

The Grower-Grower Scheme Terms and Conditions



Applicable terms and conditions Grower-Grower Scheme (KKR)

The following terms and conditions apply to the Grower-Grower Scheme of Royal FloraHolland (Kweker-Kweker Regeling in Dutch, KKR for short):

Article 1 Service

- a. The Grower-Grower Scheme (hereinafter abbreviated as KKR) facilitates suppliers registered with FloraHolland in the mutual trading and payment of floricultural products. The KKR prevents or limits the double charging of levies by Royal FloraHolland to the User. This is subject to the resolutive condition that, after purchase, the User resells and processes payment of the floricultural products via Royal FloraHolland or via the Veiling Rhein-Maas. If the floricultural products have not been sold or resold via Royal FloraHolland or the Veiling Rhein-Maas, the User must report or register this via the Royal FloraHolland TEMO application.

Based on the agreed and, after assessment by Royal FloraHolland, established degree of resale through Royal FloraHolland, the User will receive a KKR redelivery percentage (between 0% and 100%) which is determined by Royal FloraHolland and to be used for refunds paid during the calendar year.

An ex-post evaluation is carried out annually, which may result in recalculation of the levies and refunds.

- b. KKR is intended for members, their joint ventures and for suppliers registered with Royal FloraHolland. Access to the current service is personalised. It is not permitted to trade or settle payments for floricultural products for other users or third parties via the KKR scheme. In the event of any changes by or at the User, the User is obliged to inform Royal FloraHolland as soon as possible; failure to do so means that any changes and/or the consequences thereof cannot be held against Royal FloraHolland.

- c. On the approx. 250 auction days per year, the User can seek the assistance of the Royal FloraHolland customer service during the usual opening hours via tel: +31(0)88-789 89 89. If preferred, communication can take place via the Direct Sales Office.

- Email Customer Service: klantenservice@royalfloraholland.com
- Email Direct Sales Office: bedrijfsbureaucommercie@royalfloraholland.com

- d. To be able to use the KKR, the User must be registered with Royal FloraHolland as a supplier and as a customer. For the purpose of registration as a customer, the User must submit to Royal FloraHolland a valid authorisation for business collection by direct debit or any other security for payment of his/her purchases that Royal FloraHolland may deem suitable.

The capital contribution deducted from sales by Royal FloraHolland is credited to the member certificates and serves as security for the User's KKR purchases. The maximum weekly turnover in a year (purchases) x 1.2 must be covered by the accrued member certificates of the User and/or additional securities to be provided by the User to Royal FloraHolland.

- e. The KKR will start once:

- the User has submitted the agreement KKR to Royal FloraHolland, fully completed and signed for approval
- the service owner has signed the agreement on behalf of Royal FloraHolland, and
- Royal FloraHolland has notified the User that it has been admitted to the KKR and has provided it with a copy of the signed agreement.

- f. The User will inform the supplier from whom it buys floricultural products in advance that it is making use of the KKR. The User will ensure that the customer to whom it resells the floricultural products is familiar with the fact that the floricultural products might have been cultivated with other suppliers.

- g. The service only concerns direct trade.

- h. The KKR applies to the following levies of Royal FloraHolland to the User *:

Supplier commission (0.8-1.5%): At time of purchase, the User will receive an automatic advance payment of the allocated redelivery percentage x 0.75% commission on the purchase turnover generated by the User. During the annual evaluation, the final settlement takes place based on subsequent calculation (over the member rate of 1.5%, minus the volume discount and the advance received).

Promotion contribution supplier (0.2%): At time of purchase, the User with a 100% redelivery percentage will receive an automatic advance payment of the 0.2% promotion contribution on the purchase turnover generated by the User. During the annual evaluation, the final settlement takes place based on subsequent calculation, also for members with a redelivery percentage of less than 100%.

Product-Specific Promotion (PSP) supplier: At the time of charging the PSP per product group, the User with a 100% redelivery percentage will receive an automatic refund of the PSP on the KKR purchase turnover generated by the User for the relevant PSP product group. During the annual evaluation, the final settlement takes place based on subsequent calculation, also for members with a lower redelivery percentage.

Capital contribution supplier (0.5%): During the annual evaluation, the final settlement takes place based on subsequent calculation, whereby a refund is made if the accrued capital contribution (on the KKR purchase turnover) is higher than the 'maximum weekly purchase x 1.2 (threshold € 5000)', for the determined redelivery percentage.

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Supplier/customer packaging circulation:	During the annual evaluation, the final settlement takes place based on subsequent calculation. This concerns a refund of the difference between the customer packaging rental and the supplier packaging rental (threshold €200). Conditions are that participation in packaging circulation for this User is stipulated in this application, and that the purchase is resold in the same packaging via the Royal FloraHolland transaction channels.
Registration fee customer Direct (€255):	At time of purchase, the User with a 100% redelivery rate will receive an automatic exemption from this levy. During the annual evaluation, the refund takes place for members with a redelivery percentage lower than 100%, if the redelivery percentage is determined to be 100% during the subsequent calculation.
Service charge for customers (0.03-1.5%) and Promotion levy customer (0.19%)	At time of purchase, the User with a 100% redelivery rate will receive an exemption from these levies. During the annual evaluation of the KKR, Users with a redelivery percentage lower than 100% will receive a refund of the levies based on subsequent calculation.

