

Stichting Investor Loss Compensation

GOVERNANCE REPORT 2021-2022 / CLAIM CODE COMPLIANCE DOCUMENT

INTRODUCTION

1. Stichting Investor Loss Compensation (the **Foundation**) is an independent foundation established under Dutch law on 15 July 2021 and operates on a non-profit basis. The Foundation promotes and protects the interests of shareholders and pursues actions aimed at recovery of losses incurred by investors that are the result of the wrongful conducts of publicly-traded companies. At this moment, the Foundation pursues legal action against Airbus SE (**Airbus**) in relation to insufficient disclosures in connection with the bribery scandal which resulted in settlements with the French, UK and US authorities in January 2020.
2. By making this governance report public on the Foundation's website, the Foundation fulfils its obligation to comply with Article 3:305a of the Dutch Civil Code. This section contains legal criteria for representative organizations. Pursuant to this provision, the Foundation's supervisory board (the **Supervisory Board**) should provide a report regarding the key elements of supervisory activities over the relevant year and the board (the **Board**) should publish a report about its activities. Pursuant to the Claim Code 2019 (version of 4 March 2019, the **Claim Code 2019**), representative organizations should, at least, address the subjects covered by the Claim Code 2019. This document combines these functions.

ACTIVITIES OF THE BOARD AND SUPERVISORY BOARD

3. After its establishment, a member of the Board and two members of the Supervisory Board have been appointed. Later, the Board and Supervisory Board were completed (three members on the Board and three members on the Supervisory Board). The Board assembled and commissioned an experienced team of professionals to assist it in determining and evaluating the strategy of the legal proceedings against Airbus. For a description of the expertise of the members of the Board and Supervisory Board, we refer to the governance section of this report.
4. After its establishment, the Foundation focused its activities on investigating and structuring the claim against Airbus, informing and registering institutional and retail shareholders regarding the legal action, determining the legal strategy and/or identifying relevant partner organisations.
5. On 4 August 2021, the Foundation's counsel sent an extensive demand letter to Airbus, its current and formal external auditor, and its current and former executive and non-executive directors and current and former CFOs.
6. As this demand letter did not result in settlement negotiations and/or in the resolution of the matter, the Foundation started preparations for initiating legal proceedings. One of the first important strategic decisions of the Foundation with respect to the litigation was to instruct its counsel to file the writ with the Hague District Court before 1 January 2022 to protect the rights of shareholders whose claims may be governed by German law. The Foundation initiated collective proceedings against Airbus and the aforementioned related parties on 31 December 2021. In these proceedings, the Foundation seeks damages in connection to the wrongful conducts.

7. The Foundation managed to identify on short notice a suitable litigation funder and to reach an agreement on the key litigation funding terms with Therium Capital Management (**Therium**). To abridge the period between the initial work on the matter, and the drafting and signing of the litigation funding agreement, the Foundation secured initial funding from DRRT Limited (**DRRT**). The Foundation formalised the litigation funding agreement with Therium in December 2022. The last signatures were placed in January 2023.
8. The Board and Supervisory Board have held periodic meetings via video calls or in-person: four meetings took place since the establishment of the Foundation. During these meetings updates were provided with respect to the progress of the litigation and the finalisation of the litigation funding agreement. In addition to these meetings, the board and supervisory board and the Foundation's various service providers regularly discuss the recent developments per e-mail and telephone.
9. Since its establishment, the Foundation and the parties involved have undertaken the necessary additional work and have been actively seeking support from parties with adjacent objectives. For example, upon instruction and mandate of the Foundation, the Foundation's legal counsel attended the 2022 General Meeting of Airbus and asked questions. The Foundation's legal counsel has also been instructed by the Foundation to attend Airbus' General Meeting in 2023.
10. Furthermore, the Foundation gained the support of ESG-focused non-profit organization **Follow This** (that unites over 8,000 green shareholders in oil and gas companies to become a powerful voice demanding change).
11. For retail investors, the Foundation engaged with the German shareholders' association (Deutsche Schutzvereinigung für Wertpapierbesitz e.V., **DSW**) to inform and provide DSW's members with information about the Airbus file and the pending litigation proceedings in the Netherlands. Moreover, the Foundation secured support of interest groups that work on behalf of, in particular, European retail investors such as **Better Finance**. For the benefit of these retail investors, the Foundation collaborates with **Rightshare B.V.** to implement an online portal that will enable these investors to express their interest and support for these proceedings, keep supporting documents safe and learn about relevant developments. This service is available for all investors (by ensuring that the website can be accessed in the main languages of countries where large groups of Airbus investors live).
12. For institutional investors, the Foundation has been working with DRRT. DRRT assists institutional investors in pursuing their claims in cases where shareholders are entitled to compensation and is also involved in bringing proceedings worldwide. DRRT ensures the maintenance of relationships with a large group of international institutional investors by keeping them informed, providing them with advice in preserving their evidence and playing a crucial role when proceedings result in a judgment or settlement where these institutional investors have to submit their claims.
13. In order to improve communication with retail shareholders and to be able to consider the view of the investor community, the Foundation has established an advisory panel which is asked to advise on a number of predefined matters, such as communication to retail shareholders and whether a proposed settlement would serve the interests of affected shareholders.

