

STICHTING CAR CLAIM

Annual Report 2020

Table of Contents

Report of the Supervisory Board	3
Directors' Statement	5
Annual accounts 2020	14
A. Balance Sheet	15
B. Statement of income and expenses	16
Notes to the Annual Accounts 2020	17
A. Notes to the balance sheet	18
B. Notes to statement of income and expenses	19
Compliance Overview Claim Code 2019	20

Report of the Supervisory Board

Performance

During the financial year 2020, the Supervisory Board monitored the foundation's governance, financial policy, legal strategy, and general affairs. The Supervisory Board has provided its findings to the Management Board and to the legal advisors of the foundation. These findings particularly concerned the following subjects:

- Governance
- Financial policy
- Legal strategy
- Political strategy
- Media policy
- Other endeavours (to be) initiated by the foundation

Composition and compliance

During the financial year 2020, the Supervisory Board of the foundation consisted of three members: Mr Marten Oosting, Mr Hans de Savornin Lohman, and Mr Jan Zielonka. This composition complies with the articles of association of the foundation and with the Claim Code 2019.

Meetings

Joint meetings with the Management Board were held on 14 February, 17 April, 23 June, and 19 October 2020. The Supervisory Board, the Management Board and the legal advisors of the foundation also consulted each other via (conference) calls and email on multiple occasions. The meetings, conversations and messages focused on the general course of affairs, the foundation's financial position, operational strategy, organisational changes and the findings as mentioned in this annual report.

Other appearances

Mr Oosting represented the foundation during the Webinar "*Closing the Dieselgate Saga: Paving the Way for a Fair and Green Recovery of the European Car Sector*" that was held on 16 June 2020.

The Supervisory Board recognises the achievements of the foundation's management and legal advisors in 2020 and hereby expresses its appreciation to them.

Rotterdam, 21 June 2021

w.g.

Mr Marten Oosting
Chairman

w.g.

Mr Hans de Savornin Lohman

w.g.

Mr Jan Zielonka

Directors' Statement

Mission

Stichting Car Claim is a non-profit organisation, duly incorporated under Dutch law on 2 October 2015. It has its registered seat in Rotterdam, the Netherlands.

Representation

The foundation represents the interests of car owners, such as consumers and (leasing) companies, whose cars are equipped or have been equipped with hardware and/or software, with the intention of manipulating emission tests and/or because of which the legal emission standards are exceeded.

The foundation is committed to both private and business car owners, and to first-hand and second-hand car buyers as well as lease drivers.

Representation, objective and approach

On 3 July 2020, the foundation changed its name to Stichting Car Claim and expanded its representation. Under its articles, the foundation acts for all car owners who have been harmed by car manufacturers involved in the diesel emissions scandal.

The objective of the foundation is – *inter alia* – to determine and investigate the course of events leading up to and concerning:

- i. the development and instalment of forbidden soft- and/or hardware in affected vehicles by various car manufacturers and/or software suppliers;
- ii. the selling and/or supplying of the affected vehicles to the car owners; and
- iii. (the consequences of) the application of one or more hard- and/or software updates to the affected vehicles.

In light of the above, the foundation strives to ascertain the legal rights and remedies for car owners, which included but is not limited to:

- i. the possibility for car owners to enforce (have enforced) claims against (one or more) responsible parties, including but not limited to the termination of the purchase agreements of affected vehicles against (full) repayment of the purchase price;
- ii. the possibility for the car owners to obtain (full) compensation for the damage suffered and to be suffered from the responsible parties;
- iii. the ability for the car owners to obtain (have obtained) all necessary indemnities and/or warranties against any potential adverse consequences of the manipulation of the affected vehicles, for the intact use of the Affected Vehicles;
- iv. alternative possibilities to resolve the emissions problems of affected vehicles, and
- v. obtaining compensation for the (financial) consequences for the car owners.

