

TRADING CONDITIONS OF R2 FLOWERS

These Trading Conditions apply to the service provision and agreements brokered by R2 Flowers B.V. (hereafter referred to as 'R2 Flowers'), with its registered office at Twentseweg 67, 8154 HJ Lemelerveld, listed in the Commercial Register under number 56610521. These conditions can be obtained free of charge from R2 Flowers and can be downloaded and printed out from its website, <https://r2flowers.nl/handelsvoorwaarden/>

These Trading Conditions are subdivided into four sections: a general section applicable to all agreements, a section on agreements relating to perennial plants and tree nursery products, a section on agreements relating to flowers, and a section on agreements relating to flower bulbs. In case of any conflict, the latter three sections will take precedence over the general section.

CHAPTER I, GENERAL PROVISIONS

Where these Trading Conditions refer to the 'seller', this will mean the party supplying produce or providing services to the other party, such as the contract farmer. The 'buyer' will mean the party procuring the produce or services.

Article 1. Order to R2 Flowers

- 1.1 R2 Flowers brokers agreements in relation to plant material and flowers, both for suppliers and for buyers (jointly referred to as 'clients'). An order for brokering a deal means that R2 Flowers will be authorised to buy or sell the produce indicated or referred to in the order on behalf of its client, or to enter into other agreements relating to the produce concerned, at the exclusion of any other (including the client itself). Furthermore, R2 Flowers will act as broker when necessary during the subsequent conclusion of the agreement, including in the event of any disputes. If no brokerage takes place but only a formalisation of an agreement directly entered into between clients, these Trading Conditions apply to all aspects not related to brokerage.
- 1.2 If and insofar as an agreement as referred to in clause 1 is established, R2 Flowers is entitled to commission from the clients amounting to 2.5% each of the agreed gross financial consideration, increased by turnover tax.
- 1.3 The clients are obliged to pay the commission within 14 days from the invoice date, without authority to suspend or offset it.
- 1.4 If the order from a client is given by several (legal or natural) persons, they are all jointly and severally liable for the commission.
- 1.5 All recommendations made by R2 Flowers are made in good faith. Clients remain responsible for ensuring that the information they provide to R2 Flowers is accurate and complete.
- 1.6 A client may only cancel an order given to R2 Flowers with the prior consent of R2 Flowers, as part of which R2 Flowers may attach (financial) conditions to its consent. R2 Flowers is always entitled to cancel an issued order without becoming liable for compensation.
- 1.7 The client provides R2 Flowers with an email address that can and will be used to communicate with the client. The client guarantees that emails sent to this address will be read in time, that no unauthorised use will be made of this email address and that the email address will not be affected by problems of a technical nature (full mailbox, spam filter etc.). Furthermore, the client will ensure that R2 Flowers is always in possession of the client's correct name and address details.
- 1.8 R2 Flowers uses an online customer portal. The client must use this portal and ensure that its details entered on this portal – including the payments it received for brokered agreements – remain accurate and up to date.

Article 2. Agreements entered into

- 2.1 R2 Flowers will confirm the agreements it brokers (purchase, contract farming or other agreements) electronically by sending a 'purchase contract' or a different type of confirmation to the clients' email address.
- 2.2 The records held by R2 Flowers amount to proof that the 'purchase contract' was sent to the clients' email address, as part of which the clients are deemed to have received the 'purchase contract' in their inbox within 60 seconds from it being sent. The clients are free to provide proof of the contrary.
- 2.3 If a client believes that the electronic confirmation of the concluded agreement contains inaccuracies, the client must notify R2 Flowers and the other contract party of this in writing within 24 hours of receiving the confirmation, stating its reasons. If no protest is filed within that period, the electronic confirmation will be deemed to be accurate and complete, in conformity with the custom in the sector.

Article 3. Completion of concluded agreements

- 3.1 R2 Flowers is itself not a party to the agreements entered into by its clients, for which reason the clients must give it all relevant information in time regarding the completion of the agreement.
- 3.2 The seller will email (a scan of) the delivery note to R2 Flowers, or upload this delivery note via the customer portal, as soon as possible after the delivery of the sold produce or the execution of the order.

