

3 RULES FOR CLOCK SALE

3.1 GENERAL REGULATIONS OF CLOCK SALE

Article 3:1 Supply regulation, dumping

1. In order to bring about a balanced offer of products in the business locations of FloraHolland, the Executive Committee of FloraHolland is empowered to frame rules concerning supply for the clock of products, with regard to those business locations, matters for optimisation of management and/or taking care of the interests of the suppliers of FloraHolland in general. Changes in supply patterns of different business locations can only take place in consultation with those business locations. If this does not happen and/or if it is dealt with contrary to the agreements made for that purpose, the Executive Committee is authorised to take action for sanctioning – as an extreme measure – a ban on sales through the clock for that business location
2. The Executive Committee of FloraHolland is empowered to frame rules to prevent disturbance of the market (for a stated business location) by suppliers, for example, through the supply of a certain product in large quantities at a time (dumping).

Article 3:2 Supply

1. Products may be offered for sale at FloraHolland by its members and – in the event that the Executive Committee thinks it fit to allow it in certain special cases – by growers of products who are not members of FloraHolland. The Executive Committee may also decide to allow traders to have their products auctioned at FloraHolland on the understanding that the Executive Committee would be within its rights to determine that the products supplied by the traders are to be auctioned after auctioning those offered for sale by the suppliers referred to in the previous clause. The Executive Committee, if desired, can grant the permission mentioned in the previous clause for a definite period of time, or else attach further conditions to it.
2. Imported products may only be offered for sale at FloraHolland if the Executive Committee issues prior written permission to the effect.
3. Suppliers are subject to all rules made known to them by FloraHolland and/or an authorised third party (including the law-giver and trade organisations), concerning the sale of products – including, in each case, rules and conditions concerning the supply and supply times, quality requirements, sorting and packing, minimum prices and levies.
4. The Executive Committee reserves the right to ban the supply of painted and/or otherwise treated ornamental plant cultivation products, as well as treatment by itself, at the auction site. Any ban thus imposed also applies to the supply of spin-offs and by-products.
5. Sale by auction of animal-based ornamental plant cultivation products, with the intention of adding (more) value to the product, is also banned.

Article 3:3 Self-declaration

Inspection must be carried out in accordance with the instructions issued by the Executive Committee and the supplier must note his assessment on the delivery slip. At the same time the Executive Committee can make the self-declaration mentioned in the previous clause mandatory. If the supplier does not carry on trade in accordance with the conditions attached to the self-declaration, the Executive Committee or its authorised representative can impose an administrative levy on the supplier concerned, and even withdraw permission. Also, articles 3:12 and 3:13 would apply to the supplier in the case of self-declaration.

Article 3:4 Selling instructions

1. The supplier instructs FloraHolland by submitting with his products an accompanying delivery note furnished to Flower Auction Holland, to sell the products for him in the established manner or in a manner that, in the opinion of FloraHolland, is most appropriate.
2. This instruction to sell, as mentioned in the paragraph immediately preceding, and the products may only be withdrawn if withdrawal is authorised by the Executive Committee or its authorised deputy.
3. The instruction mentioned in paragraph 1 is carried out, unless otherwise explicitly agreed to, on the following auction day. If the products cannot be auctioned on the following auction day for reasons attributable to the supplier and there is nothing else agreed upon otherwise, the products would be kept at the auction site on account and risk of the supplier, without prejudice to the provision in Article 3:6.

Article 3:5

The supplier is obliged to ensure that his products and the accompanying information are delivered to FloraHolland at the time specified by the Executive Committee. If the supplier fails to deliver his products on time, the products in question may not be auctioned or may be auctioned only at a time specified by the Executive Committee as it thinks fit. Suppliers are obliged to deliver products to be auctioned in the manner and at the place prescribed by the

Executive Committee. Delivery vehicles are to be removed from the auction complex as soon as the delivery is completed and suppliers must, otherwise, follow all the instructions issued by the authorised officials of FloraHolland.