The articles of the foundation are drafted in light of the principle to reach a fair and reasonable solution for all the parties that are involved in the scandal. The boards of the foundation have instructed the foundation's legal counsel to work with the responsible parties in a spirit of mutual respect in order to find a reasonable and fair solution. This primarily implies negotiations that ultimately could result in entering in a voluntary settlement. Such a solution should further entail that affected car owners can continue to make use of their vehicles without any risk or damage.

Unfortunately, none of the responsible parties did accept the invitations of the foundation to enter into amicable settlement negotiations. Therefore, the Management Board of the foundation has instructed the foundation's legal counsel to initiate various legal proceedings (reference is made to the paragraph "*Actions of the foundation*" of this Annual Report).

Governance

Management Board

The foundation is governed and represented by a professional Management Board. The Management Board is responsible for the strategy, financial policy and day-to-day business of the foundation. The Management Board is appointed by the Supervisory Board.

In 2020, the Management Board consisted of Mr Fausto Pocar (former president of the International Criminal Tribunal for the former Yugoslavia (ICTY)), Mr Guido van Woerkom (former president of the Royal Dutch Touring Club (ANWB)), and Mr Arie van der Steen (accountant and former CFO of various private companies).

Supervisory Board

The foundation's Supervisory Board advises and supervises the foundation's Management Board and the general course of affairs and business of the foundation. This includes, but is not limited to the supervision of the foundation's strategy, the foundation's financial affairs and the realisation of the foundation's objectives. The members of the Supervisory Board perform their duties independently.

In 2020, the Supervisory board consisted of Mr Marten Oosting, Mr Hans de Savornin Lohman, and Mr Jan Zielonka.

Annual report 2019

The annual report over the financial year 2019 has been adopted on 23 June 2020.

Claim Code 2019

The foundation complies with the rules of the Claim Code 2019. The Claim Code is a code of conduct drawn up by experts operating in the Dutch collective redress market.

An explanatory notice of compliance is included in the Annual Report (page 20 et seq.).

Act on the Settlement of Mass Damage in Class Action (WAMCA)

On 1 January 2020, the new Act on the Settlement of Mass Damage in Class Action (WAMCA) has come into effect.

With the WAMCA, it has become possible for representative entities, like the foundation, to commence collective action proceedings in the Netherlands on an "opt-out basis", including claims for monetary damages.

Actions of the foundation

This section provides an overview of the foundation's in- and out-of-court actions to represent the interests of its constituents.

The legal proceedings against Volkswagen Group ('**Volkswagen Group**'), Robert Bosch GmbH ('**Bosch**'), Pon's Automobielhandel ('**PON**') and various Volkswagen Group dealers ('**VW dealers**') have been ongoing since 2017.

In the course of 2020, the foundation also initiated legal proceedings against Daimler AG ('**Daimler**'), Mercedes-Benz Vans Nederland ('**Mercedes-Benz Cars**') ('**Mercedes-Benz Vans**') and various Daimler dealers ('**Daimler dealers**').

Volkswagen et al.

Over the last years, the foundation has sent multiple letters to Volkswagen Group. In these letters, the foundation extensively set out the impact of the (continuing) scandal for the affected car owners, the role and responsibility of Volkswagen and the legal rights of the affected car owners towards Volkswagen in this respect. The foundation also repeated its preferred scenario to discuss a fair and reasonable settlement in the interest of the affected car owners.

The foundation also sent letters to Bosch, PON, the VW dealers, Mr Winterkorn and Mr Müller. In all of these letters, the foundation provided the abovementioned parties with an overview of the Diesel emission scandal, discussed the responsibility of each party and invited all parties to discuss the possibility to reach a fair and reasonable settlement for the car owners that are affected by the scandal.

Unfortunately, the claim letters and multiple other attempts to communicate with Volkswagen and the other parties remained without a positive answer. In the absence of Volkswagen's cooperation, it became clear that further action was required to bring the company to justice. Therefore, the foundation decided to start legal proceedings in the Netherlands.

