

GENERAL SALES AND DELIVERY CONDITIONS FOR THE FEDERATION OF DUTCH LEATHERWARE AND SHOE MANUFACTURERS (FNLS), Shoe Industry Division AND OF THE ASSOCIATION OF SHOE WHOLESALERS, IMPORTERS, EXPORTERS AND AGENTS (VIMAGRO)

2018

1 GENERAL

- 1 In the general conditions below, the following meanings will prevail:
Vendor: each member of the Federation of Dutch Leatherware and Shoe Manufacturers (*Shoe Industry Division*) or Association of shoe wholesalers, importers, exporters and agents using these conditions, as well as their representative(s), official(s) and assign(s); Co-contracting party: any legal entity having concluded, respectively wish to conclude, an agreement with the vendor, as well as their representative(s), official(s), assign(s) and heirs. With regard to the members of the purchasing groups, the clauses of article 6 will apply.
- 2 These general conditions apply to all the vendor's offers, orders and agreements, concerning the delivery of items and/or parts of items, as well as the execution of works and the provision of services, except if expressly agreed otherwise in writing. These general conditions also apply to agreements that have been formed electronically - for example, via e-mail or EDI system.
- 3 These conditions are also applicable to all the agreements with the vendor, whose execution is carried out by third parties.
- 4 Only these general conditions are applicable to all proposals, offers, notifications and agreements made by the vendor, despite any (prior) reference of the co-contracting parties to his own, or other, general conditions. The vendor expressly rejects the general conditions declared as being applicable by the co-contracting party, and has, furthermore, never accepted them.
- 5 In case of dispute on the interpretation of these conditions, the Dutch text alone will prevail.
- 6 In case of conflict between the text of the offer and one of the provisions of the general conditions of the vendor, the text of the offer will prevail with regard to this specific provisions, without prejudice of the applicability of the other provisions of the vendor's general conditions.

2 OFFERS / PROPOSALS

- 1 All the offers made by the vendor are without obligation, except if the offer contains a stipulation to the contrary. All the lists of prices provided with the offer, the brochures and other indications are as specific as possible. These indications only constitute an agreement when this specification is formally given.
- 2 In the case of a composite proposal, the vendor only has the obligation of delivering part of the goods included in the offer, against a corresponding part of the price due for the entire offer.
- 3 The offers only concern the quantities cited in the offers concerned and do not automatically apply to the re-stocking orders.
- 4 The vendor reserves the right to refuse orders, or even to deliver cash on delivery, or against the issue of a bank guarantee.
- 5 When the vendor has supplied or shown a sample, model, or example, the deliverable goods may slightly differ from these samples.

3 THE AGREEMENT

1. Agreements are formed at the time the order is received, but only bind the vendor after 5 working days have passed since the order was received. The vendor may notify the co-contracting party within 5 working days after receipt of the order that no agreement will be formed. This will not make the vendor liable for compensation. In the event that the agreement was formed electronically whereby the vendor did not send an order confirmation, the buyer will not be able to dissolve the agreement.
- 2 Potential additional agreements, such as modifications by the co-contracting party, only commit the vendor if these agreements have been confirmed in writing by the vendor – with the vendor's administration being conclusive.
- 3 Each agreement is concluded by the vendor under the condition precedent that the co-contracting party – solely at the vendor's discretion – has appeared sufficiently solvent to execute the agreement. In the event the co-contracting party receives no news from the vendor within 3 weeks after the date on which the order is confirmed, the co-contracting party is then deemed solvent and the vendor deemed to have accepted the order.

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- 4 The vendor will inform the co-contracting party of the cancellation of an order, or part of thereof, if possible within thirty days after the order has been confirmed, but in all cases within sixty days; in this latter case, the vendor must justify the reason for which he was not able to cancel within the thirty days. In the event part of the order is cancelled after thirty days, the co-contracting party will have the right to negotiate the deliverable part of the order.
- 5 The vendor has the right, at the time the agreement is signed or after this, before (the pursuit of) the execution, to demand an advance on the payment, or to demand the assurance that the payment obligations, as well as any other obligations, will be respected, in the event the co-contracting party does not respect his obligations, or if there is justified concern that he is not able to respect these obligations.
- 6 When it is a question of an order on request, and unless agreement otherwise, this must be picked up within six months, from the date on which the agreement was concluded in writing.
If this is not applicable, the goods will be prepared to be picked up as of the first day of the sixth month; the vendor then has the right to draw up the invoice. Furthermore, the co-contracting party owes the storage costs from this moment. An order on request is an order whose delivery date is not fixed.