Article 3:6

1. The supplier must supply products conforming with the relevant rules as mentioned in Article 3:2 Paragraph 3, which makes it explicit that a complete and correctly filled-in delivery note should be enclosed with the products.
2. The product code specific to the product supplied should mandatorily be filled in on the delivery note.
3. FloraHolland will inspect the delivery notes mentioned above at random with a view to assessing accuracy and completeness. If and insofar as during checking it is found that the supply data is entirely or partly incorrect or missing, or that the products are otherwise supplied contrary to the rules applicable, FloraHolland is authorised to correct or to fill up the data on account and risk of the supplier, without prejudice to the rights on the products. Likewise on account and risk of the supplier, FloraHolland may decide not to auction, or to auction at another point in time, and/or to impose an administrative levy. The matters are considered as FloraHolland might best judge, without prejudice to the provision in article 3:13. If the products are not auctioned, or auctioned at another point in time, FloraHolland shall subsequently inform the supplier about it.
4. If FloraHolland decides, contrary to the delivery specifications, neither to auction the products supplied nor to destroy, as conforming to the provision in article 3:13, it gives the concerned supplier the opportunity to remedy the defect, or otherwise to remove the products at his own cost from the auction site. If the supplier fails to follow what is mentioned in the previous clause, then FloraHolland is authorised to destroy the products at the cost of the supplier.
5. In the event that the delivery note is missing, FloraHolland is entitled to collect the proceeds from the sale of the products unless the supplier is able to provide convincing proof that he is the owner of the products in question.

Article 3:7

The supplier is responsible for sending correctly and completely filled-in Electronic Delivery notes to FloraHolland.

Article 3:8

Buyers and suppliers cannot derive any rights from the data of the expected offer included in the Offer Information System (AIS) unless it is a question of intentional or gross negligence on the part of the supplier or of FloraHolland.

Article 3:9 Auction for supply number not furnished to the supplier

Except with the permission of the Executive Committee, it is forbidden to supply products with a number that was given to someone other than the supplier or which was not furnished originally for the supply of these products.

Article 3:10 Liability

1. FloraHolland can only be called to account for losses incurred as a result of loss of or damage to products that have been delivered, provided the products in question were delivered at the appointed place in accordance with the delivery instructions established by or on behalf of FloraHolland and provided the products in question were scanned in as products having been delivered, and the losses in question were incurred due to actions or omissions by or on behalf of FloraHolland, as a result of which the products in question were not treated with due care and attention *and* provided that the alleged losses are confirmed by persons appointed by FloraHolland to do so.
2. FloraHolland is not liable for any damage to products kept in its cold storage units or other conditioned units in the event that the damage in question is caused by the fact that the conditioning mechanism is not functioning (as it should), unless the conditioning mechanism does not function as it should due to actions or omissions as mentioned in paragraph 1.
3. FloraHolland is authorised to keep outside the cold storages products that cannot be placed inside the refrigerators due to a shortage of refrigerators.
4. If FloraHolland is responsible in the cases mentioned in the paragraphs 1 and 2 for damage arising to products, then the liability will not extend beyond compensation equal the average auction value of damaged or lost products of comparable quality on the preceding auction day or, in case it is known, the auction value of the damaged or lost products.

Article 3:11

In the event that FloraHolland is obliged to compensate a buyer because of actions, negligence or other circumstances for which the supplier is to blame due to the fact that the actions, negligence or other circumstances in question did not comply with the regulations or caused the buyer to sustain a loss for some other reason, FloraHolland is entitled to recover the sum in question from the supplier at fault, so as not to prejudice the provisions referred to in article 2.2 paragraph 1

Article 3:12 Inspection

1. Ornamental plant cultivation products supplied for auction will be inspected at random before being presented for sale. All remaining products supplied for auction and/or (ornamental) materials are not checked.
2. Inspection will be carried out by an inspector appointed by the Executive Committee, who will (instruct someone to) note his assessment on the delivery slip or enter his assessment in the designated system.
3. If the supplier does not agree with the decision of the inspector, he has the right to lodge a complaint with the inspector's superiors immediately after taking note of the decision of the inspector, and even if the superior doesn't agree with the supplier, he can file an objection with the complaints committee as mentioned in the complaints regulations.
4. The fact that a product has been inspected and approved as described above does not in any way absolve the supplier of the ultimate responsibility for the product in question.