Article 4. Credit insurance

- 4.1 R2 Flowers will endeavour to obtain cover for the seller under its continuous credit insurance policy, provided that the seller grants its full and timely cooperation and depending on the financial position of the party liable for the payment. If cover is obtained, the payment risk covered will be 90% of the (purchase) price based on the number(s), conditions and prices in the written agreement confirmation. This is subject to the conditions and restrictions set out in the policy conditions and clauses, including a threshold amount and a maximum cap on the annual compensation paid out. Both the seller and the buyer must update R2 Flowers immediately of all circumstances that are relevant to the credit insurance cover. A summary of the most relevant clauses of the insurance conditions can be provided free of charge upon request, and clients are advised to read them, since the cover may become invalid or inadequate if the insurance conditions are not rigorously complied with or if the purchase contract is amended (e.g., change of delivery dates or value dates).
- 4.2 If no credit insurance cover exists when an agreement brokered by R2 Flowers is concluded, this will be indicated on the written confirmation of the agreement, and the seller will have the right to withdraw from the agreement by sending R2 Flowers a notification to that effect by email within 5 days of the purchase contract being sent electronically to the seller. If this right is not invoked in time, the agreement will remain in full force.
- 4.3 In the event that all or part of the credit insurance cover (or limit) lapses after an agreement has been entered into under insurance cover, both the seller and R2 Flowers will be entitled – after giving the other party the opportunity to put up replacement collateral in time – to withdraw from the agreement within 5 days of having been informed of the lapse of the cover, by sending a notice to that effect to R2 Flowers by email (or by R2 Flowers sending a notice to the buyer). In that case, neither party will be liable for compensation. Such lapse of cover excludes the case when a covered transaction does not qualify for payment because the maximum amount insured has already been paid out.
- 4.4 In the event that a covered agreement results in the credit insurer paying the seller 90% of the (purchase) price, R2 Flowers will pay the remaining 10% of the (purchase) price to the seller. By making that payment, R2 Flowers will subrogate the rights of the seller towards the buyer.

Article 5. Limited liability

- 5.1 R2 Flowers cannot be held liable at any time for parties not complying with any agreement it has brokered.
- 5.2 R2 Flowers cannot be held liable for its recommendations, for providing no or only partial credit insurance cover, for its insurance cover lapsing, nor for the wording of the order confirmation, all except in the event of intent or (deliberate) gross negligence by its directors or managers.
- 5.3 In the event that R2 Flowers is nevertheless liable for any default or tort, that liability will be limited to a maximum of €2,500 per client per year, while any claim in that respect expires one year after the last delivery was made or service was provided under the agreement concerned.
- 5.4 Clients waive their right to apply for a garnishment order or prejudgment attachment against R2 Flowers.

Article 6. Miscellaneous

- 6.1 Clients indemnify R2 Flowers in relation to adverse consequences that may arise in relation to plant breeders' rights for the varieties in relation to which R2 Flowers brokers agreements for the clients (or against any other third-party claims) and completely indemnify it in the event that R2 Flowers would incur a loss in relation to an (alleged) breach of a plant breeder's right, licence or other third-party interest.
- 6.2 R2 Flowers is always entitled to amend these Trading Conditions. R2 Flowers will notify the clients of such an amendment before this amendment takes effect and send them the amended version or make this version available via the customer portal.
- 6.3 The agreement for services between the client(s) and R2 Flowers B.V. will be governed by Dutch law, and any dispute – of whatever nature – will be submitted exclusively to the District Court of North Holland in Haarlem.

SECTION II, PERENNIAL PLANTS

Article 7. Perennial plants: Trading Conditions for Tree Nurseries in the Netherlands

- 7.1 Any agreements entered into between the clients themselves in relation to perennial plants and nursery products are also governed by the Trading Conditions for Tree Nurseries in the Netherlands ('HBN Conditions') (i.e., the most recent version applicable when the parties entered into their agreement), in addition to these Trading Conditions. The HBN Conditions include a clause relating to arbitration by the Dutch Arbitration Tribunal for Tree Nurseries. The HBN Conditions – which reflect the mores of the profession and which any parties active in tree nursery production are familiar with – can be accessed at www.raadvoordeboomkwekerij.nl. The HBN Conditions are also available upon request from R2 Flowers.
- 7.2 The HBN Conditions apply to both clients involved in agreements brokered by R2 Flowers, which means that they are both already using those HBN Conditions; given the fact that these conditions are well known in the sector, both clients waive the option to provide or receive a copy of the HBN Conditions and will refrain from invoking the fact that they were not given a copy of these conditions.

Article 8. Perennial plants: Invoicing/payment of invoices

- 8.1 R2 Flowers will invoice the buyer on the seller's behalf, using the email address provided by the buyer. To this end, the seller will send R2 Flowers the delivery notes relating to the produce supplied as soon as possible. R2 Flowers will invoice the buyer by means of a collective invoice before or on the Saturday of the same week, provided that (1) R2 Flowers has received the relevant delivery notes before or on the Thursday, and (2) delivery has indeed taken place by that day. Article 2.2 of these Trading Conditions applies by analogy to the sending of invoices. The buyer will confirm receipt of the invoices by return email to R2 Flowers. The buyer must immediately communicate any impediments preventing a timely payment.

