

HISWA ASSOCIATION - GENERAL TERMS AND CONDITIONS OF CONTRACT, SALE AND DELIVERY

These are the General Terms and Conditions of Contract, Sale and Delivery from the HISWA Association (Dutch Association of Proprietors in the Water Sports Industry). These General Terms and Conditions have been drawn up in consultation with the Consumers' Association and the ANWB under the Self-Regulation Coordination Group of the Social Economic Council [SER]. These General Terms and Conditions are solely applicable to members of the HISWA Association. The HISWA Association shall take action against any misuse. The conditions have been filed with the registry of the Court of Amsterdam on the 21st of June 2018 under number 65/2018.

ARTICLE 1 – DEFINITIONS

The following definitions are applicable to these conditions:

- a. *Entrepreneur*: a natural person or legal person who enters into a contract with a consumer. This entrepreneur is a member of the HISWA Association.
- b. *Consumer*: a natural person who enters into a contract with an entrepreneur who is a member of the HISWA Association. This consumer will not enter into the contract in a professional or business capacity, but in a private capacity.
- c. *Parties*: the entrepreneur and the consumer, as defined under a and b.
- d. *Vessel*: an object that is constructed to remain in water and to move within water, including the pieces of equipment that form part of it and the contents. This also includes the hull of a vessel, or a vessel under construction.
- e. *Cost-plus contract*: a contract whereby the parties do not agree on a fixed price, but settle instead for a remuneration for the actual costs involved in implementing the work, plus a surcharge for labour and material costs and profit.
- f. *Diving equipment*: items that enable a person to breathe and see under water, and with which they can move more easily below the water.
- g. *Fishing equipment*: items that can be used for fishing. This is defined as non-commercial fishing activities.
- h. *Electronic*: per e-mail or website.

All amounts mentioned within these general terms and conditions are inclusive of VAT.

ARTICLE 2 - APPLICABILITY OF THE CONTRACT AND THE CONDITIONS

These General Terms and Conditions apply to every offer and to each contract that:

- has been entered into by the entrepreneur and consumer, and
- is applicable to the sale, construction, preservation, completion work, installation of fittings, repair or maintenance of items including vessels, water sports articles, diving equipment and/or fishing equipment and/or parts thereof.

These general terms and conditions apply to all further contracts that are the result of the abovementioned offer or the abovementioned agreement.

ARTICLE 3 – OFFER / QUOTE

1. The entrepreneur will present their offer or quote verbally, in writing or electronically.
2. A verbal offer will be deemed void if not accepted with immediate effect, except in those instances when the entrepreneur has directly granted a period for accepting an offer.
3. Any offer made in writing or electronically must include the date of writing. If period of validity is stated within the offer, then the entrepreneur is not allowed to rescind or change their offer within that period. If no time period is stated, then the entrepreneur is not allowed to rescind or change their offer up until and including 14 days after the date of writing.
4. The entrepreneur will provide an offer that contains a complete and accurate description of the items to be supplied and/or the work to be carried out. They will add to this – in as far as that being possible and useful – designs, images, drawings, sketches and/or specifications. The following will also be mentioned in the offer of the entrepreneur:
 - The prices, including possible additional costs;
 - measurements, weight and if relevant, engine power, speed, and make/model;
 - whether it is concerning a variable or fixed price/contract price;
 - whether it is concerning a cost-plus contract, and if so, if this is with or without stipulating a recommended price. A cost-plus contract is a contract without a fixed price (see article 1e).
 - If the offer pertains to installing fitted structures and renovations that are directly related to the purchase, then the offer will include the separate price (contract price) and the time required for installing fittings and renovation works.
5. The entrepreneur will state in their offer when the work will begin and will give an indication of the time of delivery.
6. For offers pertaining to installing fitted structures, renovations or repairs, the consumer may possibly receive designs, images, drawings, sketches, specifications, calculations and other instructions and clarifications. These documents will remain the intellectual property of the person who supplied them. The consumer may not hand these over to third parties, unless this is necessary for carrying out restoration, repair and/or maintenance work.
7. The entrepreneur must hand over a copy of these general terms and conditions.