14. Lastly, the Board has instructed a Dutch audit firm to prepare and compile (*samenstellen*) the Foundation's financial statements for the prolonged financial year 2021 and 2002. The financial statements have been satisfactorily completed on 22 May 2023. Since publication of the financial statements is not mandatory for foundations such as the Foundation and the Foundation has a legally relevant, strategic interest not to allow the defendants to gain insight into its budget and expenditure, the Board has decided not to publish the financial statements on the Foundation's website.
15. The above leads both the Board and the Supervisory Board to view the pursuit of legal proceedings by the Foundation with confidence.

22 May 2023

Karl Peter Puskajler

Chairperson of the Supervisory Board

Leo Spigt

Chairperson of the Board

CLAIM CODE COMPLIANCE DOCUMENT

23 May 2023

1. As mentioned, representative organizations should address the subjects covered by the Claim Code 2019. The Claim Code 2019 consists of seven principles (the **Principles**, and each a **Principle**) that are considered to be broadly accepted general guidelines and views on the way claim vehicles and associations should be governed and should represent collective interests, including -but not limited - to litigation. The Principles contain a set of standards for the founders, board members, supervisory board members, consultants and advisors engaged by the claim vehicle. The Foundation's compliance with the Claim Code 2019 is set out in this section. To the extent that arrangements and practices deviate from the Claim Code 2019, that applies the 'comply or explain'-principle. Part of the justification for these deviations consists of the prior conformity with the Claim Code 2011. Being transparent about deviations is also a form of Claim Code compliance.

Principle I: Compliance with the Claim Code

2. The Foundation's governance has been tailored to the needs of the Foundation and the interested parties it represents, as follows from Principle I of the Claim Code 2019. Against this backdrop, it is important to consider that in terms of losses suffered the Interested Parties (as defined in the articles of association of the Foundation (the **Articles**)) consist of (large) institutional investors which have significant experience in dealing with shareholder loss recovery actions all over the world and, in addition, small institutions and retail shareholders. Interested Parties who decide to be involved actively enter into a participation agreement with the Foundation. In the case of (large) institutional shareholders, these participation agreements tend to be the outcome of negotiations between the Foundation and/or its advisors and the prospective Participant (as defined below). In addition, the participation agreement contains several safeguards for Participants and the Foundation's officials and advisors. In addition, the Foundation represents a significant number of retail investors. Although these Participants have not negotiated the terms of their participation, they remain at liberty to withdraw their engagement. In the end, the Foundation takes the view that freedom of contract forms the best safety valve for safeguarding Participants' interests. Nevertheless, the Foundation is mindful that this category of investors requires a different treatment than (large) institutionals. To this end, together with its service provider Rightshare the Foundation has vastly improved the registration process with the aim to provide retail shareholders with a reliable and user-friendly registration tool.
3. The Foundation currently has a board consisting of three directors and a supervisory board consisting of three members.
4. The Board is charged with the management of the Foundation.
5. The compliance of the Foundation with the Claim Code 2019 is discussed annually in a joint meeting of the Board and Supervisory Board.
6. If and when the Board wishes to deviate from the applicable Claim Code, it will need the prior written approval of the Supervisory Board as set out in article 7.1 of the Articles.

7. This document is a document as set out in articles 6.4 and 7.2 of the Articles and Elaboration 1 of Principle I of the Claim Code 2019 and will be published on the Foundation's website: <https://airbusclaim.com>.

