

STICHTING P.R.I.M.E. FINANCE DISPUTES CENTER (“P.R.I.M.E. Finance”)

Rsin / Tax number: ANBI 850703268. Telephone: 06-53490451.

Contact: Camilla Macpherson, Head of Secretariat

Peace Palace

Carnegieplein 2, 2517 KJ The Hague

c.macpherson@primefinancedisputes.org

Management Board composition

Robert Pickel, Chairman

Rick Grove, Secretary

Joseph Bauman, Treasurer

Deborah Enix-Ross

Duncan Goldie-Morrison

Joanne Kellermann

Ida Levine

Pim Rank

Jonathan Ross

Myron Steele

Elizabeth Stong

Head of Secretariat

Camilla Macpherson

Remuneration policy

The Head of Secretariat may receive an annual bonus at the discretion of the Management Board. Management Board members receive no compensation.

Goal of P.R.I.M.E. Finance

The goal of P.R.I.M.E. Finance is to provide, promote, implement and support alternative dispute resolution methods in the international financial sector and further any activity that is related to, belongs to and/or can be conducive to this goal.

P.R.I.M.E. Finance seeks to achieve its goal by, among other things, (a) offering arbitration and mediation services and other forms of alternative dispute resolution, (b) maintaining a list of experts on arbitration and mediation and other experts on alternative dispute resolution for the settlement of the aforementioned, (c) providing training in arbitration, mediation and other alternative dispute resolution and financial expertise, (d) providing access to a documentation center and (e) providing other services related to the goals of P.R.I.M.E. Finance.

P.R.I.M.E. Finance was the 2020 recipient of the Halsbury Award for the Rule of Law in recognition of the value of its judicial training program.

Attached to this report are the 2019 financial statements of P.R.I.M.E. Finance. The work and financial resources of P.R.I.M.E. Finance have been directed at achieving the goals enumerated above. Since its inception in 2011, 22 training seminars have been conducted in twelve countries. In 2019, experts from P.R.I.M.E. Finance held judicial training seminars in Taipei,

Lisbon and Shanghai. Judicial training sessions are planned for 2020 in the Far East, Latin America, Africa and Europe, although at this time plans may need to be adjusted due to the COVID-19 pandemic.

P.R.I.M.E. Finance seeks financial sponsorship for its judicial training seminars on a case by case basis. In the past some of the seminars have been supported by the International Bar Association and the European Bank for Reconstruction and Development.

A central database of relevant judicial actions and related articles has been established jointly with LexisNexis, a leading global provider of legal, regulatory and business information. The database also includes overviews of jurisprudence and opinions covering complex financial disputes written by the P.R.I.M.E. Finance experts.

The eighth annual global P.R.I.M.E. Finance Conference was held at the Peace Palace on 4th and 5th of February 2019. It was sponsored by 40 law firms and other organizations active in various aspects of dispute resolution and was attended by approximately 300 individuals. The Conference's opening address was delivered by Mrs. Saskia Bruines, deputy mayor of The Hague, and the Conference included panel presentations on nine subjects ranging from Brexit to crypto-currency regulatory enforcement and litigation. Financial support for P.R.I.M.E. Finance by the Municipality of The Hague ended during 2019, however the Municipality continues to be supportive of P.R.I.M.E. Finance's objectives and programs. Deputy Mayor Bruines also delivered the opening remarks at the 2020 global conference, with keynote addresses by Lady Arden, Justice of the Supreme Court of the United Kingdom, and Patrick Pearson, Head of Financial Market Infrastructure and Derivatives, European Commission.

P.R.I.M.E. Finance has entered into a cooperation agreement with the Permanent Court of Arbitration (“PCA”) which provides office space to P.R.I.M.E. Finance, and is administrator of arbitrations on behalf of P.R.I.M.E. Finance. P.R.I.M.E. Finance’s Head of Secretariat is a Legal Counsel at the PCA.

2019-2020 Annual Report and Management Plan

1. Judicial seminars

Since P.R.I.M.E. Finance’s inception, members of the P.R.I.M.E. Finance Panel of Experts (also referred to as Panel Members) have conducted 22 seminars in twelve countries on five continents. These seminars are sponsored by local judicial groups, and P.R.I.M.E. Finance experts provide their services on a pro-bono basis. P.R.I.M.E. Finance minimizes the costs incurred in arranging and conducting judicial seminars by seeking outside sources of funding. Previously, support has been provided by the International Bar Association and the European Bank for Reconstruction and Development. The arrangement and conduct of judicial seminars do not have a material impact on P.R.I.M.E. Finance’s financial plans.