ARTICLE 4 - THE CONTRACT

1. The contract is finalised as soon as the consumer accepts the offer from the entrepreneur. If the offer is accepted electronically, the entrepreneur will send an electronic confirmation to the consumer.
2. Every contract is preferably to be recorded either in writing or electronically.

3. If the contract is in writing, a copy should be sent to the consumer by the entrepreneur.
4. A contract regarding renovation or repair is solely related to those work activities that the entrepreneur could reasonably have expected.

ARTICLE 5 - PRICE AND PRICE ALTERATIONS

Fixed purchase price/ fixed contract price:

1. A fixed purchase price or fixed contract price are applicable for the contract, unless explicitly agreed otherwise by the entrepreneur and consumer. The following provisions are applicable:
 - a. In the event of the consumer desiring additions or changes to the agreed work, the entrepreneur can increase the price. He may only do so if he has given timely notice of the price rise to the consumer, or the consumer could reasonably be expected to anticipate this increase.
 - b. The entrepreneur can, at any time, charge any changes to taxes, excise duties and other such government levies in both the agreed fixed and variable prices to the consumer.
 - c. If the entrepreneur has to unexpectedly change or interrupt the work concerned, the entrepreneur is entitled to charge for any extra costs incurred as a result. This is only permitted if the cause for the change or the interruption cannot be attributed to the entrepreneur, and the entrepreneur was not able to foresee this when entering into the price agreement.
 - d. If the entrepreneur has to unexpectedly change or interrupt the work, or if the extent of the work turns out to be much greater than foreseen, the entrepreneur should immediately suspend the work. Subsequently, together with the consumer, it should be decided whether or not the work is to be continued, and if so, in which manner. The entrepreneur is always entitled to payment for work already carried out and any costs related to this work.
 - e. If supplementary contracts make up part of the contract that have a particularly significant influence on the price, the delivery time, the measurements, weight and, if relevant, the engine power and speed, the entrepreneur should submit notification thereof to the consumer.

Variable purchase price or variable contract price:

2. If the entrepreneur and the consumer have agreed on a variable purchase price or variable contract price, the following provisions are applicable:
 - a. If, more than three months after entering into the contract, an increase or decrease in price occurs that affects the purchase price or the contract price, then the entrepreneur shall pass on these changes. The entrepreneur will do this at the request of the party in whose interest it is the most; this on the condition that delivery has not yet taken place, and/or the intended works have not yet been (fully) carried out. However, the entrepreneur shall not pass on the price changes if the price increase could have been avoided by the entrepreneur by placing the relevant order in good time. An increase or decrease in price also includes a change in the currency exchange rate with which the supplied materials or goods were paid. This concerns a change with regard to the currency exchange rate that was used when calculating the original purchase price or contract price.
 - b. The entrepreneur can always pass on changes to taxes, excise duties and other similar governmental levies to the consumer.
 - c. If, more than three months after entering into the contract, the entrepreneur is confronted with any increase or decrease of wages, other working conditions or social premiums of its staff, then the entrepreneur is entitled to pass this on. The condition is that it concerns an increase or decrease in salary or other conditions of work that were enforced through the collective wage agreement or pay regulations that are binding for the entrepreneur and/or social premiums that the entrepreneur is obliged to pay. A further condition is that the change exerts an influence on the contract price.
 - d. If, as a result of increasing prices as described in this paragraph, the purchase price or contract price rises by more than 15%, then the consumer has the right to terminate the contract.

Cost-plus contract:

3. If the entrepreneur and consumer have entered into a cost-plus contract, and have agreed to a recommended price in that regard, then the price increase or decrease of this recommended price may amount to no more than 10%. The condition is that the works can be carried out according to the description in the contract.

ARTICLE 6 - DELIVERY TIME

1. Delivery time is defined as the period between:
 - a. the date on which the purchase contract is drawn up or alternatively the assignment to build, renovate, complete construction work or install fittings is given; and
 - b. the agreed date of delivery ex-works or depot of the entrepreneur in The Netherlands.