4 PRICE

- 1 Any price modification, made by the vendor, may only take place in case of exceptional circumstances or legal provisions.
- 2 When it is a question of exceptional circumstances or legal provisions, the vendor has the right to increase the price, consequently, respecting the potential existing applicable legal provisions; it being understood, however, that the future, already known, price increases must be mentioned at the time the order is confirmed. When the price increase takes place three months after the agreement has been concluded, the co-contracting party is authorised to terminate the agreement, except when the vendor has the obligation of making this price increase by virtue of the legal provisions.

5 DELIVERY AND DELIVERY PERIOD

- 1 Unless agreed otherwise, all dispatches with a value of over €400 are delivered free of charge to the co-contracting party's place of residence, by the least onerous means for the vendor. The administration and postal costs for sending out goods below the aforementioned amount will be invoiced to the co-contracting party by the vendor, unless agreed otherwise. The moment the goods leave the vendor's depot / warehouse will be considered the dispatch date.
- 2 The co-contracting party commits to check the delivery or the packaging, immediately upon receipt, for anything which might be missing or damaged, or to have this check carried out after the vendor announces that the goods are available for the co-contracting party.
Any missing or damaged delivery and/or packaging at the time of the delivery / pick up, must be mentioned by the co-contracting party on the delivery note, the invoice and/or the transport documents. In the event such a mention is not made, the co-contracting party will be deemed to have accepted the delivery. Any later claim concerning the delivery will not be taken into account.
- 3 Any difference in the number of items per package, as well as missing items discovered at the time these packages are opened, must be notified within 5 days after the delivery.
- 4 Slight differences in colour, model, quantity ordered, etc., which are not unusual in this sector, are acceptable.
- 5 The vendor has the right to deliver the goods in several parts (partial deliveries), which may be invoiced separately. The co-contracting party then commits to make payment, in accordance with what is stipulated in article 14 of these conditions. When, and as long as, a partial delivery has not been paid by the co-contracting party, and /or the co-contracting party does not conform to other obligations resulting from the agreement in question or previous agreement(s), the vendor has the right, without any additional summons or legal intervention, to suspend the remaining deliveries, or to terminate the agreement, after serving summons, in which a reasonable timeframe will be given to the co-contracting party to enable him to respect his obligations - at the vendor's choice - without prejudice of his right to compensation for damages, costs and interest.
- 6 When over 25% of a collection of sizes cannot be delivered, the co-contracting party has the right to terminate the part of the sales agreement concerning the entirety of this collection. The vendor is then duty bound to take back the goods which have been delivered but not sold from this collection, excluding what is stipulated in point 5. The co-contracting party will only then be invoiced for the delivered goods of the partial collection in question, which have been sold.
- 7 When the goods, after the delivery date has been exceeded, have not been picked up by the co-contracting party, they will be stored and kept available for him, at his costs and risks. After a period of two weeks, the vendor has the right to (re)sell his goods. The potential loss in value obtained, as well as the costs, will be borne by the co-

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contracting party, without prejudice of other rights of the vendor, unless the vendor, in relation to the goods to be delivered, fails in his obligations towards the co-contracting party. The vendor notifies the co-contracting party, in writing, that the goods are stored at the risk and peril of the co-contracting party.

6 PURCHASING GROUPS

1 With regard to the agreements with purchasing groups, in favour of members belonging to these groups, it is expected that the member to whom the final delivery is made, is considered to be the co-contracting party, to which these conditions fully apply, and both parties are, hence, responsible for respecting the provisions of the agreement(s) concluded. In this situation, the vendor also has the right, in case of non-payment by the purchasing group, to turn against the member with regard to his obligations concerning the specific goods which have been delivered to him, whether or not the member has respected his obligations towards the purchasing group.

