

VW Group Diesel Efficiency Foundation

Claim Code Compliance Document 2024

INTRODUCTION

The VW Group Diesel Efficiency Foundation (the "Foundation") protects the interests of present and former owners or lessees of Volkswagen Group Vehicle(s), domiciled or residing either in the Netherlands or abroad to the extent that these parties have suffered harm or damage and/or may suffer future harm or damages as a consequence of (a) fraud, breach of warranty and any violation –systematic or otherwise--, on their rights, or (b) and other unlawful act or omission, by and/or on behalf of one or more of the Volkswagen Group Entities, which harm or damage relates directly or indirectly relates to (the emission produced by) the diesel-engines with motor type EA189, EA288 and/or EA897 of their Volkswagen Group Vehicle(s), this in the broadest sense, and who are persons whose interests the Foundation represents pursuant to its objects (as described Article 1 of the Articles of Association of the Foundation (the "Articles"); such persons hereinafter the "Aggrieved Parties").

The Foundation endorses the Claim Code that came into force on 1 July 2011 as amended on 4 March 2019 (the "Claim Code"). The Claim Code consists of principles with elaborations (the "Principles") that are considered to be broadly accepted general guidelines and views on how claim foundations and associations should represent collective interests, including — but not limited to — litigation. The Principles create a set of standards for the founders, directors, supervisory boards, consultants, and advisors engaged by the Foundation or association.

The Foundation currently has a Management Board (the "Board") consisting of three directors and a Supervisory Board (the "Supervisory Board") consisting of, at the current time, two supervisory director(s). The Board is charged with the management of the Foundation and requires prior written approval of the Supervisory Board for certain resolutions that may significantly impact the Foundation and/or its (endeavours to achieve its) objects.

PRINCIPLE I: COMPLIANCE WITH THE CLAIM CODE

The compliance of the Foundation with the Claim Code will be discussed annually in a joint meeting of the Board and the Supervisory Board. Should the Board ever wish to deviate from the Claim Code, it will need prior written approval of the Supervisory Board as set out in clause 7.1 of the Articles. The Board is required to explain the reasons for such deviation in the Claim Code Compliance Document.

This document describes the governance of the Foundation in adherence to the Claim Code as set out in clause 7.2 of the Articles of Principle I.1 of the Claim Code, and will be published on the Foundation's website: <http://vwdieselemissionsfoundation.com/>.

PRINCIPLE II: PROTECTING COLLECTIVE INTERESTS ON A NON-PROFIT BASIS

The Foundation is a not-for-profit organization and acts accordingly in the collective interests of the Aggrieved Parties.

The Board represents the Foundation. The authority to represent the Foundation is also vested on two board members that act jointly (Principle II.2 Claim Code and clause 15.2 Articles). The Foundation does not generate revenue by requiring the Aggrieved Parties to pay a registration fee. There is therefore no risk of inappropriate use of such funds as identified by the Claim Code in Principle II and for which the Claim Code provides important safeguards.

According to Principle II.3 Claim Code the Articles should also contain a provision that any liquidation surplus be distributed in line with the statutory object of the Foundation to the effect that it is either distributed amongst the Aggrieved Parties or to benefit a charity organization under Dutch law (“ANBI-instelling”).

Clause 26.5 of the Articles provides that upon adopting a resolution to dissolve the Foundation, the Board will need to stipulate how surplus funds on winding up be allocated in line with the statutory objects of the Foundation. The resolution to dissolve the Foundation (including the allocation of a possible surplus) is subject to prior written approval of the Supervisory Board (clause 26.2 in conjunction with clause 25.1 and 25.2 of the Articles) and is subject to a majority of two thirds of the votes cast at a board meeting with at least two thirds of the Board members present or represented (clause 25.2 in conjunction with clause 26.2 of the Articles).

PRINCIPLE III: EXTERNAL FUNDING

The Foundation entered into an agreement with Lief Cabraser Heimann & Bernstein, LLP (“LCHB”) based in New York, USA and has engaged LCHB (i) to provide the funding to the Foundation and (ii) to render services to the Foundation, including drafting dedicated case documents, marketing and advertising activities, website operations and possible contacts with individual Aggrieved Parties, and all activities in connection thereto. LCHB has agreed to fund litigation initiated by the Foundation in conformity with Principle III. The Foundation has investigated the track record and reputation of LCHB and its managing entity and is satisfied that LCHB is wholly independent from the Foundation, its advisors and any defendant in litigation. The Foundation ensures that all third parties that the Foundation enters into an agreement with, confirm that they can only accept instructions coming from the Foundation.