2. As soon as the entrepreneur is made aware that the delivery time may overrun, then the entrepreneur is required to inform the consumer in writing. In addition, the entrepreneur must state the reason for the overrun and (where possible) how much longer the delivery time will be.
 3. If a delay has arisen that is a reasonably foreseeable consequence of negligence on the part of the consumer, then the delivery time will be extended by the duration of that extension. The consumer must also pay any possible costs that have arisen due to this negligence. Under negligence is meant that the consumer has failed to comply with a commitment to the entrepreneur with regard to the item to be delivered. This is certainly the case if the consumer, despite being issued with a timely reminder, does not pay the (demandable) amount owing to the proprietor on time.
 4. Has the delivery period overrun by more than 15% as a result of causes attributable to the entrepreneur? In that case, the entrepreneur will be at fault if:
 - a. the consumer has indicated the failings in writing (given notice of default), whereby the consumer has granted the entrepreneur a reasonable timeframe to fulfil the obligations; and
 - b. the entrepreneur has not complied with those obligations within this timeframe.
- ± 1% depth;
 - ± 5% draught;
 - ± 2% headroom under the beams;
 - ± 1% maximum height above water surface;
 - ± 10% weight;
 - ± 5% engine power; and
 - ± 10% speed (with standard equipment).
5. The entrepreneur is not responsible for defects in the design of the vessel or of other items if this design was not supplied by the entrepreneur; neither can the entrepreneur vouch for the usability and soundness of materials and pieces of equipment for which the application has been instructed by the consumer or supplied by the consumer. If the entrepreneur is aware of, or could have been aware of imperfections in designs or materials, as referred to in this paragraph, then the entrepreneur should inform the consumer about this matter.
 6. The entrepreneur is not responsible for:
 - a. defects which arise after delivery and which appear to have been caused by normal wear and tear, inexpert use, or lack of care;
 - b. defects that are the result of alterations that the consumer or third parties have made to the item that was delivered;
 - c. any damage resulting from the aforementioned.

The consumer does not have to declare the entrepreneur to be in default if it is permanently impossible for the entrepreneur to meet the obligations agreed to by said entrepreneur, or if the entrepreneur has let it be known that said entrepreneur will not meet the aforementioned obligations.

If the entrepreneur is in default, then the consumer has the right of suspension or termination of the contract, as laid down in Article 20 of these conditions.

ARTICLE 7 – DELIVERY

1. The delivery will take place ex-works of the entrepreneur in The Netherlands. If a trial run takes place prior to delivery, the delivery will be made to the agreed location for the trial run.
2. The entrepreneur shall, prior to delivery of the vessel or other items to be delivered, offer the consumer the opportunity to inspect (or arrange inspection of) the vessel or other items referred to. In the event of repairs, renovations, installation of fittings, completion work or maintenance work, the entrepreneur shall offer the consumer the opportunity to inspect (or arrange inspection of) the work carried out, before delivery takes place. If a trial run (prior to delivery) has been agreed, the entrepreneur shall offer the consumer the opportunity to take this trial run either before delivery of the vessel or completion of the works that have been carried out.
3. After the entrepreneur has offered the consumer the opportunity to carry out an inspection and/or a (delivery) trial run, then the consumer has to make use of this opportunity within 28 days. If the consumer does not utilise the aforementioned opportunity, then the vessel or item is deemed to have been delivered, unless a force majeure situation arises for the consumer.
4. As soon as the delivery has taken place or is deemed to have taken place as described in paragraph 3, the risk regarding the delivered item is transferred to the consumer.
5. If the consumer fails to take (timely) delivery of the vessel or other items, these will be stored, at the cost and risk of the consumer.

ARTICLE 8 - PARTS TO BE REPLACED AND PART-EXCHANGES

1. If there are certain parts that are replaced during a maintenance or repair assignment, these replacement parts will only be made available to the consumer if the consumer explicitly requested this when issuing the assignment for the work. This does not apply to parts which have to be set apart due to guarantee claims; in that case, the parts will only be made available once the guarantee claims have been processed. In all other cases, the parts to be replaced become the property of the entrepreneur, without the consumer being able to claim payment of any kind regarding this matter.
2. If the consumer, on purchasing a vessel or newly built vessel or another item, has agreed that he shall trade in a used vessel or other item, the part-exchange vessel or other item only becomes the property of the entrepreneur after delivery by the consumer has actually taken place. If the consumer continues to use the vessel or part-exchange item while waiting for the delivery of the new vessel or item, any damage or loss, whatever the cause, will be at the expense and risk of the consumer.