Dutch Proceedings – the foundation has initiated litigation against the following parties:

- Volkswagen AG
- Audi AG
- Škoda a.s.
- SEAT S.A.
- Bosch
- PON
- VW dealers

In its writ of summons, the foundation (*inter alia*) seeks a declaratory judgment that Volkswagen Group, Bosch and PON have acted wrongfully towards the aggrieved car owners. It also seeks a declaratory judgment that the affected vehicles do not comply with the purchase/lease agreements and that the aggrieved car owners are therefore in principle entitled to terminate and/or annul their respective agreements with the VW dealers. The foundation also asks for a declaration that Volkswagen Group, Bosch and PON (jointly) acted unlawfully towards the Dutch car owners because of their part and involvement in the scandal.

Since the declaratory proceedings only relate to issues of liability and contractual remedies, no actual damage amounts can be claimed by the foundation in this first stage of litigation.

Status

The writ of summons has been served on the defendants in December 2017.

On 2 May 2018, the foundation submitted the writ of summons with the District Court of Amsterdam. In view of the number of parties involved, the foundation requested the court for a pretrial hearing, in order to establish procedural arrangements. This request was granted.

The pretrial hearing took place on 6 November 2018. The aim was to establish a procedural order to ensure that unnecessary delays are avoided. The court has divided the proceedings into three phases:

1. Jurisdiction of the Dutch court;
2. Preliminary defenses (applicable law, admissibility of the claim, representativeness of the foundation etc.);
3. Merits of the claims.

First phase – Jurisdiction of the Dutch Court

During the first phase, only the former CEOs of Volkswagen objected to the jurisdiction of the Amsterdam Court. Volkswagen and the other defendants have accepted the jurisdiction of the Amsterdam Court. Because the proceedings against all defendants are dealt with at the same time, the proceedings against the former CEOs would unnecessarily delay the progress of the proceedings against Volkswagen and the other defendants. The foundation finds this undesirable. To speed up the proceedings, the foundation has therefore decided to remove the former CEOs from the current proceedings. In this way, the second phase could be started immediately, in which the Amsterdam Court will address preliminary defenses and possible

interim proceedings. The former CEOs of Volkswagen could still be involved in separate legal proceedings.

Second phase – Preliminary defenses

The oral pleadings in the second phase took place on 7 October 2019. The oral pleadings involved various legal questions, like (i) whether the foundation is authorized to act in the interest of the aggrieved Dutch car owners in these legal proceedings and (ii) which law would be applicable to the foundation's claims against Volkswagen Group and Bosch.

On 20 November 2020, the court ruled that the foundation is admissible to institute collective claims in the interest of aggrieved Dutch car owners against all defendants. The court has found that the foundation properly safeguards the interests of the aggrieved Dutch car owners and meets the high quality requirements in this respect.

The court also held that all claims of the foundation against Volkswagen Group, Bosch and PON are suitable for a collective action procedure. This also applies to the foundation's main claims against the VW dealers (i.e. the possibility for certain car owners to annul and/or terminate their agreements due to error or non-conformity). The question whether a usage fee could be deducted in such case must be assessed on an individual basis.

The foundation's claims against Volkswagen Group, PON and the VW dealers will be subject to Dutch law. Dutch law also applies to part of the foundation's claims against Bosch. Another part will be assessed under German law.

All other defenses raised by the defendants in the second phase have been dismissed by the court.

Third Phase – Merits of the claims

The judgment in phase 2 marks the start of the final stage of the proceedings, which focuses on the merits of the claims. The court did not allow the possibility of an interim appeal against the interim judgment and gave the parties the opportunity to respond substantively to a number of questions from the court. The foundation did so on 18 December 2019.

The hearing on the merits would originally take place at the end of May 2020, but was postponed due to COVID-19 restrictions. The hearing went through on 26 and 27 May 2021.

Day 1 of the hearing saw on the technical aspects of the case. The parties discussed the specifications of manipulation instruments in the affected vehicles, whether its use is prohibited by law, and the role and responsibility of Volkswagen Group and Bosch in this respect.