Article 3:13

1. The Executive Committee or its authorised deputy is entitled not to auction products submitted for auction if *prior* to auctioning the products in question are found not to comply with the minimum quality requirements or not to have been delivered in accordance with the loading regulations and – to the extent that the Executive Committee or its authorised deputy feels – there exists ample reason to have the products in question destroyed. The cost of destroying the products may be charged to the supplier(s).
2. In the event a lot supplied for auction is not homogeneous in terms of quality and/or packaging and/or other properties, the auctioneer is entitled to auction the lot under the qualification assigned by the inspector.

Article 3:14 Value adjustment of products

Value adjustment of products is understood to mean that a buyer purchases part of a lot before the lot in question is auctioned. The buyer is subsequently charged the highest price obtained for the other parts of the same lot via the auction clock plus 10%. This value adjustment of products may only be effected if the conditions drawn up by the Executive Committee permit buyers to do so and is based on the expense allowance fixed by FloraHolland. However, a lot may never be subjected to value adjustment of more than 30%.

Article 3:15 Starting time of auction

The Executive Committee determines the times at which the auctions are due to commence. Adequate notification is given of the commencing times.

Article 3:16 Auction

At the auction, FloraHolland acts as seller for its members and other suppliers, subject to the condition that this is done in the name and on account and risk of the supplier of the products. During auctioning and in connection with all matters related to the auctioning, FloraHolland is represented by the Executive Committee or its authorised deputy.

Article 3:17 Auctioning sequence / auctioning method

1. The Executive Committee fixes, by observing the auctioning scheme established by the Government, in which sequence the supplied products will be auctioned within a determined product group, or else by whom and in what manner this sequence will be determined.
2. The products supplied will be auctioned in accordance with the method of auctioning determined and announced by or on behalf of the Executive Committee.

Article 3:18 Dutch auction amount and transaction amount

1. During auctioning the price is lowered in stages – by what amount is announced by the auctioneer – until a buyer is found.
2. The auctioneer is authorised to announce in advance the minimum quantity of a product offered that must be purchased and the maximum quantity of a product that may be purchased.

Article 3:19 Multi-transaction purchase

1. Depending on the quality and/or sorting of a product to be auctioned through the auction clock, the auctioneer may announce *in advance* that the product in question is to be auctioned in accordance with the multi-transaction purchase method.
2. The multi-transaction purchase method mentioned in paragraph 1 means that in the event that more than one buyer effects a purchase as described in article 3:21 paragraph 1, a purchase will be allotted to those buyers who pressed on the product within the number of clock positions announced by the auctioneer *in advance*.

Article 3:20 Packaging, packing

1. Products are auctioned per bunch, per part or on the basis of some other criteria. The Executive Committee is entitled to issue regulations in this respect.
2. In the event that a product is submitted for auction in sealed packaging, each lot must include at least one open package so that the product is clearly visible to the buyers in the form of a sample.

Article 3:21 Purchase effect

1. A purchase is effected by an action on the part of the buyer either -
 - in the auction room,
 - or
 - in another location with the help of a device approved by FloraHolland with an on-line connection to the clock by which the buyer can bring about a purchase, the so-called remote purchase, of the matters mentioned in the cases meant for this purpose by the appearance of the number of the buyer concerned on the auction clock, by which action the buyer accepts FloraHolland as seller.
2. In the event that as a result of a defect in the auction clock or the connected computer equipment - including the computer equipment referred to in paragraph 1, second point - or as a result of a misunderstanding or any other such situation, such as may prove to be necessary, the auctioneer is entitled to determine that no purchase has taken place or is to take place. In such a case, neither the supplier nor the buyer, nor FloraHolland are entitled to claim compensation or indemnification.
3. During the auction, it is forbidden for a buyer to hold the purchase button pressed in, or else to press it repeatedly in a manner that disturbs the auction proceeding. Any damage resulting from an action contrary to this subclause, can be recovered from the offender.