ARTICLE 9 – CONFORMITY

1. The entrepreneur vouches that the delivered item conforms to the agreement (conformity). The entrepreneur furthermore ensures that, taking all circumstances into account, the delivered item possesses the properties that shall be necessary for normal use, as well as for special use, in as far as that has been agreed.
2. If the delivered item fails to conform to the definition stated in the purchase agreement, then the consumer is entitled to repair or replacement without cost, or the after-delivery of any missing items. The condition is that the consumer has stated in writing that the entrepreneur is in default (indicating the shortcomings of entrepreneur in this respect), whereby the consumer has granted the entrepreneur a reasonable timeframe for restoration. In the event that restoration, replacement or after-delivery is not possible, or if the entrepreneur does not adhere to this obligation within a reasonable timeframe, then the consumer has a right to a reduction in price or dissolution of the contract according to Article 20 of these conditions.
3. The entrepreneur vouches that any work to be carried out by them conforms to the contract, and will be carried out to a high standard, making use of sound material.
4. Unless otherwise agreed because of specific demands or other arrangements, the following deviations are permitted during the implementation of the contract:
 - ± 1% length of the stem and stern;
 - ± 1% over the entire width;

ARTICLE 10 – EXTRA GUARANTEE

1. In addition to the guarantee described in this Article, the legal rights of the consumer will remain unimpaired.
2. The consumer will not be entitled to a guarantee if explicitly stating in writing a wish to waive the guarantee. In other cases, the duration of the guarantee period is for:
 - a. new vessels and other items, also including new parts/fittings; at least six months after purchase;
 - b. used vessels with a purchase price of € 4500 or more: a minimum of 6 months after sale. This guarantee is only applicable for used vessels, and does not apply to used parts/fittings;
 - c. repair and maintenance work taken on by the entrepreneur or contracted out, including the materials used to do so; at least three months. This guarantee does not apply to emergency repairs.
 The guarantee includes carrying out the assignment that initially was either not carried out, or not carried out in a correct manner, at a later date and in the correct manner, at the boatyard/company of the entrepreneur. The guarantee period commences at the moment that the vessel or the item (following the completed works) is delivered or transferred to the consumer.
3. If the vessel is not in use because of winter storage, then the guarantee period of six months or less for a vessel will be extended by a period equivalent to the winter storage period.

ARTICLE 11 - RESTORATION IN CASE OF NON-CONFORMITY AND GUARANTEE

1. Defects that were not noticeable at the time of purchase or delivery, and that defects have arisen from normal usage during the guarantee period, will be repaired at the boatyard of the entrepreneur.
2. The consumer must approach the entrepreneur for the implementation of this restoration.
3. The consumer can, at the entrepreneur's expense, have essential restoration work carried out by a third party, assuming the costs of doing this are reasonable. In order to determine reasonability, the price levels of the entrepreneur are assessed. The entrepreneur will decide in consultation with the consumer which company will carry out the restoration. Restoration by a third party will only be possible in the following circumstances:
 - a. if the entrepreneur is not able or willing to restore the defect at his own boatyard, or is unable to do that in time; or
 - b. if there is a disparity between the essential costs of transporting the vessel to the entrepreneur's boatyard and the costs of restoration at that boatyard; or
 - c. if the consumer's circumstances dictate that the consumer cannot be expected to allow restoration to be carried out at the entrepreneur's boatyard.
4. The consumer is not entitled to the restoration of defects in the following instances:
 - a. if the consumer – after having noticed the defects – does not inform the entrepreneur within a reasonable timeframe;
 - b. if the entrepreneur is not given the opportunity to restore the defects at a later date;
 - c. if third parties have, without the entrepreneur's prior knowledge or permission, carried out work on the item concerned. The latter is only applicable for works for which a claim is made by the consumer under the guarantee.

ARTICLE 12 – PAYMENT

1. The consumer must pay the entrepreneur for the delivered item or works at the time of purchase or delivery. The consumer may only deviate from this payment definition if the parties have agreed this with one another. The consumer can make a cash payment, or transfer the owed amount within the agreed time (electronically) to a bank or giro account indicated by the entrepreneur. In the event of the latter, they must ensure that the amount has been added to the designated account at the moment of purchase or delivery.
2. If the parties have agreed that the consumer can pay in instalments, then the consumer must pay according to the instalments and percentages defined within the contract.
3. At the time of purchase, the entrepreneur may request a payment in advance from the consumer amounting to no more than 50% of the price.