2. Documentation center

In 2018 P.R.I.M.E. Finance partnered with LexisNexis, a leading global provider of information and analytics to the legal profession, in establishing an on-line documentation center and case database. This information is available free of charge to its users. The documentation center and database provide a tool for identifying matters arising in different jurisdictions and allow users to analyze the different ways complex financial disputes are addressed around the world.

3. Arbitration, mediation and dispute settlement

With the support of the International Swaps and Derivatives Association (“ISDA”), in 2013 P.R.I.M.E. Finance published arbitration clauses that could be incorporated into the 1992 and 2002 ISDA Master Agreements used to document derivative transactions globally. The P.R.I.M.E. Finance Secretariat also periodically receives requests for experts in the area of law and business pertinent to the issue under litigation. These requests indicate the value of the 200 members of the P.R.I.M.E. Finance Panel of Experts, who cumulatively have over 6,000 years of financial law and markets experience.

4. Use of funds

As described further below, P.R.I.M.E. Finance conferences and seminars are largely self-funding. The major non-conference and seminar expense incurred by P.R.I.M.E. Finance is payment to the PCA for office space provided in the Peace Palace in The Hague, and for the salary and benefits of P.R.I.M.E. Finance’s Head of Secretariat. Other major categories of expense include accounting services, annual audit expenses, and other general operating support costs.

5. Source of funds

As noted above, start-up funding received from the Municipality of the Hague ended in 2019. Funds employed by P.R.I.M.E. Finance are now derived from three main sources.

a) P.R.I.M.E. Finance conferences

All P.R.I.M.E. Finance conferences are anticipated to produce positive net revenue over the full cost of the event. P.R.I.M.E. Finance holds its annual global conference in The Hague each year, attracting approximately 300 lawyers, educators, financial market professionals, and others interested in P.R.I.M.E. Finance’s mission. The revenue raised from conference sponsorships and attendance fees in excess of the costs of conducting the conference were approximately €80,000 in 2019 and are budgeted at €48,000 in 2020. P.R.I.M.E. Finance is also planning to hold a similar conference in Singapore in the third quarter of 2020 and is budgeting net revenue of €7,000 from this event. Additionally, P.R.I.M.E. Finance’s affiliate in the United States, the PRIME Finance Dispute Resolution and Education Foundation (“PRIME DREF”), conducts an annual conference in New York in October. The net proceeds of that conference may be made available to P.R.I.M.E. Finance to further its objectives (see section 4(c) below).¹

b) Contributions from the Panel of Experts and other donors

Unrestricted voluntary contributions are provided to P.R.I.M.E. Finance by members of the Panel of Experts and others supportive of P.R.I.M.E. Finance’s goals. Since its inception P.R.I.M.E. Finance has received over €100,000 in individual contributions. P.R.I.M.E. Finance expects to continue to receive individual contributor financial support and has budgeted €10,000 in contributions in 2020.

c) Contributions from PRIME DREF

¹ Due to COVID-19 related developments, the conferences anticipated in 2020 may need to be rescheduled, follow different formats, or be cancelled.

PRIME DREF, established in 2017 as a not-for-profit non-consolidated affiliate of P.R.I.M.E. Finance, shares the same educational objectives as P.R.I.M.E. Finance. Contributions by U.S. taxpayers to PRIME DREF may be treated as taxable deductions by the contributors for U.S. income tax purposes.

Under a Services Agreement between P.R.I.M.E. Finance and PRIME DREF, P.R.I.M.E. Finance may receive payments from PRIME DREF for the direct and indirect expenses incurred by P.R.I.M.E. Finance in the pursuit of the two entity's common objectives. Consequently, U.S. taxpayers wishing to contribute to P.R.I.M.E. Finance may do so in a tax-efficient way.

As PRIME DREF has no staff of its own, P.R.I.M.E. Finance provides programmatic and administrative support for PRIME DREF and will be reimbursed periodically for the costs it incurs. In 2019, PRIME DREF paid P.R.I.M.E. Finance approximately €53,000 for support it received from P.R.I.M.E. Finance, and P.R.I.M.E. Finance anticipates receiving €40,000 in 2020 from PRIME DREF.

d) Major donor program

In 2020 P.R.I.M.E. Finance is initiating a major donor initiative that is targeting multi-year funding commitments from financial market executives who are not on the Panel of Experts. This group has been chosen based on the major role played by structured finance in the career of each targeted donor. A 2020 budget target of €40,000 has been set for this program.

2019 financial statements and auditor's report

See appendix.