappropriate use of the foundation's funds – for which the Claim Code provides important safeguards, is absent. The foundation also does not generate revenues. Participants are not

required to pay a registration fee. This further reduces the risk of inappropriate use of the foundation's funds.

In conformity with elaboration 3 of Principle II of the Claim Code, the Articles determine that the MB shall, subject to approval from the SB and with due observance of the interests of the participants of the foundation, determine the appropriation of the surplus after dissolution. The appropriation will have to approach the objects of the foundation as closely as possible and shall be distributed to the participants or an organization within the meaning of Section 6.33 paragraph 1 section b of the Income Tax Act 2001.

Principle III:

The foundation entered into a funding agreement with Vannin Capital PCC ('**Vannin**'), with its registered office in Jersey, to provide funding to the foundation in order to pursue its statutory objects.

Vannin Capital is a pioneer of the rapidly evolving market of legal finance. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities, providing tailored funding solutions and expert support to corporations and law firms involved in high value, commercial disputes.

Vannin works with law firms and clients around the world, combining global resources and local expertise from its offices in London, Jersey, Paris, New York, Washington, Sydney, Melbourne and Bonn. For more information about Vannin: www.vannin.com.

The members of the MB, SB and the lawyers of the foundation are fully independent from the funder. The funding conditions also do not conflict with the collective interests within the meaning of the statutory objects of the foundation. In return for the funding costs and the risk incurred, the funder receives a premium, which is 18% to 25% of any financial recovery achieved through a (collective) settlement or litigation (dependent on the number of participants included in such resolution).

Elaboration 2 of Principle III of the Claim Code provides that the funding agreement should *inter alia* contain (i) a provision that Dutch law is applicable and (ii) choice of competent jurisdiction for the Dutch court or a Dutch arbitral tribunal. The funding agreement deviates from this elaboration, as the funding agreement was concluded before new Principle III of the Claim Code (2019) was published.

The funding agreement determines that any dispute between the foundation and the funder will be handled through mediation or arbitration in Rotterdam, the Netherlands.

Principle IV: Independency and avoiding conflict of interests

In accordance with elaboration 1 of Principle IV of the Claim Code, any apparent conflict of interest between the foundation's MB, SB, the external funder and the engaged advisors should be avoided (see for instance clause 5.3, 8.14, 10.3 and 12.12 of the Articles). If a(n)

(in)direct conflict of interest should exist, the relevant member of the SB/MB will not take part in the deliberations and decision-making process (clause 8.14 (MB) and 12.12 (SB) of the Articles).

In accordance with elaboration 3 of Principle IV of the Claim Code, the Articles of the foundation do not allow the foundation to enter into agreements with a legal entity or natural person or other entities, whereby a MB or SB member – whether or not through a relationship within the meaning of elaboration 1 of Principle IV of the Claim Code - in the capacity of board member, founder, shareholder, supervisor or employee (clause 6.3 of the Articles).

Principle V: Composition of the MB

In conformity with elaboration 1 of Principle V of the Claim Code, the MB currently consists of three natural persons: Messrs. **Fausto Pocar** (former president of the International Criminal Tribunal for the former Yugoslavia (ICTY)), **Guido van Woerkom** (former president of the Royal Dutch Touring Club (ANWB) and **Arie van der Steen** (accountant and former CFO of a number of private companies).

With these members, the MB has sufficient legal and financial expertise (within the meaning of elaborations 3 and 4 of Principle V of the Claim Code) to successfully pursue the statutory purpose of the foundation.

Principle VI: Remuneration of the members of the MB

The members of the MB receive a management fee for their services to the foundation. For meetings of the MB or joint meetings with the supervisory board, members of the MB are compensated a remuneration of EUR 1,000 (excluding VAT) per day attended.

For additional services related to the activities of the foundation, members of the MB are entitled to a service fee of EUR 150 per hour excluding VAT. Given the experience of the MB members, this is a very modest hourly rate.

The total amount received by the members of the MB in 2019 amounts to EUR 17,960 (including VAT).

Principle VII:

In conformity with elaboration 1 of Principle V of the Claim Code, the SB currently consists of three natural persons: Messrs. **Marten Oosting** (former National Ombudsman, former Member of the Council of State), **Hans de Savornin Lohman** (Attorney-at law with more than 25 years of litigation experience, as well as judge at the Court of Appeal in The Hague) and **Jan Zielonka** (professor of European Politics at Oxford University with his main areas of expertise in Comparative Politics, Ethics, International Relations and Political Theory).

With these members, the SB has sufficient legal and financial expertise and experience (in accordance with elaborations 4 and 5 of Principle VII of the Claim Code) to successfully pursue

the statutory purpose of the foundation.

The total amount received by the members of the SB in 2019 amounts to EUR 10,502 (including VAT), consisting of (i) reimbursement of reasonable expenses and (ii) so-called *vacatiegeld* for meetings of the SB or joint meetings with the MB of EUR 1,000 (excluding VAT) per day attended.