ARTICLE 13 - OVERDUE PAYMENT

1. If the consumer does not pay the invoice on time, they will be considered to be in default, without the entrepreneur having to declare the consumer to be defaulting. Even so, the entrepreneur will send one more payment reminder to the consumer after the payment date has expired, which will include the mention of the default of the consumer, and will grant the consumer the opportunity to pay the invoice within 14 days. In the payment reminder, the entrepreneur will also mention the extrajudicial costs that the consumer will owe in the event of payment not being received in time.
2. If the 14-day period as stated in paragraph 1 has lapsed, and the consumer still hasn't paid the due invoice, then the entrepreneur is authorised to demand payment of the amount owed, without further having to declare the consumer to be in default. The entrepreneur may pass on any related extrajudicial costs to the consumer in a reasonable manner. The maximum amounts as defined in the Dutch extrajudicial collection costs decree will apply. These maximum amounts are set at the following figures, and are subject to legal amendments:
 - 15% over the first € 2500 of the amount due, with a minimum of € 40;
 - 10% over the next € 2500 of the amount due;
 - 5% over the following € 5000 of the amount due;
 - 1% over the following € 190,000 of the amount due;
 - 0.5% over the remainder, up to a maximum of € 6775.

ARTICLE 14 - SECURITY RIGHTS REGARDING REPAIRS AND MAINTENANCE

1. If the consumer does not pay on time for repair or maintenance works, the entrepreneur may use the right of retention. This entails that the entrepreneur does not need to hand over the item that said entrepreneur had carried out the work on, including the entire inventory list, equipment, and other related items, to the consumer or a third party. The entrepreneur may do this until the consumer has paid the entire amount owed, including the costs that may result from the right of retention. The entrepreneur may not use the right of retention if the shortcoming of the consumer does not justify this measure.
2. The entrepreneur's right of retention lapses as soon as the consumer has reported the dispute to the Disputes Committee *and* they have deposited the amount owed with the Committee. As soon as the committee has confirmed this deposit to the entrepreneur, then the entrepreneur is obliged to hand back the item concerned, and all related items. This involves the Disputes Committee as stated in Article 22 of these terms and conditions.
3. If the consumer has not paid the amount owed after being instructed to do so, the entrepreneur has right of sale and delivery of the vessel, without having to go to a court of law before doing so. However, all of the following three conditions must be met for this to be permitted:
 - a. The value of the vessel, including all materials and other associated items, may not amount to more than € 10,000.
 - b. The entrepreneur must have previously demanded the payment of the amount owed by registered letter, and afterwards, a period of at least 6 months must have passed wherein the consumer has not paid and/or has not contravened the claim in writing, stating their reasons therefore.
 - c. Following the expiration of the stated period of 6 months, the entrepreneur must have reminded the consumer again by writ to pay the amount owed within 21 days after the consumer still not having paid.
4. The right to sell the vessel will lapse if the consumer has brought the dispute before the Disputes Committee and has deposited the amount due. This concerns the Disputes Committee as stated in article 22 of these conditions.
5. If the sale of the vessel is higher than the amount owed by the consumer to the entrepreneur, then the entrepreneur must pay this difference to the consumer.
6. If the vessel has been sold and is still registered in the name of the consumer, then the consumer is obliged to collaborate with the termination of this registration.