In addition, the update applied to affected vehicles was discussed, particularly regarding the question of whether (i) the affected vehicles still contain forbidden manipulation instruments after the update and (ii) the update causes additional disadvantages to the vehicles.

Day 2 of the hearing focused on (i) the role and responsibility of PON as the Dutch importer and (ii) the contractual rights of aggrieved car owners against the Dutch VW dealers, such as the right to terminate or annul the agreement. Finally, the parties discussed the question of whether aggrieved car owners suffered damage because of the emissions scandal.

The court has set a provisional date to render its judgment on 21 July 2021.

WOB-requests – In order to obtain further information, which could be relevant for the pending legal proceedings, the foundation filed multiple WOB requests (requests to a governmental body to disclose information). Multiple WOB requests have already resulted in additional insight and information about the scandal. Other WOB requests and additional requests are currently pending.

Status

The foundation has received (part of) the requested documents from the Dutch type approval authority (RDW) but these documents are almost completely blackened. The foundation raised its objections against the blackening of the documents in (objection) proceedings under administrative law. This objection was only honored to a very limited extent. Therefore, the foundation has lodged an appeal against the decisions of the RDW. At this moment, the first (obligatory) court hearing has been held. The court decided that another hearing is necessary before it issues a verdict. The court will shortly announce the date for the second hearing in this case.

The second request to the RDW concerns, in short, particular data of diesel drivers in The Netherlands so that the foundation could actively inform all aggrieved car owners about the shortcomings of the update performed on affected vehicles and the possibility to join the foundation to claim compensation for damages suffered. This request has been rejected. The foundation raised its objections against this rejection in (objection) proceedings under administrative law, but the RDW again rejected the request of the foundation. The foundation has therefore lodged an appeal against aforementioned decisions of the RDW. After an obligatory hearing, the court rejected the appeal of the foundation.

Daimler et al.

The proceedings against Daimler et al. have been initiated under the new WAMCA legislation. This means that the foundation is claiming monetary damages from Daimler and the other responsible parties on behalf of the aggrieved car owners. As with the proceedings against Volkswagen et al., the foundation also claims that Dutch car owners are authorized to return their affected vehicles against (full) reimbursement of the purchase price.

Dutch Proceedings – on 20 July 2020, the foundation sent a letter to Daimler et al. with an invitation to discuss an out-of-court solution. This was to no avail.

Hence, the foundation has the foundation has initiated litigation against the following parties:

- Daimler AG

- Mercedes-Benz Vans Nederland B.V.
- Mercedes-Benz Cars Nederland B.V.
- Various Daimler dealers.

Status

The writ of summons has been served on the defendants on 30 December 2020.¹

On 21 April 2021, the court determined the procedural order. It has divided the proceedings into three phases.

In the first phase, the court will decide on (i) its jurisdiction, and (ii) the applicability of the new class action legislation (WAMCA). In addition, the court will assess the position of SEC and Bosch as parties in the proceedings.²

In the second phase, the court will decide on (i) the admissibility of the foundation and (ii) the applicable law. The court will also appoint an exclusive representative. The exclusive representative will have the lead over other representative organizations in the further course of the proceedings.

In the third phase, the court will assess the merits of the claims.

Phase 1

On 19 May 2021, the foundation filed a brief (*akte*) regarding the position of SEC and Bosch in these proceedings.

Daimler and the other defendants will now file a statement of defense on 11 August 2021.

Political strategy

A last element of the foundation's strategy is to further mobilize political support for the foundation's endeavour. The foundation has retained the services of a political consultant in Brussels who assists us by collecting the required support.

In this respect, the foundation participated in the Webinar "*Closing the Dieselgate Saga: Paving the Way for a Fair and Green Recovery of the European Car Sector*" that was held on 16 June 2020. Representatives of the European Commission, of various stakeholders and of the automobile sector talked about a pan-European solution for the still looming diesel scandal.