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

8. The Foundation acts as a non-profit entity in the collective interests of the parties who suffered losses as a result of the Events (as defined in the Articles) and, primarily, have entered into a participation agreement with the Foundation (the **Participants**), or, in general, qualify as Investors (as defined in the Articles, the **Investors**).
9. The Foundation does not generate revenues, for instance by requiring Participants to pay a registration fee. Moreover, the Foundation, as a policy, only enters into monetary obligations which are directly assumed by the Foundation's funder. As a result, the Foundation does not need to pay expenses and, therefore, does not need to operate a bank account. The risk of inappropriate use of the Foundation's funds – for which the Claim Code provides important safeguards – is therefore absent.
10. Initial costs of the Foundation were advanced by DRRT. The Foundation's action against Airbus is funded by Therium. Pursuant to the funding conditions, Therium assumes several liabilities which otherwise would have been borne by the Foundation. This concerns lawyers' fees and other costs related to litigation, as well as the Board's and Supervisory Board's fees and other expert fees. Therium is envisaged to make a return in line with market price, as laid down in Elaboration 2 of Principle II of the Claim Code 2019. In order to ascertain that Therium will not enjoy an excessive return, Therium and the Foundation have agreed on a fee cap.
11. In addition, the Foundation entered into an expert consultancy agreement with DRRT, a U.S. based law firm and service provider to institutional investors all over the world. Pursuant to the expert consultancy agreement, DRRT shall reach out to its client base and inform them of the Foundation's activities and provide a number of services relevant for the Foundation's operations, including the design and upkeep of its website and a number of commercial and administrative services. For the avoidance of doubt, DRRT's services do not result in any monetary obligation of the Foundation. Its fees are entirely contingent upon the outcome of action against Airbus and its related parties and therefore, DRRT's interest is entirely aligned with the interest of the Participants and the Interested Parties.
12. Elaboration II.3 of Principle II of the Claim Code 2019 provides that the Articles also include a provision that a liquidation surplus should be distributed amongst the Participants. This Principle is laid down in article 15.2 of the Articles. It is worth mentioning, however, that it is unlikely that the Foundation will generate any revenues whatsoever and, therefore, no surplus on winding up will occur.

Principle III: External funding

13. The Foundation is funded by a Jersey based fund advised by Therium. Therium is a third-party litigation funder headquartered in the United Kingdom with branch offices all over the world. More information about Therium can be found on its website, <https://www.therium.com>.
14. The Foundation has verified the financial soundness of Therium, its track record and the integrity of its litigation funding practice and resolved that it fits the Foundation's purpose.

15. In relation to Therium's track record, it is relevant to note that Therium previously funded an investor claim against Steinhoff International Holdings N.V., resulting in a successful outcome for investors.
16. As to Therium's financial soundness and integrity, it is relevant to consider that Therium is a founding member of the Association of Litigation Funders of England and Wales (<https://associationoflitigationfunders.com/>) and adheres to its strict Code of Conduct. Non-exhaustively, this Code of Conduct (i) requires funders to maintain adequate financial resources at all times to meet their obligations to fund all of the disputes they have agreed to fund; (ii) provides that funders must behave reasonably and may only withdraw from funding in specific circumstances and (iii) prevents funders from taking control of litigation or settlement negotiations and from causing the litigant's lawyers to act in breach of their professional duties.
17. The Funding Agreement was concluded in writing. Pursuant to the Funding Agreement, the Amsterdam District Court has exclusive jurisdiction and Dutch law applies. The Funder has not chosen residence in the Netherlands, as having procedural documents served on Therium's actual residence is only a limited hurdle. Instead, Therium has agreed that it accepts email to its key officers as a legally valid method for service of official documents. The Foundation and Therium agreed that all costs will be assumed by Therium directly, a choice explicitly permitted under Elaboration 4 of Principle III of the Claim Code 2019.
18. It follows from the Funding Agreement and the Foundation's governance that the Foundation will act independently and autonomously of the Funder. The Foundation's local counsel acts at the instruction of the Foundation.
19. The Foundation will provide Therium with frequent updates. Information will only be disclosed to Therium subject to the relevant confidentiality restrictions.
20. The Foundation and Therium agreed on a budget for conducting proceedings before the court of first instance, costs of (interim) appeals and preliminary questions which may be referred to the Netherlands Supreme Court.
21. If ordered by the (district) court, the Foundation may disclose a redacted version of the Funding Agreement to the relevant (district) court, provided that the (district) court only reviews the Funding Agreement *in camera* and does not disclose any of its contents in a decision which is shared with the defendants and/or the public through publication on the Dutch judiciary's website.

Principle IV: Independency of the Foundation and avoiding conflicts of interests

22. In accordance with the Claim Code 2019, any apparent conflict of interests between the Foundation's engaged advisors, the Supervisory Board and the Board should be avoided. If a direct or indirect conflict of interests between the Foundation and one or more members of the Board or the Supervisory Board were to occur, the relevant (Supervisory) Board member will not take part in the deliberations and decision-making process (sections 6.3 and definition of "Conflicted Member" 7.3, and section 11.9 of the Articles).