ARTICLE 15 - EXTRA SECURITY RIGHTS WHEN ACCEPTING WORK

1. A vessel under construction, and all materials and items that are designated to be used for said Vessel, are the property of the consumer the moment these items arrive at the boatyard or are in the custody of the entrepreneur elsewhere. The condition for this transfer of ownership is that the items in question are legally transferred to the entrepreneur by a third party.
2. Lien
 - a. By these general terms and conditions becoming applicable, the consumer:
 - agrees to the obligation of pledging the items stated and insurance payments for the compensation of possible damages thereto. This lien serves as security for each unpaid part of the contract price in as far as the consumer is owing that, and for loss or damages suffered by the entrepreneur in this respect.
 - has handed over the items stated to the entrepreneur in pledge the moment these items arrive at the boatyard or at another location in custody of the entrepreneur.
 - b. The consumer guarantees to be authorised to pledge, and that the items concerned are/will be free from rights and claims by parties other than the entrepreneur,
 - c. The entrepreneur may only seize and execute the pledged goods if said entrepreneur has a payable claim against the consumer and the consumer is in default in that regard. The entrepreneur will not collect any more of the pledged items than is required to pay off the debt of the consumer.
 - d. After the entrepreneur has exercised his collection rights, the entrepreneur will notify the consumer of this fact as soon as possible and in writing.
 - e. The consumer is obliged to, in appropriate instances – if the vessel is registered in the name of consumer – to cooperate with the termination of the registration in the consumer's name.

3. If a subcontractor has invoked retention of title for one or more of the items stated in paragraph 1, then the entrepreneur must notify the consumer of that fact. A retention of title entails that the entrepreneur may only take ownership of the items concerned when a condition as stipulated by the supplier has been met. The ownership of the items concerned will then be legally transferred to the consumer. As soon as this condition has been met, the entrepreneur must notify the consumer.
4. If a retention of title is applicable for one or multiple items, and if ownership of these items has therefore not yet been legally transferred to the consumer, then the consumer has the right to defer future payment obligations, until such times as the items have actually been transferred.
5. As soon as those items defined in paragraph 1 become the property of the consumer, then the consumer has the right to register these by, or on behalf of the entrepreneur, and to mark/have them marked, in order to be able to secure claims on these items, and to be able to identify the property. If the entrepreneur confirms to the consumer that the aforementioned items have arrived, this will entail that the entrepreneur will save these items (separately if necessary) for the consumer.

ARTICLE 16 - SECURITY RIGHTS WHEN SELLING NEW AND USED VESSELS

1. If the consumer purchases an item and/or parts from the entrepreneur, they will enter into a purchase/sales contract. The item and/or parts concerned (including all the materials and accessories intended for the vessel) are deemed to be delivered to the consumer at the moment the parties have reached agreement and the consumer has completed a down payment.
2. Delivery takes place under retention of title, that is to say, the items delivered remain the property of the entrepreneur for as long as the consumer has not met all the payment obligations agreed to in the sales/purchase contract. Those payment obligations also include the insurance costs referred to in paragraph 4).
3. The risk attached to the item sold is borne by the consumer from the moment of delivery.
4. The entrepreneur is obliged to insure the item (for the benefit of the consumer) against third party liability, damage to the hull and theft; from the moment of delivery to the moment that the consumer has paid the full purchase sum. The costs of this insurance will be paid by the consumer.
5. As long as the consumer has not yet fully complied with the obligation to pay, the consumer may not use the delivered items, other than for the purpose of completing the sales/purchase contract. The consumer is also not allowed to encumber the delivered items (for instance by taking out a mortgage for them), to sell, or transfer them to another party in any other way (disposal).
6. The entrepreneur will at all times have access to the delivered items, wherever their location, prior to the aforementioned transfer of ownership.
7. As soon as the consumer neglects to meet one or more of his obligations to the entrepreneur, then all claims on the consumer can be made immediately and in full. The entrepreneur is then also entitled to exercise his rights obtained on the basis of retention of title (see paragraph 2). This means that the entrepreneur may claim ownership of the delivered matter. If the consumer has already paid part of the purchase price, then the entrepreneur is obliged to pay that part back, after deducting expenses. In order to be able to exercise the aforementioned rights, the entrepreneur does not need the permission of a court of law, but must adhere to the provisions stipulated in article 13 of these terms and conditions.

ARTICLE 17 - INSURANCE FOR NEW CONSTRUCTIONS, RENOVATIONS AND COMPLETION OF WORK

1. The entrepreneur is required to take out adequate insurance for the vessel being built and for the materials intended for new constructions or renovations, pieces of equipment and other accessories in order to cover the time the vessel is at the boatyard, as well as during the inspection and trial run up until delivery, the insurance being in the name of the entrepreneur, and against all risks that a Dutch Bourse Hull Insurance policy for construction work, or an equivalent policy, covers.
2. The entrepreneur will transfer his entitlement to receiving insurance monies to the consumer, so far as this is concerning the amount paid by the consumer as a down payment. In addition, the entrepreneur must warn the consumer if the insurance agreement is in danger of expiring. The consumer has the right to defer payment as long as the entrepreneur has not shown that he has complied with the obligations as stated.
3. The insurance monies to be paid out as the result of a claim shall be utilised for repairing the damage in a manner and at a cost agreed on by both parties.
4. The provision in article 3 does not apply if the vessel is declared to be 'total loss'. In that case, the contract can be terminated, except if the entrepreneur is still able to deliver within the timeframe stipulated in the contract.