7 CANCELLATION / REFUSAL TO PICK UP BY THE CO-CONTRACTING PARTY

- 1 The cancellation by the co-contracting party of an order accepted by the vendor is only valid if this cancellation has been made in writing.
- 2 When the co-contracting party wishes to cancel the agreement, further to the overrun of the delivery period, the co-contracting party is duty bound to make an additional delivery at least 10 days from the time the co-contracting party has informed the vendor of his desire to cancel. Consequently, the co-contracting party has the right to cancel, in accordance with the stipulations of article 1.
- 3 After the cancellation has been accepted by the vendor, the co-contracting party is duty bound, in all cases, to reimburse him for all the costs paid out for the execution of the agreement, and/or the damages suffered or which will be suffered by the cancellation, as well as the lack of earnings caused by the cancellation, regardless of his other rights, respecting the stipulations of article 5.
- 4 When the co-contracting party, however, cancels the order, he is also duty bound to:
- pay for what has already been delivered;
 - pay for the costs arising from the cancellation and potential foreign exchange losses, in the event the vendor has concluded a foreign exchange agreement with a bank, or another third party, in relation to the order;
 - protect the vendor against any claim made by third parties further to the cancellation of the order, respecting the stipulations of article 5.
- 5 The co-contracting party is not duty bound to reimburse the costs and/or damages when the cancellation takes place further to the vendor failing to respect any one of his obligations.
- 6 The goods which have been specially designed, manufactured, packaged tailor-made for the co-contracting party will not be taken back and/or credited by the vendor, unless the vendor fails to respect any one of his obligations.
- 7 When the co-contracting party refuses to pick up a completed order within the delivery period in force, the stipulations of article 1 remain in force without restrictions, namely that all the goods are available for the co-contracting party and will only be delivered when the co-contracting party has settled the total amount of the order, plus late interest and all the storage costs or other costs incurred by the vendor, without prejudice of the stipulations of article 14 of these conditions.

8 TRANSPORT / RISK

- 1 The method of transport, dispatch, packaging, etc. will be determined by the vendor as a diligent person / trader, if no other indication has been given to him by the co-contracting party. Potential specific desires of the co-contracting party concerning the transport / dispatch will only be executed if the co-contracting party has declared that he will bear the additional cost.
- 2 When it is agreed that the dispatch of the goods is done free of charge to the place of delivery, the delivery is at the costs and risks of the vendor.
- 3 The vendor has the right to invoice superior quality packaging materials, which will be mentioned on the invoice. When the vendor invoices such an indemnity, he will only pay the balance when he has picked up these superior quality packaging materials, in return, and in perfect condition. The return costs shall be covered by the co-contracting party.

9 FORCE MAJEURE (FAILURE TO RESPECT THE AGREEMENT FOR NON-ATTRIBUTABLE CAUSES)

- 1 Force majeure signifies: any cause independent of the wish of the parties, or unforeseeable circumstances which make it reasonably impossible for the parties to respect the agreement.

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In all cases, "force majeure" will include:

Strikes or lock-outs at the providers', (declaration of) war or siege, mobilisation, riots, transport problems, fire, extreme meteorological circumstances, governmental measures, including, in all cases, prohibitions to enter and exit, import restrictions, interruptions in activity at the vendor's or at the vendor's suppliers, as well as the non-execution of the vendor's suppliers or third parties, which prevent him from respecting his obligations towards the co-contracting party.

- 2 The vendor will notify the co-contracting party as quickly as possible when, in his opinion, a situation of force majeure is presented, and to agree upon, with the co-contracting party, a period in which the vendor could then be acquitted. When the situation of force majeure is temporary, the vendor has the right to suspend his service for the duration of the situation of force majeure.
- 3 When the situation of force majeure lasts more than 30 days, the co-contracting party will have the right, immediately and without legal intervention, to cancel the agreement.

10 LIABILITY

- 1 The vendor is not liable for any compensation of damages, of any sort whatsoever, direct or indirect, including damages (as well as lack of earnings) to buildings and furniture, or to persons, whether at the co-contracting party's premises or at the premises of third parties.

The vendor is not liable, in any event, when:

- the damages are caused by the use / the transformation of the delivered goods;
- the delivered goods are transformed into/in an end product for which the delivered goods are not / do not seem appropriate;
- the delivered goods seem inappropriate for the purpose for which they were purchased.

All this must be proven by the co-contracting party, in the event of non-execution or illegitimate action by the vendor or his representatives – as long as the latter have acted according to the vendor's formal instructions.

The potential liability of the vendor will never exceed the net value of the delivered goods.

- 2 Assuming that the vendor's liability is committed on the basis of article 1, the vendor will protect the co-contracting part against any claims for damages and interest made by third parties, such as explained in article 1. When a third party brings action against the co-contracting party on this matter, the co-contracting party will notify the vendor of this immediately, sending him the essential information. For the rest, the co-contracting party will abstain from any action on this matter, unless he receives express authorisation from the vendor, or if the vendor fails to reject the claim made by the third party.
- 3 After receipt of the goods without any claim being made, or after their transformation into an end product by or on behalf of the co-contracting party, the vendor cannot be held liable, in any way, except what is stipulated in article 1, and the co-contracting waives him of any potential claims, made by himself or third parties, for payment for damages and interest, regardless of the cause of the damage.
- 4 This restriction of liability only applies, and also long as the liability insurance policies provide cover, to the damages caused to the co-contracting party and/or third parties.
- 5 The vendor's responsibility extends no further than what is stipulated in this article.