* Subject to changes in percentages and rates

Article 2: Costs

- a. The rate for the KKR per customer number is €150 per year for members and €300 per year for non-members. (rate changes reserved). User will also pay 0.05% commission on their KKR purchase turnover. This provision is to be deducted from the annual reimbursement. The rate is charged annually. Rates are evaluated annually and the current rates are published on the Royal FloraHolland website (under: Grower-Grower Scheme).
- b. In view of the User's obligation to sell the floricultural products it purchased, it is necessary to maintain a proper balance between the User's purchase and sales turnover (sales ratio). If an imbalance is found by Royal FloraHolland during the annual evaluation of the KKR, Royal FloraHolland will ask the User for an explanation and, if relevant, for a NAT statement via the TEMO application. Only purchase turnover, which is found under the sales turnover, falls within the KKR. For this reason, the definitive subsequent calculation may lead to an adjustment of the KKR purchase turnover, and the redelivery percentage for the coming year may be adjusted.
- c. If the annual check of the sales ratio is positive, the levies paid by the User (such as the Direct Trade registration fee, service costs, commission scales, etc.) will be refunded (possibly partially) at the end of the year in question. Reimbursement is subject to current rates and per levy type subject to the applicable terms and conditions set out in this Agreement.
- d. If an imbalance is found in the sales ratio, Royal FloraHolland may charge the User for the levies with retroactive effect.
- e. The rates and costs shall be collected by Royal FloraHolland, as far as possible, by direct debit from the User, whereby the User undertakes to cooperate with this method of payment and so authorises Royal FloraHolland herewith.
- f. Claims regarding the amounts indicated on the invoice may only be submitted in writing by the User and within 4 weeks of the date of the invoice in question.

Article 3: Start and termination

- a. The KKR is entered into for an indefinite period of time, starting on the date of confirmation by Royal FloraHolland, unless the User terminates the KKR earlier towards the end of the current calendar year, with due observance of the notice period stipulated in Article 3 paragraph b.
- b. The KKR may be terminated by the User and/or Royal FloraHolland upon notice thereof to Royal FloraHolland or the User, with due observance of a notice period of at least 6 (six) working days.
- c. If Royal FloraHolland terminates the KKR or the service provision to the User for financial reasons (non-payment) or suspected breaching of the terms and conditions, it is entitled to do so with immediate effect, without prejudice to other rights to which Royal FloraHolland is entitled in this respect, including the right to suspend or terminate its services and/or to undo settlements. The above also applies in the following situations:
 - (a filing of a petition for) bankruptcy, suspension of payment or debt management plan by the User;
 - the User's business is shut down or liquidated;
 - a merger and/or acquisition of the User.
- d. Giving notice of or submitting alleged or unusual transactions or transaction details is prohibited.
- e. Royal FloraHolland is entitled to announce the termination to other Users/suppliers. Termination will not affect amounts already collected (or given to the bank for collection).

Article 4 **Liability and indemnity**

- a. Royal FloraHolland shall not be liable for any damages arising from factors including - but not limited to - disruption to or malfunction in the administrative- or IT- or digital system of Royal FloraHolland, delays or incorrect and/or incomplete information contained therein, unless this situation is attributable to intent or gross negligence on the part of Royal FloraHolland. In the case of an error made by employees of Royal FloraHolland within the context of this service, which may be regarded as intent or deliberate negligence, the liability of Royal FloraHolland and its employees shall be limited to the rate charged for this service during the 12 months prior to this moment.
- b. Royal FloraHolland shall never be liable for indirect damages or loss of profit. Furthermore, no reduction in costs may be obtained unless a disruption lasts for longer than 48 hours during business days and is attributable to Royal FloraHolland.
- c. The User will bear the risk of improper or unauthorised use of its own password and (access) codes.
- d. The User guarantees the correctness of the transaction details provided by him to Royal FloraHolland and indemnifies Royal FloraHolland against claims in this regard. The User shall indemnify Royal FloraHolland against third-party claims related to the actions of the User while using the KKR.
- e. Royal FloraHolland is entitled to compensate claims paid by it from suppliers/customer with respect to the products supplied to, or sold by, the User in accordance with this scheme from, among others, the sales proceeds, (member) certificates and capital contribution from the User. If these have been pledged partly or fully, the User will inform the pledgee in writing of the current KKR conditions and to the extent necessary will ensure their written approval. In the absence thereof, the Undersigned and User are personally liable for any outstanding claims.

Article 5 **Final provisions**

- a. This KKR and any transactions that arise via Royal FloraHolland are subject to the Auction Regulations, including the 'General Terms and Conditions Connect' insofar as the above provisions do not supersede these.
- b. The Auction Regulations and the 'General Terms and Conditions Connect (Direct Trade) of Royal FloraHolland' are published on the website (see links below) and can be sent to the User free of charge upon request.
<https://www.royalfloraholland.com/media/13749365/royalfloraholland-veilingreglement-en-versie-20.pdf>
https://www.royalfloraholland.com/media/5939906/Royal-FloraHolland_General-Terms-and-Conditions-Connect_2020.pdf
- c. Access to this service and any rights arising therefrom are not transferable.
- d. This service is governed by Dutch law.
- e. Royal FloraHolland reserves the right to introduce compensation for the KKR and/or to amend the terms and conditions with a notice period of at least four weeks. Amendments shall be notified to the User either directly in writing or by means of publication in the Royal FloraHolland newsletter and website and shall take effect four weeks after the date of notification.
- f. The User is aware that the KKR is an administrative service and does not include other services provided by Royal FloraHolland to the User, such as mediation activities and/or logistical services or facilities, unless expressly agreed otherwise in writing between Royal FloraHolland and the User.