ARTICLE 18 – LIABILITY

1. The entrepreneur is liable for any damage caused to the consumer, if this damage results from a shortcoming that can be attributed to the entrepreneur or to persons engaged by him to carry out work. This includes both those persons that are in the employ of the entrepreneur as those persons enlisted by the entrepreneur to carry out work commissioned by the consumer.
2. The consumer is liable for damages to the entrepreneur if those are the result of a shortcoming that can be attributed to the consumer or those associated with the consumer.

ARTICLE 19 – FORCE MAJEURE

1. Force majeure is understood to mean every unforeseeable circumstance resulting in the delay or prevention of the implementation of the contract. Force majeure will only be deemed applicable in the following instances:
 - a. if the entrepreneur could not avoid this circumstance or situation; and

- b. If the entrepreneur is not liable for this event or situation on the basis of the law, the contract, or social perceptions.
- 2. Force majeure is also understood to mean a delay caused by materials not being supplied on time, except if the delay is was attributable to circumstances that the entrepreneur could or should have been able to foresee or avoid.
- 3. If the force majeure results in the entrepreneur deferring work, then the consumer is also relieved of any commitments towards the entrepreneur for that period.
- 4. If the contract concerns repair, construction, renovation, installation or completion work and is terminated due to circumstances beyond one's control, then the entrepreneur has the right to compensation for the costs concerning those works that have already been carried out. This will only apply if the consumer has benefited from the work carried out, and costs were incurred before it could have been anticipated that the force majeure would lead to the dissolution of the contract.
- 5. The entrepreneur cannot claim force majeure if this situation arises after the entrepreneur went into default.

ARTICLE 20 - DEFERRAL AND DISSOLUTION OF THE CONTRACT

- 1. If one of the parties fails to meet their respective obligations as stated in the contract, then the other party may defer its own obligations. If one of the parties only partially fails to, or fails to meet its obligations in an adequate manner, then the other party may only defer its obligation in as far as the shortcoming of the first party warrants this action.
- 2. If one of the parties is in default, then the other party may dissolve the contract. This will not apply if the shortcoming of the first party – due to its unique nature or insignificant meaning – does not warrant that dissolution.
- 3. If the contract that is to be dissolved concerns a vessel that is registered in the name of the consumer, then the consumer is obliged to cooperate with the termination of this registration in the name of said consumer.

ARTICLE 21 – COMPLAINTS

- 1. If the consumer has complaints regarding the implementation of the contract, then this should be made known to the entrepreneur in written or electronic form. This must be done within a competent (suitable) timeframe after having ascertained the shortcoming or had been able to notice this. The consumer must describe and explain the complaints in an adequate manner.
- 2. If the consumer has a complaint regarding an invoice, it must preferably be reported in writing to the entrepreneur. This must be done within a competent (suitable) timeframe after they have received the invoice concerned. They must describe and explain the complaints in writing in an adequate manner.
- 3. If the consumer does not submit their complaint in time, can lead to the consumer losing their rights regarding this matter. If the fact that they have not submitted their complaint in time cannot reasonably be attributed to the consumer, then their rights will be retained.
- 4. If it becomes clear that the complaint cannot be resolved in joint consultation, then this can be regarded as a dispute.

