

Our reference RR/GvB/RE/20230710
Subject Notification of amendment to the backstop agreements
between WSW/the State and WSW/municipalities
Date 10 July 2023

Dear Financier,

You are receiving this letter as a lender under one or more secured loan agreements with WSW participants. Those loan agreements are covered by the WSW guarantee system.

WSW has been recently working to improve the guarantee system. In that context, lenders were already informed about new loan and security documentation in mid-2021. At the time, those lenders were also informed about the new backstop agreements that WSW concluded with the Dutch State and the municipalities in 2021. WSW announced then that it also intended to renew the old backstop agreements 1999, which continued to exist alongside the backstop agreements 2021. WSW is sending you this letter with further information.

As Annexes I and II to this letter, we are sending you the new backstop agreements that WSW intends to conclude with the State (**New State BA**) and municipalities respectively (**New Municipality BA**, together with the New State BA, referred to as the '**New BAs**'). Both agreements came about through close cooperation between WSW, the State and the Association of Netherlands Municipalities (*Vereniging van Nederlandse Gemeenten*, '**VNG**'). Those parties have also formally approved the agreements.

These new backstop agreements aim to amend *all* existing backstop agreements between WSW and the State and between WSW and municipalities, so that only one set of conditions will apply with the State and for each municipality.

In this letter, we discuss, among other things, (i) the background to the backstop agreements, (ii) the purpose of the New BAs, (iii) your position as a lender, and (iv) the entry into force of the New BAs. We explain the amendments in Annex III to this letter.

Background

On 1 August 2021, WSW concluded new backstop agreements with the State and municipalities. This was prompted by a desire to improve the guarantee system. This means that there are currently four different backstop agreements in place, namely two with the State and two with the municipalities:

1. the notarial backstop agreement between WSW and the State dated 6 December 1999 (the '**Old State BA**');
2. the notarial backstop agreement between WSW and the State dated 30 July 2021 (the '**State BA 2021**', (together with the Old State BA referred to as the '**State BAs**');
3. the backstop agreements between WSW and the municipalities before 1 August 2021 (the '**Old Municipality BAs**'); and
4. the backstop agreements between WSW and the municipalities effective from 1 August 2021 (the '**Municipality BAs 2021**', together with the Old Municipality BA referred to as the '**Municipality BAs**').

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The Old State BAs and the Old Municipality BAs apply to secured loans that are dated before 1 August 2021 (**the Old BAs**), while the State BA 2021 and the Municipality BA 2021 apply to secured loans dated on or after 1 August 2021 (**the '2021 BAs'**).

Purpose

WSW, the State and VNG want to apply the improvements to the guarantee system that are part of the 2021 BAs to the Old BAs as well. WSW, the State and VNG have also jointly concluded that it is not desirable to have several differently worded backstop agreements coexisting. This is why they have chosen to:

- (i) introduce a single set of conditions for the backstop agreement between WSW and the State to amend State BAs;
- (ii) introduce a single set of conditions for the backstop agreement for each municipality to amend the Municipality BAs.

The New BAs were drafted on the basis of the 2021 BAs and have almost the same content.

WSW is explicitly not aiming to change the position of lenders with the proposed amendments. The obligations of the State and municipalities to provide interest-free loans to WSW does not lapse, nor are those obligations reduced. Also, the proposed amendments to the backstop agreements do not lead to a retrospective revision of the existing legal relations between the State and municipalities.

Notification

Every existing backstop agreement has an amendment provision. Briefly, these provisions mean that WSW must give you, as a lender who is a party to one or more secured loans, prior written notice of the intended amendments to the relevant backstop agreement. This letter serves as that notification.

Your position as a lender

For you as the lender, nothing changes in your primary interest in the backstop agreements. In other words,

1. the State and the municipalities are still obliged to provide interest-free loans to WSW in a timely manner to avoid liquidity shortages at WSW at all times. This is stated in Clause 2 of the New State BA and Clause 4 of the New Municipality BA.
2. The third-party clauses made in the Old BAs and the 2021 BAs in favour of lenders remain an explicit and unaltered element of the New BAs. These third-party clauses allow lenders to demand directly that the backers should provide interest-free loans to WSW should the need arise.
3. The amendment system included in the Old BAs and the 2021 BAs remain an unaltered element of the New BAs. This is stated in Clause 10 of the New State BA and Clause 12 of the New Municipality BA.

Review by Allen & Overy

Legal advisers for WSW as well as for the State and VNG have been involved in the conclusion of the New BAs.

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Because we consider your position as a lender to be of great importance, we asked the law firm Allen & Overy - independent of the legal advisers involved in the conclusion of the New BAs - to assess the changes in the New BAs compared to the Old BAs, specifically from your position as a lender. Briefly, Allen & Overy concluded that the introduction of the New BAs does not materially change the interests of a lender. As Annex IV to this letter, we are sending you Allen & Overy's memorandum (excluding annexes). The memorandum with annexes can be found on our website (www.wsw.nl) under the tab 'Financiers'/'Nieuwe achtervangovereenkomsten'.

What we ask of you

As Annexes I and II to this letter, we are sending you the New BAs. As stated, the intended changes are essential to improve and future-proof the guarantee system. Nothing changes for you as a lender in your interest in the backstop agreements. However, if and as far as you believe that your interests will be, or are reasonably expected to be, adversely affected by the effectuation of proposed amendments and you wish to object to them, please state and substantiate this in accordance with the amendment provisions in the State BAs State and the Municipality BAs. You have the opportunity to do so for up to three months after the date of this letter, i.e. up to 10 October 2023. If and as far as you wish to raise an objection, please email it to:

- (i) WSW at achtervangovereenkomst@wsw.nl and also
- (ii) our civil-law notary at Van Doorne, at sloot@vandoorne.com.

Entry into force of the new backstop agreements

After the aforementioned three-month period in which we give lenders the opportunity to study the New BAs - and after there are no objections - WSW will proceed to sign the agreements with both the State and each individual municipality. WSW will therefore set the effective date of the new backstop agreements with the State and VNG and inform you of this date.

Finally

This letter as well as all its annexes can also be found on our website (www.wsw.nl) under the tab 'Financiers'/'Nieuwe achtervangovereenkomsten'. Please contact us if you have any questions. Once again, please email them to achtervangovereenkomst@wsw.nl.

Yours sincerely,
Social Housing Guarantee Fund (*Stichting Waarborgfonds Sociale Woningbouw*)

R. Röttscheid
chairman of the board

Annexes:

- Annex I: New backstop agreement WSW/State
- Annex II: New backstop agreement WSW/municipality
- Annex III: Notes to the amendments
- Annex IV: Allen & Overy memorandum