

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

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Management Board composition as of June 30, 2021

Robert Pickel, Chairman

Rick Grove, Secretary

Joseph Bauman, Treasurer

Fred Eenink, 2nd Treasurer

Deborah Enix-Ross

Duncan Goldie-Morrison

Joanne Kellermann

Ida Levine

Chudozie Okongwu

Pim Rank

Jonathan Ross

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 goal 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 2020 financial statements of P.R.I.M.E. Finance. The work and financial resources of P.R.I.M.E. Finance has been directed at achieving the goals enumerated above. Since its inception in 2011, 22 training seminars have been conducted in twelve countries. Due to the COVID-19 pandemic, judicial training sessions were suspended in 2020, and the in-person conference planned for New York in the Fall of 2020 was cancelled. In substitution, P.R.I.M.E. Finance conducted eight web-based seminars on a variety of topics, and a three-session virtual Asia conference in October 2020. Pandemic conditions permitting, judicial training sessions are planned to re-commence later in 2021 and P.R.I.M.E. Finance is planning its first in-person seminar in New York in 4Q2021.

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 P.R.I.M.E. Finance experts.

The ninth annual global P.R.I.M.E. Finance Conference was held at the Peace Palace on 4th and 5th of February 2020, only weeks before COVID-19 related travel and other restrictions were put in place. It was sponsored by 21 law firms and other organizations active in various aspects of dispute resolution and was attended by approximately 250 individuals. The Conference's opening address was delivered by Mrs. Saskia Bruines, deputy mayor of The Hague, and the keynote addresses were delivered by Mr. Patrick Pearson, Head of Financial Infrastructure and Derivatives, European Commission and Lady Arden, Justice of the Supreme Court of the United Kingdom. The Conference included panel presentations on a range of subjects over two days, including LIBOR benchmark implementation, the impact of Brexit on the financial markets, developments in sustainable finance and latest trends in financial disputes and dispute resolution.

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.

2020 Annual Report and Management Plan

1. PRIMETIME seminars

In response to the forced cancellation of in-person events following the onset of the global pandemic in March 2020, P.R.I.M.E. Finance initiated a series of on-line seminars addressing timely issues related to the derivatives markets generally, and dispute resolution more specifically. Eight seminars, branded as PRIMETIME Events, were held between June and December 2020. In addition, P.R.I.M.E. Finance conducted a three session on-line Asia regional conference in November 2020, with a directed focus on Asia-Pacific issues. In total, there were over 2,000 registrants to the eleven on-line events.

P.R.I.M.E. Finance plans to continue the PRIMETIME Events program through 2021. If health conditions allow, it intends to re-start in-person conferences in late 2021.

2. Judicial seminars

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 since P.R.I.M.E. Finance's inception. 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. As mentioned above, judicial seminars could not be conducted in 2020 due to COVID-19 travel and related restrictions. However the first judicial seminar of 2021 is planned to be held later this year.

3. 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. As a result of this partnership, P.R.I.M.E. Finance Experts, and members of the judiciary who have attended P.R.I.M.E. Finance judicial seminars, are given access to caselaw and guidance on topics relevant to P.R.I.M.E. Finance's mission. In return, P.R.I.M.E. Finance from time to time contributes material to LexisNexis. This access assists in identifying matters arising in different jurisdictions and allows users to understand the different ways complex financial disputes are addressed around the world.

4. 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 arbitration clauses were revised in 2016, and in 2020 further revisions were drafted and are expected to be completed in 2021. 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 220 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.

5. 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, technology costs related to website maintenance and webinars, and other general operating support costs.

6. Source of funds

As noted above, start-up support received from the Municipality of the Hague ended in 2018, with the last funds received in early 2019. Since then, funds employed by P.R.I.M.E. Finance are derived from three main sources.

1) P.R.I.M.E. Finance conferences and webinars

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 €48,000 in 2020.

In the absence of the ability to conduct other in-person conferences due to the global pandemic, in June 2020 P.R.I.M.E. Finance initiated a program of online seminars, called PRIMETIME Events. From June thru December 2020 P.R.I.M.E. Finance held eight PRIMETIME Events and a three session on-line conference directed at an Asian audience, with cumulatively over 2,000 registrants. P.R.I.M.E. Finance received sponsorships from various professional organizations totaling over €15,000. The Events were held free of charge for attendees.

2) 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 goal. Since its inception P.R.I.M.E. Finance has received over €100,000 in individual contributions, including over €14,000 in 2020.

3) Contributions from PRIME DREF

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 entities' common objectives.

As PRIME DREF has no staff of its own, P.R.I.M.E. Finance provided programmatic and administrative support for PRIME DREF and was reimbursed periodically for the costs it incurred. In 2020, PRIME DREF paid P.R.I.M.E. Finance approximately €26,500 for support it received from P.R.I.M.E. Finance. This amount included approximately €8,000 in sponsorship payments related to P.R.I.M.E. Finance's Asia on-line conference. It is expected that the support relationship will continue in 2021.

2020 financial statements

See appendix.