ARTICLE 22 - DISPUTE SETTLEMENT RULES

- 1. If the consumer and the entrepreneur have a dispute, then each one can put this dispute before the Water Recreation Disputes Settlement Committee, Bordewijklaan 46, PO Box 90600, 2509 LP The Hague (www.sgc.nl). The following conditions will apply thereto:
 - a. The dispute concerns the preparation or execution of a contract between the entrepreneur and the consumer.
 - b. The contract concerns services or items that the entrepreneur will be supplying to the consumer or has supplied to the consumer.
 - c. These general conditions are applicable to the contract.
- 2. The Disputes Committee will only mediate in a dispute in the following instances:
 - a. if the consumer has first submitted their complaint to the entrepreneur;
 - b. the entrepreneur and the consumer cannot arrive at a mutual agreement;
 - c. the dispute has been put before the Disputes Committee within 12 months after the consumer has submitted their complaint to the entrepreneur;
 - d. the dispute has been put before the Disputes Committee in the form of a letter or another form defined by the committee.
- 3. The Disputes Committee will in principle only become involved in disputes with a financial interest amounting to a maximum amount of € 14,000. If a

dispute involves a financial interest that is greater than € 14,000, then the dispute may only be handled by the Disputes Committee if both parties explicitly agree to this.

- 4. If a consumer puts a dispute before the Disputes Committee, then the entrepreneur is obliged to accept that. If the entrepreneur wishes to put forward a dispute to the Disputes Committee, then they must ask the consumer to notify them within 5 weeks if they are in agreement. In doing so, the entrepreneur must announce that they - if the consumer does not reply within five weeks – may then start court proceedings.
- 5. When handling the dispute and pronouncing judgment, the Disputes Committee will adhere to the regulation that is applicable for the committee. These regulations can be sent to the consumer and/or the entrepreneur if required. The decisions of the Disputes Committee are binding. A fee is payable for the hearing of a dispute.
- 6. A judge or the previously mentioned Disputes Committee are the sole authorised parties permitted to take cognizance of disputes between the entrepreneur and the consumer.

ARTICLE 23 - GUARANTEE OF COMPLIANCE

- 1. The HISWA Association guarantees that its members will comply with the binding decisions of the Disputes Committee. This will not apply if a member decides to submit the binding decision to the court for review within two months of the decision being issued. This guarantee will be restored if the binding decision is upheld after a review by the court, and if the ruling that demonstrates this has become definitive and is not open to appeal.
- 2. The HISWA Association will pay a maximum of € 10,000 to the consumer per binding decision. This will also be applicable if the consumer is owed in excess of € 10,000 by the entrepreneur according to the binding decision, in which case the consumer will receive € 10,000 from the HISWA Association, and the HISWA Association is obliged to make strenuous efforts to ensure that that the entrepreneur will pay the rest.
- 3. In order to be able to be eligible for this guarantee, the consumer must put this in writing to the HISWA Association. The amount claimed from the entrepreneur must also be transferred to the HISWA Association. If the amount claimed from the entrepreneur is more than € 10,000, then in principle, the consumer will only need to transfer that part of the claim under € 10,000. However, the consumer may transfer their part of the claim that is over € 10,000 if they wish to do so. The HISWA Association will then claim payment from the entrepreneur under its own name and at its own cost. If the HISWA Association is successful in doing so, then it will pay out this amount to the consumer.
- 4. The HISWA Association will not supply a compliance guarantee if - before the consumer complies with the formal intake requirements relating to the handling of the dispute by the Disputes Committee - one of the following situations occurs:
 - a. The entrepreneur has been granted a moratorium.
 - b. The entrepreneur has been declared bankrupt.
 - c. The company activities of the entrepreneur have effectively been terminated.

The determining factor for this situation is the date upon which cessation of company operations was entered into the Trade Register or an earlier date for which the HISWA Association can make a plausible case for demonstrating that company activities were effectively terminated.

Included under the formal intake requirements are the actions the consumer must take to have the dispute reviewed by the Disputes Committee. This includes the payment of the complaint-filing fee, submitting a completed and signed form of questions, and a possible deposit payment.

ARTICLE 24 - CHOICE OF LAW

Dutch law is applicable to all disputes related to this contract, unless another national law is applicable on grounds of mandatory rules.

ARTICLE 25 - DEVIATIONS FROM THE TERMS AND CONDITIONS

Supplements or additions to these terms and conditions are only possible if these are not to the detriment of the consumer, and if these have been defined in writing or electronically to such an extent that the consumer can easily store them.

ARTICLE 26 - AMENDMENTS

If the HISWA Association amends these general terms and conditions, then this will at all times be in consultation with ANWB and the Consumers' Association.