

Annual Report 2019 of the Supervisory Board of Stichting Diesel Emissions Justice

Introduction

1. The Foundation was established in the Summer of 2019 in response to the Diesel Emissions Scandal. That public indignation was due to the circumvention by several car manufacturers, including Volkswagen AG, of the intensified emission standards, with all the associated consequences for the environment, public health and the (financial) harm caused to parties who bought the vehicles in question. The Foundation's aim is to support the interests of the Affected Owners in both the Netherlands and abroad in their quest for compensation.
2. The 2019 report of the Foundation's Supervisory Board (the **Supervisory Board**) now available on the Foundation's website, is in compliance with the obligation(s) of the Foundation as laid down in Sec. 3:305a(2)(d)(3) of the Dutch Civil Code and Principle VII, elaboration 7 of Claim Code. This report covers the activities of the Supervisory Board during 2019 regarding (i) the Foundation's strategy and governance and (ii) the Foundation's financial position.
3. In 2019, until his unexpected death on 6 February 2020, The Supervisory Board's chairperson was Mr. Jan Hendrik Crucq. Jan Hendrik was a Dutch lawyer with extensive experience in the field of collective actions and settlements. The Supervisory Board pays tribute for his role within the Foundation and the valuable contributions he has brought to the Foundation's efforts. Jan Hendrik has been succeeded by Mr. Arco Krijgsman.

Strategy and Governance

4. The Foundation promotes the interests of the Affected Owners in both the Netherlands and abroad.
5. The Supervisory Board has performed supervision of the strategy, policies and general conduct of affairs of the Foundation, and has been guided by the interests of the Foundation and its participants, Affected Owners who have entered into participation agreements with the Foundation.
6. The Foundation has engaged various experts together to pursue this aim in a professional manner. Amongst these are the Board Members, Supervisory Board Members, and retained legal and non-legal professional advisers. Given the Foundation's considerable workload, which is due in part to its activities in multiple jurisdictions, it also has hired a full-time director who is in charge of daily operations.
7. The Board, Supervisory Board and managing director, depending on subject matter, individual expertise and availability, have held frequent conference calls to discuss the Foundation's activities, and met in person twice. The Supervisory Board has provided the

Board and its managing director with advice in connection with the initiation of legal proceedings against Volkswagen AG and related parties, and other strategic and governance-related topics.

8. The Foundation enjoys the support of *Milieudefensie* (Friends of the Earth Netherlands) and the French environmental organisations *Familles Rurales* and *France Nature Environnement*. The Supervisory Board played an active role in this process.

Financial position

9. The Foundation decided to raise funds to support its activities with an external litigation funder and has concluded a litigation funding agreement (more on this below) with Consumer Justice Network B.V., rather than demanding an upfront fee from its participants. The drafting and negotiation of the funding agreement took place under the close supervision of the Supervisory Board. In view of one of its members' involvement in the litigation funder, the relevant board member recused himself from taking part in the deliberations and decision-making process regarding the funding agreement.
10. The Supervisory Board has reviewed and approved the Foundation Financial Statements over 2019 and is of the opinion that these reflect the Foundation's actual situation.

Conclusion

The Supervisory Board takes the view that, in 2019, the Board and managing director laid down a sound basis for the Foundation's future efforts. Looking ahead, the Supervisory Board is confident that the Foundation will be able to continue protecting and defending the interests of its participants, with a view ultimately to resolving matters for all affected.

Amsterdam, 17 June 2020

Arco Krijgsman, Chairman

George Tsetsekos

Greg Coleman