Article 3:22 Mistake of buyer

A buyer is allowed to make a mistake, if in the opinion of the auctioneer, the mistake was due to a disturbing influence. Yet a mistake may only be rectified while the lot which is the subject of the error is still in the auction room and provided that it is possible to react. If for technical reasons it is not possible to react, the mistake will not be rectified. The same buyer is not allowed to make more than two mistakes during an auction. In this context the auctioneer is also free to interpret "auction" as a series of consecutive auctions. The lot, which was the subject of the error, may not be repurchased by the same buyer unless the auctioneer determines otherwise on account of special circumstances. Reacting is only permitted if the first transaction of the following lot has not yet been established. The Executive Committee may decide to deviate from this ruling, possibly on the basis of conditions drawn up by itself or by its authorised deputy. Where appropriate, the Executive Committee or its authorised deputy is also entitled to rectify mistakes in some other manner.

Article 3:23 Mistake of auctioneer

In the case of an error on the part of the auctioneer, the lot in question will not be allotted, but immediately re-auctioned. The Executive Committee may decide to deviate from this ruling. Where appropriate, the Executive Committee or its authorised deputy is also entitled to rectify mistakes in some other manner.

Article 3:24 Sudden and dramatic drop in price

In the event that there is a sudden fall in the price of a certain lot, the auctioneer is entitled to react, as long as the auctioning of the following lot has not yet commenced. The suppliers will be paid the price obtained by the reaction, unless the Executive Committee or its authorised deputy considers an alternative course of action to be more appropriate.

Article 3:25 Withdrawal

1. In the absence of a binding minimum price ruling that applies to FloraHolland, the Management Committee is entitled to determine a minimum price for each product below which the product in question will not be sold. Products that do not command the minimum price count as products that have been withdrawn in the sense specified in these regulations.
2. In the event that products are withdrawn from the auction the Management Committee is authorised to charge the supplier a withdrawal fee to be established by the Management Committee. Only the Management Committee decides what must be done with unsold products and the packing.

Article 3:26 Place of delivery, delivery/supply of products

1. Unless otherwise agreed upon during the sale, the place at the auction site where the buyer receives, or has to receive, the products is valid as the place of delivery and receipt. At the same time it is understood that the buyer mentioned in the previous clause is the one who receives the products on behalf of the buyer or the buyer himself.
2. The personnel employed by FloraHolland are authorised to ensure that buyers do not collect products that they have not purchased on the basis of the so-called delivery slip.
3. Only personnel of the auction are authorised to distribute products to the buyers by transferring the products from the stacking trolleys that are used at the auction to the stacking trolleys to be provided by the buyers. If requested to, buyers must be able to present valid proof of their identity when collecting products they have purchased.

4. If requested to, a buyer who intends to pay cash must be able to present an auction bill when collecting products that have been purchased.
5. Buyers are not permitted to undertake to collect products they have purchased from the distribution compartments themselves without the permission of a member of the auction personnel who is authorised to issue such permission.

Article 3:27 Instant of delivery

1. Products sold at auction that are present within the auction complex will be delivered to the buyer by FloraHolland as soon as possible on the 'day' of sale as specified in the fifth paragraph of this article.
2. Products sold at auction that are not present within the auction complex will be delivered to the buyer and must be collected by the buyer at the time and place specified at the time of sale.
3. The buyer is supposed to collect products purchased on the day they are delivered. If the buyer fails to collect the product on the day of delivery FloraHolland is entitled to proceed to reauction the products. Should FloraHolland proceed to reauction, the products in question will be reauctioned at the buyer's expense.
4. Products are considered to be at the buyer's risk and expense from the time the buyer collects the products or from the time the buyer is supposed to have collected the products.
5. Within the context of this article, 'day' is understood to mean the period from half an hour prior to the commencement of the earliest auction clock to an hour after the end of distribution of the product group in question in the distribution hall.

Article 3:28 Buyers

1. Registered buyers are authorised only by FloraHolland for the starting of transactions through the clock. Upon registering with FloraHolland buyers are obliged to present valid proof of their identity together with all permits and other documents required for the practice of their profession. If the Executive Committee of FloraHolland deems that valid reasons exist, they can deny registration of a (aspirant) buyer.
2. A buyer registered with FloraHolland may be permanently struck off the register or temporarily struck off the register for a period of time to be determined by the Management Committee in the event that the registered buyer proceeds to purchase products directly from members of FloraHolland or from members of other VBN-affiliated Flower Auctions without the written permission of the Management Committee and persists in doing so despite having been issued with a written warning.
3. All buyers are obliged to remove their plates from their seat in the stands after auctioning.
4. Buying on the strength of a plate that has been issued to another buyer is not permitted, unless the person in question is buying with the permission of the buyer to whom the plate was originally issued. The buyer in whose name a buyer's plate is registered is liable for all products purchased on the strength of the plate – also for any purchases made by unauthorised persons.
5. A deposit is to be paid for each debtor's plate and each buyer's plate. The amount of deposit shall be determined by the Management and will be forfeited by the buyer in the event that the plate in question is lost or missing or damaged.