11 CLAIMS

- 1 Potential claims will only be accepted by the vendor if they are sent to him – directly and in writing – within two weeks after delivery of the items in question, with a detailed description of the form and the grounds of the complaints, and with mention of the dispatch/delivery note and/or invoice number.
- 2 The complaints concerning the invoices must also be filed in writing with 14 days.
- 3 Should the co-contracting party not have received the invoice within eight days after receipt of the goods, he must immediately notify this to the vendor.
- 4 After the period mentioned in articles 1 and 2 has expired, the co-contracting party is deemed to have accepted the delivered goods and the invoice respectively. From this moment on, no other claim will be accepted by the vendor.
- 5 Only the claims on goods delivered to the co-contracting party will be taken into account.
- 6 With regard to defects which may only come to light after usage (hidden defects), claims must still be filed within the two weeks after the defect has been discovered, or would have been reasonably able to be discovered, but never later than six months after the invoice date.
- 7 The claims will only be valid with regard to the goods which are still in the condition in which they were delivered, unless they concern hidden defects.
- 8 The claims will not be taken into account when it is deemed that the co-contracting party, or a third party, has modified or repaired the goods, except in the event these modifications/repairs have been made with the prior

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awareness or agreement of the vendor, and with the exception of the event the modification / repair has no relation to the works to be carried out by the vendor.

- 9 The quality of the goods and materials which comprise them must be judged according to the prescriptions and quality requirements in force on the date of the proposal for the goods / materials in question. The slight, usual tolerances, deemed acceptable in business, or technically inevitable tolerances of the quality, quantity, size, colour, finishes, dimension, finishing or others do not fulfil the bases for a claim.
- 10 In the case of claims filed within the appropriate timeframes, the co-contracting party must give the vendor the possibility, when the vendor deems this desirable, to check the claim; in case of refusal, the claim will not be taken into account.
- 11 When the claim is deemed justified by the vendor:
 - the vendor is obliged to deal with the claim to the best of his possibilities;
 - the vendor is only obliged, in the 15 working days, to deliver the agreed service, or to credit the goods which are the subject of the claim, without the co-contracting party being able to uphold rights to any compensation whatsoever;
 - with regard to the works carried out, the vendor has the right to carry out these works correctly within the fifteen working days.
- 12 The filing of a claim never releases the co-contracting party from his obligation of payment towards the vendor, with the exception of the possibility of suspending the payment for the part relating to the claim, as long as the vendor has not fulfilled his delivery obligation.
- 13 The return of the delivered goods can only be made after the prior, written authorisation of the vendor, in conditions to be defined by the vendor. When the vendor refuses to give his written authorisation, he must give reasons for his refusal. The returns of goods must always be done postage free, with mention of the dispatch/delivery note and/or invoice number. The costs of returning the goods will be paid by the party in the wrong.

12 PROPERTY RESERVE AND OTHER GUARANTEES

- 1 Without prejudice to the provisions in these conditions, all goods delivered to the co-contracting party by the vendor at any time, will remain the property of the vendor until such time the co-contracting party has fully paid for all that he owes the vendor in relation to or in connection with other goods and services delivered by the vendor, including interest charges and costs. Before full payment has been made the co-contracting party is not authorised to pledge goods or transfer ownership of the goods to a third party, apart from the goods delivered by the vendor, which the co-contracting party would transfer as part of normal business operations. In case of a breach of this article, as well as in the case of full or partial applicability of article 15, the vendor has the right, without any authorisation from the co-contracting party or the court being required, to recover, or instruct a third party to recover, all goods delivered by the vendor from the place where these goods are located. Furthermore, any outstanding debts to the vendor will be immediately due and payable in full.
- 2 In the event the vendor wishes to uphold his rights, such as mentioned in article 1, the co-contracting party gives the unconditional and irrevocable authorisation to the vendor, or to a third party designated by the vendor, to access all the premises where the vendor's properties are/may be found, and to remove these properties.
- 3 The co-contracting party is duty bound to store the goods, subject to ownership, with all the necessary care, and as being recognisable as being the property of the vendor. The co-contracting party must insure the goods, for the duration of the property reserve, against the risks of fire, explosion and floods, as well as theft, and present the policies to the vendor upon the latter's first request. Any claim made by the co-contracting party on the insurers of the goods covered by the aforementioned policies will be, once the vendor has notified his desire, given as a pledge to the vendor, according to article 3:239 BW, as a guarantee for the vendor's credits on the co-contracting party.