- 8.2 Unless agreed otherwise, the invoices issued by R2 Flowers on a seller's behalf have a payment term of 14 days. After expiry of that payment term, R2 Flowers will send both clients their respective invoices for the commission due; the payment term for these invoices is 14 days. Failure to pay an invoice in time will result in default, without notice of default being required.
- 8.3 R2 Flowers has the right to demand upfront payment from the buyer for the benefit of the seller if R2 Flowers has good reasons to fear that the buyer will be unable to fulfil its obligations, or to do so in full. Good reasons will exist in any case if no credit insurance cover is provided, or if the cover provided is withdrawn.
- 8.4 If the buyer settles an invoice for perennial plants and/or tree nursery products in time and in full, and presents evidence of this on request, its commission to R2 Flowers will be limited to 1.5% in derogation from Article 1.2. R2 Flowers will not grant this discount if the payment term is exceeded, regardless of the reason (or of whether the delay was justified).
- 8.5 If the buyer does not pay an invoice in time, it will forfeit an immediately payable fine of 15% of the gross (purchase) price payable to R2 Flowers, with a minimum of €500. As well as the fine, the buyer will owe the seller statutory commercial interest on the invoice amount from the date of default. On top of the fine and statutory commercial interest, the buyer will have to pay the judicial and extrajudicial costs actually incurred by the seller or by R2 Flowers (such as own costs and the costs of collection agencies, bailiffs and lawyers) in order to collect the claim.
- 8.6 If it becomes apparent that the buyer has not paid the (purchase) price in time, R2 Flowers will send a reminder on the seller's behalf where necessary. R2 Flowers is explicitly authorised by the seller to demand payment of the amounts due on its behalf. On request, the seller will confirm this authorisation in writing.
- 8.7 Any payment by the credit insurer or by R2 Flowers to the seller will not invalidate the retention of title clause included in the HBN Conditions, which clause also applies to ancillary claims. Insofar as the seller's claim against the buyer is transferred to a third party, the (retention of) title in respect of the produce supplied will also pass to that third party. This provision constitutes the legal basis for the aforesaid transfer of title. From the moment the claim is transferred, the buyer will be the custodian of the produce supplied while the new title holder will be the owner.

SECTION III, FLOWERS

Article 9. Flowers

- 9.1 R2 Flowers will invoice the buyer on the seller's behalf, using the email address provided by the buyer. To this end, the seller will send R2 Flowers the delivery notes relating to the flowers supplied as soon as possible. R2 Flowers will invoice the buyer by means of a collective invoice before or on the Saturday of the same week, provided that (1) R2 Flowers has received the relevant delivery notes by 12.00 hours on Friday, and (2) delivery has indeed taken place by that day.
- 9.2 Article 2.2 of these Trading Conditions applies by analogy to the sending of invoices. The buyer will confirm receipt of the invoices by return email to R2 Flowers. The buyer must immediately communicate any impediments preventing a timely payment.
- 9.3 Unless agreed otherwise, the invoices issued by R2 Flowers on a seller's behalf have a payment term of 7 days. After expiry of the 7-day payment term, R2 Flowers will send both clients their respective invoices for the commission due; the payment term for these commission invoices is 14 days. Failure to pay an invoice in time will result in default, without notice of default being required.
- 9.4 R2 Flowers has the right to demand upfront payment from the buyer for the benefit of the seller if R2 Flowers has good reasons to fear that the buyer will be unable to fulfil its obligations, or to do so in full. Good reasons will exist in any case if no credit insurance cover is provided, or if the cover provided is withdrawn.
- 9.5 If the buyer does not pay an invoice in time, it will forfeit an immediately payable fine of 15% of the gross (purchase) price payable to R2 Flowers, with a minimum of €500. As well as the fine, the buyer will owe the seller statutory commercial interest on the invoice amount from the date of default. On top of the fine and statutory commercial interest, the buyer will have to pay the judicial and extrajudicial costs actually incurred by the seller or by R2 Flowers (such as own costs and the costs of collection agencies, bailiffs and lawyers) in order to collect the claim.
- 9.6 If and as soon as it becomes apparent that the buyer has not paid the purchase price in time, R2 Flowers will send a reminder on the seller's behalf where necessary. R2 Flowers is explicitly authorised by the seller to demand payment of the amounts due on its behalf. On request, the seller will confirm this authorisation in writing.
- 9.7 Unless agreed otherwise, the seller will supply flowers in the containers/packaging materials to be provided in good time by the buyer.
- 9.8 The buyer must lodge any complaint relating to flowers purchased directly with the buyer, within 4 hours after the flowers were delivered at the agreed delivery location, at the risk of forfeiting all rights. The buyer will notify R2 Flowers of the complaint as soon as possible.
- 9.9 The agreement between the buyer and seller of flowers brokered by R2 Flowers will be governed by Dutch law, and any dispute between the buyer and seller of flowers – of whatever nature – will be submitted exclusively to the District Court of North Holland in Haarlem.