¹ Two other initiatives – Stichting Diesel Emission Justice (SDEJ) and Stichting Emission Claim (SEC) – have issued a writ of summons against Daimler et al. as well.

² SEC has filed a claim against the Daimler outside the applicable period, without the prior approval of the court. SEC has also filed claims against Bosch as the defendant. The participation of SEC and Bosch in this procedure is therefore under discussion.

The webinar, chaired by MEP and Vice-Chairman of the Transport Committee István Újhélyi and supported by The Parliament Magazine and PA International Foundation, stems from a growing European movement, which strives to achieve a comprehensive solution of the problem through constructive consultation between all relevant stakeholders in Dieselgate. As the representative of disadvantaged European car owners the foundation works together with environmental organization *Deutsche Umwelthilfe* and patient organization *European Public Health Alliance* within this movement. They are jointly committed to repairing the tens of millions of diesel cars that emit too many harmful substances, reducing risks to human health and the environment and compensating consumers for disadvantages.

Financials

Funding

The foundation follows a strict “no-cure-no-pay” arrangement with its participants. Car owners can join the foundation completely free of charge. All costs (including legal costs) are borne by the foundation, for which we have obtained external funding. Only in the event that the foundation is successful in its endeavours (i.e. because of a settlement or through successful litigation) it will seek no more than eighteen to twenty-five percent of any financial recovery achieved through a (collective) settlement or litigation (dependent on the number of participants included in such resolution), which shall be paid to its funders.

Two third-party funders provided the initial funding of the foundation. The foundation ultimately selected a professional litigation funder from the UK to provide the required funding. One of the initial funders will stay on board as funder and partner in the project. The other funder has withdrawn as a funder.

Tax authorities

The foundation has regularly corresponded with the tax authorities regarding its tax obligations. So far, the tax authorities concluded that the foundation is not liable to pay any taxes.

Administration

Mr Van der Steen – being the treasurer of the foundation – took care of the day-to-day financial administration of the foundation.

Meetings

Joint meetings with the Supervisory Board and legal counsel of the foundation were held on 14 February, 17 April, 23 June, and 19 October 2020. The Management Board, the Supervisory Board and the legal advisors of the foundation also consulted each other via (conference) calls and email on multiple occasions and on a regular basis.

Communication and media

The foundation also keeps its participants informed on any developments through periodical newsletters,

press releases and updates via its websites.

Dutch participants are kept informed via the website www.derclaim.com. On this website, Dutch car owners can also register with the foundation, after which they receive a personal account. This allows registered participants to provide basic input on their ideal settlement, change their personal information, and keep in touch with the foundation through frequent notifications.

Car owners from other European jurisdictions can register with the foundation via the website www.stichtingcarclaim.com.

The endeavours of the foundation in 2020 have had exposure in the media, under which the [Telegraaf](#), [Algemeen Dagblad](#), [Automotive](#), Parliament Magazine [\(i\)](#) and [\(ii\)](#).

Rotterdam, 21 June 2021

w.g.

Mr. Fausto Pocar
Chairman

Annual Accounts 2020

A. Balance Sheet

	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>FIXED ASSETS</u>		
Intangible fixed assets	--	--
Tangible fixed assets	--	--
<u>CURRENT ASSETS</u>		
Inventories	--	--
Receivables	€ 7,723	€ 14,341
Cash and bank balances	€ 25,455	€ 18,837
<u>CURRENT LIABILITIES</u>		
Creditors	--	--
Accrued liabilities	€ 20,067	€ 20,067
Advance Media budget	€ 13,311	€ 13,111
Current assets minus current liabilities	€ 0	€ 0
Assets minus current liabilities	€ 0	€ 0
<u>EQUITY</u>	€ 0	€ 0