Article 3:29 Cash buyers

After making their purchases cash buyers are obliged to hand in the buyer's plate issued to them to the cashier. Any plates not handed in will be charged for. If requested to by the cashier, a cash buyer must be able to present valid proof of his identity. Article 3:30 paragraph 2 is applicable for this as payment security.

Article 3:30 Account holders

1. A buyer admitted as an "account holder", whose bank has issued a bank guarantee or a letter of credit, or on whose behalf some other form of security has been provided, authorises FloraHolland to arrange for the total amount owed to FloraHolland to be transferred from the buyer's account to the account of FloraHolland as soon as the purchase takes place.
2. The security amount mentioned in the paragraph immediately preceding is determined by FloraHolland and is related to the amount of transactions normally committed by the buyer-account holder within a period determined by FloraHolland. FloraHolland reserves for itself the right to alter the amount required as payment security, in case of changed volume of transaction, default of payment and/or other reasons given.
3. Only an account holder can get a permanent buyer's number after fulfilling the requirements specified for each buying location. Only an account holder will be allocated a permanent buyer's number and in order to qualify the account holder must be able to show that he made purchases on at least three days in a week. For making a purchase the account holder need not inform FloraHolland. Regular buyers do not have to report to the cashier prior to purchasing and in the case of the regular buyer/account holder the buyer's plate is to be kept by the regular buyer/account holder.

Article 3:31 Rules for each business location

Stipulations differing from those mentioned in articles 3:28, 3:29 and 3:30 can be established for the individual business locations, which will be explained by FloraHolland or the business location concerned in more detail.

Article 3:32 Payment by the buyer

1. All buyers will be issued auction bills for products purchased. The auction bill will list such items as the service charge, the duty levied by the Horticultural Marketing Board (hereinafter to be referred to as HMB), packaging costs, value added tax, etc.
2. Before collecting the products that they have purchased, cash buyers must collect their auction bill from the cashier of FloraHolland and pay the sum outstanding upon receipt of the bill, or in any event at some time on the day of purchase. In the event that a cash buyer fails to comply with this rule, the Executive Committee can refuse to issue the products purchased, in which case the products will be re-auctioned at the cash buyer's expense. FloraHolland is authorised to place supplementary requirements on cash buyers in each business location, under which advance payment of an amount covering the purchase committed on that day is explicitly mentioned.
3. FloraHolland is authorised to immediately transfer the dues from the account holders' bank account to the bank account of FloraHolland.
4. In the event that the buyer fails to pay on or before the day on which he is obliged to make payment in accordance with the provisions set out in these regulations, the outstanding amount is considered to be due immediately and payable simply on account of the fact that the buyer failed to pay on time, without the issue of any further demand.
5. In the event that a buyer fails to settle the auction bill within the term specified for payment he would be charged interest calculated at the statutory rate on the outstanding sum as well as judicial and extra-judicial costs incurred in the process of recovering the sum, the minimum collection costs being NLG 750.
6. In the case of irregularities in payments/collection (of dues), or in case a buyer does not comply with the payment security required, FloraHolland is authorised to block the buyer's number, whereby, if repeated, the buyer's registration can be cancelled by the Executive Committee, if and as soon as the buyer concerned is requested in writing to remove the cause of the irregularities and he either does not fulfil this at all or does not fulfil the same within the stipulated deadline.
7. In the event that a buyer is of the opinion that the details noted on the auction bill issued by FloraHolland do not accurately reflect the purchase transaction that has taken place, the buyer is to raise the matter with the Executive Committee or its authorised deputy. In the event that the discrepancy, referred to in the preceding clause, is due to an error on the buyer's part, the buyer is obliged to make his objections known within a period of 4 weeks. In the event that the discrepancy referred to in the first clause is due to an error on the part of personnel employed by FloraHolland, a term of complaint of 3 months applies. The said terms of complaint apply from the date on which the auction bill in question was issued.
8. In the event that as a result of some problem auction bills cannot be issued immediately, cash buyers are to pay an estimated sum in advance with a view to settlement at a later date.
9. Outstanding sums must be paid in legal Dutch tender. Cheques, clearing and bank transfer forms, as well as credit cards are accepted, unless otherwise not indicated explicitly on the spot by FloraHolland as payment instrument.
10. For any business location the possibility of cash payment for purchase may be excluded.