Principle V: Composition of the Board

23. The Board of the Foundation consists of three individuals with adequate legal and financial expertise and experience. As a consequence, the Foundation complies with Elaboration III.1 of the Claim Code 2019. The members of the Board are:
- a. Until 23 May 2023, Mr. Leo Spigt as chairperson, a former Dutch attorney (*advocaat*) with vast experience in the field of class actions and settlements on a worldwide basis, including the Netherlands;
 - b. Professor Marta Pertegás Sender as secretary, born in Spain, obtained a PhD from Leuven University, is the former Secretary of the Hague Conference for Private International Law and currently has a tenure as Full Professor of Private International Law and Transnational Law at Maastricht University;
 - c. Mr. Otto de Vries as treasurer, has had a career as CFO of several large Dutch and international, public and private companies and now works as a coach and consultant and is involved in a number of charities and
 - d. As of 23 May 2023, Mr. Willem van Hassel as chairperson, a former Dutch attorney (*advocaat*) with extensive experience in the field of (international) litigation and an experienced (supervisory) board member. He also sits in the supervisory board of AMG N.V.
24. Pursuant to section 16 of the Articles, the Foundation's first financial year ends on 31 December 2022. Although all costs are directly assumed by the Funder, the Foundation's limited financial statements have been prepared after the Foundation's extended financial year.
25. The Board requires the prior written approval of the Supervisory Board for certain resolutions that can significantly impact the Foundation and/or its objectives and endeavours to achieve its objects. In line with the Claim Code 2019, the conclusion of settlement agreements requires the Supervisory Board's approval. In addition, the Supervisory Board's prior written approval is required for the conclusion of agreements to fund the activities of the Foundation, such as a litigation funding agreement. In addition, the Foundation will offer the advisory panel the opportunity to reflect on the terms of a proposed settlement. All in all, this process provides for a stricter safeguarding of shareholder' interests than the requirements laid down in the Claim Code 2019. In relation to the litigation funding agreement, this approval was asked and granted.
26. The Foundation's website can be found at <https://airbusclaim.com>. On this website stakeholders have access to all relevant information, including – but not limited to – the following documents: (i) the Articles, (ii) this Claim Code Compliance document/governance report, (iii) the resumes of the members of the Board and Supervisory Board, and (iv) updates on any pending litigation.

Principle VI: Remuneration of the members of the Board

27. The Board members each receive EUR 7,500 in management fees for services rendered to the Foundation. In the event that additional efforts are required of the Board members, reasonable, additional fees may be agreed upon.

Principle VII: The Supervisory Board

28. The Supervisory Board consists of three individuals with adequate legal and financial expertise, and its composition is therefore fully compliant with Elaboration VII.1 of Principle VII of the Claim Code 2019. The members of the Supervisory Board are:
- a. Mr. Karl Peter Puskajler as chairperson, is a former judge of the Munich Court of Appeal and co-author of commentaries on the German law on limited liability companies and on the compensation procedure for minority shareholders and has previously been involved in Dutch collective actions being on the supervisory board of Stichting Investor Claims against Fortis, Stichting Steinhoff International Claims and Stichting Essure Claim. Mr Puskajler is considered an independent member of the supervisory board;
 - b. Mr. Jeroen Chorus is a former professor of legal history at Leiden University and a former judge of the Amsterdam Court of Appeal and has in that capacity handed down a number of ground-breaking judgments in the collective actions and securities litigation field. Mr Chorus is considered an independent member of the supervisory board and
 - c. Mr. Christoph Kuzaj is one of the founding partners of Düsseldorf-based law firm Kuzaj Wittman & Partner and managing director of Therium Deutschland GmbH, the German branch of Therium. He sits on the Supervisory Board as Therium's representative. Mr Kuzaj is not a director or shareholder of the fund advised by Therium which provides funding to the Foundation for the pursuit of the action against Airbus.
29. Members of the Supervisory Board receive an annual fee of EUR 7,500. In the event that additional efforts are required of the Supervisory Board members, reasonable, additional fees may be agreed upon.
30. The Board and Supervisory Board convened in four plenary sessions since the establishment of the Foundation, are briefed on a regular basis on relevant developments in the case and have been closely involved in the drafting of the writ of summons served on Airbus and others on 31 December 2021. The Board and Supervisory Board intends to meet at least three times a year.

FINANCIAL INFORMATION

31. Pursuant to section 16 of its Articles, the Foundation's financial year ended on 31 December 2022. The Foundation's limited financial statements have been prepared and reviewed by an external accountant.

22 May 2023,

The Board and Supervisory Board