SECTION IV, FLOWER BULBS

Article 10. Flower bulbs: Trading Regulations for the Flower Bulb Trade

- 10.1 In addition to these Trading Conditions, the most recent Trading Regulations for the Flower Bulb Trade will apply between the two clients in respect of the agreements brokered by R2 Flowers concerning the trade in or the cultivation of flower bulbs. The Trading Regulations for the Flower Bulb Trade include a clause regarding arbitration by the Dutch Arbitration Tribunal for the Flower Bulb Sector. These Trading Regulations – which reflect the mores of the flower bulb industry and which parties trading in flower bulbs are familiar with – can be consulted at www.kavb.nl. These regulations are also available on request from R2 Flowers.
- 10.2 The Trading Regulations for the Flower Bulb Trade apply to both clients involved in agreements brokered by R2 Flowers, which means that they are both already using these Trading Regulations; given the fact that these regulations are well known in the sector, both clients waive the option to provide or receive a copy of these Trading Regulations and will refrain from invoking the fact that they were not given a copy of these regulations.

Article 11. Flower bulbs: Invoicing/payment of invoices

- 11.1 R2 Flowers will invoice the buyer on the Friday of the second week following delivery or cultivation, using the email address provided by the buyer.
- 11.2 The buyer will confirm receipt of the invoices to R2 Flowers by return email. The buyer must immediately communicate any impediments preventing a timely payment.
- 11.3 R2 Flowers has the right to demand upfront payment from the buyer for the benefit of the seller if R2 Flowers has good reasons to fear that the buyer will be unable to fulfil its obligations, or to do so in full. Good reasons will exist in any case if no credit insurance cover is provided, or if the cover provided is withdrawn.
- 11.4 In derogation from Article 1.2, the commission payable by both clients to R2 Flowers is determined in accordance with the sliding scale below, based on the monetary value of the performance specified in the agreement, but only provided that all the following conditions are met:
1. the credit insurer has accepted the risk; and
 2. the parties have accepted the applicability of these Trading Conditions of R2 Flowers and comply with these conditions in full.

Purchase contract from €	Purchase contract up to €	Commission
<	5,000	2.50%
5,000	10,000	2.25%
10,000	50,000	2.00%
50,000	100,000	1.75%
100,000	>	1.50%

If the buyer fails to pay the invoices in time or in full but nevertheless fulfils the other conditions, the seller's commission will be calculated in line with the above sliding scale, whereas the buyer will owe the regular commission referred to in Article 1.2.

- 11.5 After expiry of the last payment date or value date, R2 Flowers will send both clients their respective invoices for the commission due; the payment term for these invoices is 14 days. Failure to pay an invoice in time will result in default, without notice of default being required.
- 11.6 If the parties entered into a full agreement not brokered by R2 Flowers concerning the trade in or the cultivation of flower bulbs and if they wish the agreement to be formalised or concluded by R2 Flowers in accordance with these Trading Conditions, the commission payable by the parties will be 1.5% (regardless of the monetary value of the performance specified in the agreement), but only provided that all the following conditions are met:
1. the monetary value of the performance specified in the agreement is at least €5,000; and
 2. the credit insurer has accepted the risk; and
 3. the parties have accepted the applicability of these Trading Conditions of R2 Flowers and comply with these conditions in full. If the buyer fails to pay the invoices in time or in full but nevertheless fulfils the other conditions, the seller's commission will be 1.5%, whereas the buyer will owe the regular commission referred to in Article 1.2.
- 11.7 Any payment by the credit insurer or by R2 Flowers to the seller will not invalidate the retention of title clause included in the Trading Regulations for the Flower Bulb Trade. Insofar as the seller's claim against the buyer is transferred to a third party, the (retention of) title in respect of the produce supplied will also pass to that third party. This provision constitutes the legal basis for the aforesaid transfer of title. From the moment the claim is transferred, the buyer will be the custodian of the produce supplied while the new title holder will be the owner.