Article 3:33

It is assumed that all buyers have seen the lot offered for auction, or at least a sample of the lot in question, even in the event that the buyer is purchasing from a remote point, as specified in article 3:21 paragraph 1 point 2 of these regulations.

Article 3:34 Complaints with regard to the quality, visible defects

1. For any complaints concerning the quality of products, the buyer must approach the duty inspector of FloraHolland or his superior with the entire lot bought by him. Complaints regarding the quality of products purchased must be made immediately and certainly within one hour of the products in question having been delivered or within one hour of the time at which the products should have been collected by the buyer in accordance with the provisions in article 3:27, but never after the product has left the auction site. This is excluding the assumption in paragraph 4.
2. The buyer is authorised to send or to process, with permission from the inspector, part of the lot to which the complaint has no relation, without prejudice to the provision in article 3:37 under b. If and as soon as the buyer makes use of this, the part of the lot already sent/processed is deemed to have been delivered in conformity with the agreement.
3. If the duty inspector or his superior is of the opinion that the complaint is justified he can decide as follows:
 - if the differences concern a small part of the lot delivered, he can give the buyer the choice to either return that part, or to lower the price paid for that part. In the latter case, the new price is to be determined by the Executive Committee or its authorised deputy by taking the average price obtained for products of the same

quality on the same day as a guideline, or the event that only a relatively small proportion of the total quantity of the product, or

- in the event that a considerable proportion of the total quantity of the product purchased is not of the requisite quality, the purchase can be declared cancelled – either entirely or in part – if the buyer so wishes, in which case the buyer is not entitled to claim compensation.
4. If the lot concerned has already left the auction site, lodging of a complaint is ruled out, unless the inspector or his superior wants to deviate from this as a special case. If the executive committee or its authorised deputy sees it fit to consider a complaint despite the fact that the lot in question has already left the auction complex, the complaint must be made within one hour of the start of auctioning on the following auction day.
 5. The inspector or his superior can demand that the entire lot, or a part of it, be brought back in the original packing as proof and also complete data (for example: cards) of the supplier.
 6. As per the decision as meant in paragraph 2, 3 or 4, the buyer/supplier - provided within 24 hour - can file objection with the Complaints Committee within the meaning of the Complaint Regulation service of FloraHolland.

Article 3:35 Complaints with regard to quality, hidden defects

1. In the event that a defect is not visible in the product within one hour of delivery but becomes apparent after that, the defect in question is considered to be a hidden defect.
2. A buyer is entitled to make a complaint regarding a hidden defect. However, in order to count as valid the complaint must be made to the head of the Quality Department (by fax or telex) as soon as the defect becomes apparent.
3. The buyer must hand over the products that are the subject of the complaint to the Quality Department for inspection without delay. In the event that this is not reasonably possible, the buyer should arrange to have the products in question inspected by an expert appointed by FloraHolland. The inspection is initially to be carried out at the buyer's expense, but the cost of inspection will ultimately be borne by the party found to be at fault.
4. If the buyer proves the defect and at the same time shows that this defect existed already before the delivery by Flora Holland, the buyer has exclusive right on refund of maximum the purchase amount of that part about which he has complained. In addition the buyer has the right of damage compensation up to 12% above the agreed purchase amount of the separated part.
5. In case of wrongful intent or gross negligence on the part of FloraHolland, the buyer has the right to claim full compensation for damages from FloraHolland. In the case of wrongful intent or gross negligence on the part of the supplier, the buyer would have to approach the supplier directly to obtain full compensation.