13 COPYRIGHTS

- 1 The vendor remains the owner of the intellectual property rights, such as the copyrights or licensing with regard to the images, designs, plans, models, accounts, estimates and other descriptions, including the catalogues or prospectus, relating to the delivered goods.
- 2 The co-contracting party is not authorised, without the written agreement of the vendor, to make use of the rights mentioned in article 1, in the largest sense of the term, including, but not restricted to, making copies.

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14 PAYMENT

- 1 Unless agreed otherwise, the payment must take place net in cash upon delivery / pick up, without any reduction or compensation or by a funds transfer on a bank or postal account indicated by the vendor, within the 30 days after the date of the invoice or, if indicated, the exchange date. The exchange date indicated on the bank/postal account statement prevails and will therefore be considered as the payment date. A payment within 14 days gives right to a 2% discount, unless agreed otherwise between the parties. FNLS/Vimagro reserve the right to annually change the payment discount.
- 2 Each payment made by the co-contracting party will initially be deducted from the interest he owes, as well as the costs of recovery and/or administrative costs incurred by the vendor and will then be deducted from the oldest credit.
- 3 As long as the total payment has not been made by the co-contracting party, the vendor reserves the right to suspend compensation for the goods (et cetera) of the contracting party until the latter has paid all his debts, including potential legal interest and recovery costs.
- 4 When the payment has not been made in the period mentioned in article 1, the co-contracting party is legally considered to be in default and, from the payment deadline, will owe interest equivalent to the legal interest rate on the amount outstanding.
- 5 In case of non-payment, or of non-respect of any one of the obligations of the co-contracting party, the latter, apart from the purchasing price and interest, will owe the vendor legal and extra-judicial recovery costs of 15% of the amount of the late payment, with a minimum of 50 euros, incurred by the non-payment or by the non-respect.
- 6 The vendor has the right, at any moment to reconcile the credit of the co-contracting party with what is due to the co-contracting party, provided that the legal obligation of compensation has been respected.

15 CANCELLATION BY THE VENDOR

- 1 When the co-contracting party does not respect one or several obligations arising from an agreement concluded with the vendor, or has not conformed to them within the timeframes, the vendor has the right to terminate the agreement in question or even all the agreements concluded, with the co-contracting party, after serving summons, in which a reasonable amount of time will be given to the co-contracting party to again enable him to respect his obligations, without prejudice of the vendor's rights, in particular the vendor's right to full compensation, including the legal and extra-judicial fees incurred.
- 2 In the event the co-contracting party:
 - a is declared bankrupt, transfers assets, files a request for an order of stay on payment, claims application of the law on debt rescheduling for natural persons (WSNP), or even finds himself confronted with the seizure of all or part of these assets;
 - b dies or is put under guardianship;
 - c does not respect one of the obligations incumbent on him by force of law or by these conditions;
 - d fails to pay an invoice or part of an invoice within the period stipulated for this payment;
 - e sells his company or a large part of this, including the contribution of his company in a company to be created or already existing, or changes the purpose of his company, the vendor has the right, should one of these situations occur, to suspend (the execution of) the agreement in its totality or partially, or even to consider the agreement totally or partially terminated, without summons or without legal intervention being required, or to immediately claim the amount due by the co-contracting party, on the basis of the works and/or deliveries made by the vendor and without any warning or summons being necessary, without prejudice of the vendor's right to reimbursement of costs, damages and interest.
- 3 When the vendor invokes the termination, his credit, plus interest, damages and costs will be immediately and totally payable.

16 APPLICABLE LAW

- 1 Dutch law is exclusively applicable to all the vendor's offers and agreements, as well as their execution.

17 DISPUTES

- 1 All disputes, including those considered as such by one of the parties, arising from, or in connection with, the agreement on which these conditions apply, or the conditions themselves and their interpretation or execution, whether of a factual or legal nature, will be judged by the competent civil judge in the place where the vendor is established, as long as the legal provisions permit this.

These conditions are filed at Utrecht Chamber of Commerce.

- 2 The stipulations of article 1 leave the vendor's right intact to bring a dispute before a competent civil judge according to the rules of normal jurisdiction. The parties may decide to make use of mediation, arbitration or imperative counsel to arbitrate the dispute.

18 POTENTIAL DECLARATIONS OF ANNULLMENT

- 1 In the event one or several of the provisions of these general conditions are or become null and void, this does not in anyway affect the validity of the other provisions. In the place of the potential invalid provisions, an appropriate arrangement, as close as possible to the intention of the parties and economic result they are pursuing, will be applicable.

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