B. Statement of Income and Expenses

	<u>2020</u>	<u>2019</u>
<u>INCOME</u>		
Third Party Funding	€ 121,412	€ 186,131
Total	€ 121,412	€ 186,131
<u>EXPENSES</u>		
Notary	€ --	€ --
ICT	€ 441	€ 386
D&O Insurance	€ 1,331	€ 1,333
Management/Remuneration Fees	€ 29,682	€ 17,960
Supervisory board	€ 10,640	€ 10,502
Back office	€ 79,191	€ 118,873
Database	€ --	€ 36,930
Other	€ 125	€ 147
Total	€ 121,412	€ 186,131
Operating Income	--	--
Non-operating income	--	--
<u>NET INCOME</u>	€ 0	€ 0

Notes to the Annual Accounts 2020

A. Notes to the Balance Sheet

BALANCE SHEET VALUATION POLICIES

General

Valuation of assets and liabilities and determination of the result take place under the historical cost convention.

Unless mentioned otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, are at the free disposal of the company.

Current liabilities

Current liabilities concern debts with a term of less than one year. Upon initial recognition the current liabilities are recorded at the fair value and subsequently valued at the amortized cost.

B. Notes to the Statement of Income and Expenses

PRINCIPLES FOR THE DETERMINATION OF INCOME AND EXPENSES

Income

Net income represents amounts invoiced for services rendered during the financial year reported on, net of discounts and value added taxes.

Expenses

Expenses are attributed to the financial year to which they relate.

LEGAL FEES

The foundation is funded by third party funders. The third party funders pay the operational expenses of the foundation. The fees of the legal counsel of the foundation are directly paid by the third party funders without involvement of the foundation.

Parts of the legal costs over the financial year 2020 that was due and unpaid have been fully paid for in the financial year 2021.

The following costs and (legal) fees have been invoiced to the foundation in the financial year 2020 (2019):

Legal costs (directly related to Dutch legal proceedings)

- o € 799,211 (€ 663,972)

Running Costs (legal counsel fees related to activities that are not directly connected with the Dutch legal proceedings. These activities include strategic advice, the preparation of and participation in board meetings, assistance with the execution of the foundation's communication and media strategy, liaising with third party organizations and funders, the preparation and execution of (cooperation) agreements in connection therewith, assistance with the foundation's financial operations, and other liaising activities. Other non-legal costs relate to third party fees in relation to the international and political endeavors of the foundation)

o Legal counsel fees	€ 336,522	(€ 277,177)
o Political strategy	€ 65,500	(€ 78,640)
o Foreign counsel		(€ 2,425)
o Translations		(€ 2,037)
o Other		(€ 1,517) +
Total	€ 402,022	(€ 361,796)

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 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

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.stichtingcarclaim.com.

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

The foundation represents the interests of car owners, such as consumers and (leasing) companies, whose cars are equipped or have been equipped with hardware and/or software, with the intention of manipulating emission tests and/or because of which the legal emission standards are exceeded.

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: External Funding

The foundation entered into a funding agreement with Vannin Capital PCC ('**Vannin**'), with its registered office in Jersey, to provide funding to the foundation 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 Capital is a member of the Association of Litigation Funders and adheres to the association's code of conduct. This code of conduct (which is also recognized in the Claim Code) has been drawn up to protect parties who want to use litigation financing.

The members of the MB, SB and the legal advisors 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: Governance of the MB

In conformity with 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 objectives 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 € 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 € 175 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 2020 amounts to € 29,682 (including VAT).

Principle VII: Governance of the SB

In conformity with Principle VII 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 objectives of the foundation.

The total amount received by the members of the SB in 2020 amounts to € 10,640 (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 € 1,000 (excluding VAT) per day attended.

Rotterdam, 21 June 2021

Management Board

w.g.

Mr Fausto Pocar
Chairman

w.g.

Mr Arie van der Steen

w.g.

Mr Guido van Woerkom

Supervisory Board

w.g.

Mr Marten Oosting
Chairman

w.g.

Mr Hans de Savornin Lohman

w.g.

Mr Jan Zielonka