Article 3:36 Complaints with regard to quantity

1. With regard to any complaint concerning the quantity of the products delivered and the logistic carriers of those products, the buyer must directly approach the department assigned for the purpose in each business location (Naaldwijk: Redressal office). Any such complaint must be made within one hour of delivery of the last lot of products from the department in question, or within one hour of the time at which the products in question were supposed to have been collected, in the clause of article 3:27.
2. When it comes to establishing shortages or lost products, all buyers must give the Executive Committee or its authorised deputy every opportunity to monitor all the products purchased on the auction day in question, wherever the products may be within the auction complex.
3. If shortages or lost products are established by the Executive Committee or its authorised representative and it is observed that the same is the result of an act or negligence on the part of the supplier, then the purchase - depending on the magnitude of the deviation in quantity - is declared by the Executive Committee or its authorised deputy to be entirely or partly dissolved. The buyer thereby would have no claim for compensation from the supplier.
4. In the event that shortages or lost products are confirmed by the Executive Committee or its authorised deputy *and* furthermore, it is also confirmed that the shortage or loss in question is due to actions or omissions by or on behalf of FloraHolland, the buyer is not entitled to claim compensation beyond reimbursement of the purchase price.
5. At the same time the general stipulations of FloraHolland concerning the logistics of products are applicable to logistic service.

Article 3:37

Both in the case of complaints with regard to quality, as well as in the case of complaints with regard to the quantity, the following are applicable:

- a. The taking back of a part of the total quantity of products purchased, the lowering of the purchase price, and the cancellation of the purchase will be effected in accordance with the terms and conditions drawn up to provide for such instances by the Executive Committee or its authorised deputy.

- b. The buyer is not permitted to selectively sort or refuse a lot without the intervention of the Executive Committee or its authorised deputy.

Article 3:38 Authorisation of suppliers for settling complaints by FloraHolland

Suppliers authorise FloraHolland to handle the complaint(s) referred to in article 3:34 ff. A complaint will be handled at the supplier's expense and risk unless the supplier is able to show that the complaint was handled lightly and unless it concerns a complaint relating to the services of FloraHolland.

Article 3:39 Payment to the suppliers

FloraHolland guarantees that it will pay its suppliers the proceeds derived from the sale of products sold and delivered by FloraHolland on their behalf and as per the agreement. All suppliers who are members of FloraHolland are charged an auction commission which is the same for all members, being established in accordance with the provisions prescribed by the articles of association of FloraHolland, as a certain percentage of the proceeds derived from the sale of the products and /or an auction commission calculated in some other way. Suppliers who are not members of FloraHolland are charged an auction commission which is higher than the auction commission established for the suppliers who are members. In certain special cases, the Management Committee is free to grant exemption from the said commission at its own discretion. The commission owed by traders who instruct FloraHolland to auction products on their behalf is established by the Management Committee.

Article 3:40

FloraHolland guarantees that it will pay its suppliers the proceeds derived from the sale of the products after deducting the established auction commission referred to above, the supplier's contribution to the members' loan and any other levies, including among other things any levies imposed as a result of a decision passed by the HMB and/or by the Association of Flower Auctions in the Netherlands. The copy provided to the supplier, giving details of the proceeds from the sale of the products supplied by him and the amounts deducted by FloraHolland, must also be considered as an invoice with relation to the aforesaid amounts due to FloraHolland. Monies will be paid to the suppliers on a weekly basis, subject to the provisions set out in this article and in articles 3:39 and 3:42.

Article 3:41 Payment for complaints

In the event that a supplier is of the opinion that the details noted on the daily statement issued by the auction are not in accordance with the details noted on the delivery slip (including consignment details submitted electronically), the supplier in question is entitled to appeal to the Executive Committee or its authorised deputy. In the event that the discrepancy referred to in the previous clause is due to an error on the supplier's part, the supplier is obliged to make his objections known within a period of 4 weeks. In the event that the discrepancy referred to in the first clause is due to an error on the part of personnel employed by FloraHolland, a maximum term of complaint of 3 months would apply. The said terms of complaint would apply from the date on which the daily statement was issued.

Article 3:42 Suspension of payment

FloraHolland is authorised to suspend payment to a supplier in the event the Executive Committee establishes that a complaint made by a buyer on the grounds listed in article 3:34 ff of these regulations is well-founded.