

NOTE

From Van Doorne
Reference Support Agreement
Date 17 April 2020

SUPPORT AGREEMENT FOR AND BY THE DUTCH RETAIL SECTOR **Parties involved: IVBN, INretail, Vastgoed Belang, Detailhandel Nederland, Ministry of Economic Affairs and Climate Policy, NVB¹ and VGO**

Aim:

- 1 Solving liquidity issues following the Corona crisis;
- 2 Understanding the diversity of interests;
- 3 Dealing with the pain together: dividing the financial pain equally between retailers (and their shareholders), landlords, banks and the government;
- 4 Contributing according to one's ability and actual impact of the Corona crisis – the starting point will be fairness and supporting companies that are in need;
- 5 Parties will create liquidity and solvency together in order to move forward after the Corona crisis;
- 6 The safe reopening of the stores as soon as possible (within the framework as set out by the government).

Framework:

The guiding principle is a Support Agreement that builds on the joint request by parties on 24 March 2020 with ingredients as the basis for a tailored approach,

- a. that provides a basis for tailor-made solutions for a specific retailer, a landlord and/or a location;
- b. that prevents free riders and stimulates 'good behavior';
- c. that connects as much as possible with the applicable measurements as taken by the government; and
- d. with a duration of 3 months and an evaluation – ultimately – at the end of May and subject to elaboration of follow-up agreements by parties.

Ingredients:

- 1 Short-term relief for industries that are affected
 - a. Suspension of rent for as many retailers as possible that have endured at least a 25% drop in turnover in April-May-June 2020
 - i. Duration of rent suspension: 3 months as from April 2020;
 - ii. Amount of rent suspension: relief as much as possible with a minimum of 50% suspension and, if necessary, 75% or 100%, provided this is possible for the landlord, taking into account proportionality in size and capacity;

¹ It concerns members of the commission corporate real estate of the Dutch Banking Association (ABN AMRO, Deutsche Bank, ING and Rabobank).

iii. Due to complexity, a tailored approach applies to a) international retailers, b) retailers with shops and formulas abroad and c) retailers with an international shareholder. Tailor-made agreements are only made if the retailer acts constructively to reach solutions.

- b. Landlord and financiers will not evict tenants nor invoke bank- and/or parent guarantees if parties have committed to and support the Support Agreement, provided this is not necessary to protect their interests;
- c. This relief is only applicable if it can be demonstrated the loss in turnover is a direct consequence of the Corona crisis.

2 Opening of stores and Retailers

- a. Retailers will deploy maximum efforts to pursue a safe store opening in order to generate turnover as from the date yet to be determined and within the guidelines set out by the government.
- b. Retailers will refrain from one-sided payment arrangements and commit to rent payments within their capacity, and in good consultation with the landlord.

3 Transparency regarding loss in turnover

- a. Participation retailer subject to full and verifiable transparency of (loss in) turnover.
- b. Loss in turnover includes in any case offline turnover. Online turnover is a component of a tailored agreement.

4 Long-term relief

- a. Possible remission of payment obligations will be discussed if the actual impact is clear after 3 months – to be assessed for each retailer, landlord and/or location;
- b. The method to assess whether remission is possible in time, will be determined in further consultation after the parties have been able to determine the damages as a result of the Corona Crisis. The principles for this method will be discussed in May, whereby parties assume everyone's good intentions and role in the chain;
- c. Landlords are of course free to provide further relief and do not have to turn back tailor-made agreements that were made;
- d. Fairness is also the guiding principle for the long-term solution, for which details must be further elaborated (for example: Extend & Blend, extension of the lease term, guarantees, etc.).

5 Support from government and financiers

- a. By setting up measures for jobs and the economy, the government has taken important steps to also guide companies and employees through this difficult time;
- b. Banks support these measures and are fully committed to helping customers through this difficult period. Where possible, banks will exercise flexibility. Banks can do so as they have built up healthy buffers in the past years and are permitted to do so by the European Central Bank and De Nederlandsche Bank;
- c. In an NVB context, banks have ongoing and intensive consultations with the Ministry of Economic Affairs and Climate and business organizations to help entrepreneurs affected by the economic consequences of the virus;
- d. This has resulted in the expansion of the BMKB scheme for temporary liquidity support for companies which are fundamentally healthy;
- e. Following the expansion of the BMKB scheme, the government previously announced to make liquidity support from banks also available for larger companies by means of guarantees through the Guarantee Enterprise Finance (*Garantie Ondernemingsfinanciering; GO*) scheme, which makes it

possible to provide temporary liquidity support to fundamentally healthy businesses. Because of these government guarantees on credit, banks will have more possibilities to facilitate entrepreneurs with liquidity;

- f. Banks will allow both landlords and retailers with a loan financing of up to EUR 2.5 million deferred repayments for a period of 6 months and tailored agreements for larger loans;
- g. Ministry of Economic Affairs and Climate Policy appeals to other real estate financiers to follow the banks with their repayment exemption.

This support agreement is subject to – if necessary – approval from the ACM.