The members of the Board, members of the Supervisory Board, and the lawyers of the Foundation are all independent from LCHB and its affiliates. The funding conditions do not conflict with the collective interests the Foundation aims to protect on the basis of its Articles. In return for the services rendered and the risks and costs assumed by LCHB, it will receive a contingency fee between 18 and 25% of any financial recovery achieved through a collective settlement or litigation.

PRINCIPLE IV: INDEPENDENCE OF THE FOUNDATION AND AVOIDING CONFLICTS OF INTERESTS

In accordance with the Claim Code and the Articles, any apparent conflict of interest between the Foundation's engaged advisors, the Supervisory Board, and the Board should be avoided. In all cases where there is a direct or indirect conflict of interest between the interests of the Foundation and the interests of one or more members of the Board or the Supervisory Board, the individual with the conflict of interest will not take part in the deliberations and shall abstain from voting with respect to the matter in which he or she has a conflict of interest (Clauses 13.1 and 18.2 of the Articles). If all members of the Board have a conflict of interest, the decision must be taken by the Supervisory Board (clause 13.2 Articles).

In accordance with principle IV.3 Claim Code, the Foundation will not enter into agreements with a person and/or legal entities in which a member of the Board or Supervisory Board is involved in the capacity of director, founder, shareholder, member of the supervisory board and/or employee.

The Foundation is currently not engaged in such agreement and is not anticipating in entering in such agreement. None of the Board members or Supervisory Board members are related to

each other, related to each other's spouses or to individuals connected with the Funder. The Board members and Supervisory Board members are not involved in positions that may impair the pursuance of the Foundation's statutory object.

PRINCIPLE V: COMPOSITION OF THE BOARD

Principle V.1 Claim Code provides that the Board of the Foundation should consist of at least three individuals. Currently, the Board consists of: Mr. H.Th. (Dick) Bouma (former partner at law firm Pels Rijcken & Droogleever Fortuijn and expert on class actions and settlements), J.N. (Joop) van Lunteren (a legal expert in tax, pensions and public finance) and Dr. A.G. (Anton) Maurer (arbitrator, attorney at law, and Managing Director of Anton Maurer International Legal Services in Stuttgart, Germany and St. Moritz, Switzerland). Given the current composition of the Board, it has adequate legal expertise and experience.

As required by Principle V.8 Claim Code, the website of the Foundation (<http://vwdieselemissionsfoundation.com>) provides public access to all relevant information, including — but not limited to — the following documents: (i) the Articles, (ii) this Claim Code Compliance Document, (iii) the résumés of the members of the Board and the Supervisory Board, (iv) updates on any pending litigation, and (v) the ability to contact the Foundation.

PRINCIPLE VI: REMUNERATION OF THE MEMBERS OF THE BOARD

Directors are entitled to a management fee for services rendered to the Foundation (pursuant to clause 6.6 Articles). The Board members have the specific expertise (including legal expertise) required for their roles within the Foundation. Given the complex international setting of the matters in which the Foundation operates, the exposure, and the specific requirement of legal knowledge, the Foundation deems it justified to provide an hourly rate of EUR 365 (excluding VAT) for time spent by its Board members.

PRINCIPLE VII: THE SUPERVISORY BOARD

Currently, the Supervisory Board consists of two members: J.W. (Jan-Willem) Lubbers (an experienced tax lawyer and former partner with renowned Dutch tax firms) and L.J. E (Elsbeth) van Rhijn (attorney-at-law and a longstanding specialist in claims settlements in the financial industry).

Given the current composition of the Supervisory Board, it has adequate legal and financial expertise and experience, in accordance with Principle VII of the Claim Code. There is currently one vacancy for the Supervisory Board.

The Supervisory Board meets at least once a year and organizes an annual combined meeting with the Board to discuss, amongst others, the strategy of the Foundation and the claim code compliance. The Board keeps the Supervisory Board informed on all material matters of the Foundation.

The Supervisory Board is charged with the approval of the annual accounts. As suggested by Principle VII.7 Claim Code, the Articles require the Board to have the annual accounts verified by a registered auditor prior to approval by the Supervisory Board (clause 23.3 Articles).

For their services and duties, each member of the Supervisory Board is entitled to an amount of EUR 5.710 per annum (excluding VAT). Any costs and/or out of pocket expenses incurred by the member of the Supervisory Board in rendering her/his services and duties can be charged separately to the Foundation.