

HISWA GENERAL INSPECTION CONDITIONS

These are the General Inspection Conditions of HISWA-RECRON (the Netherlands association of businesses in the water sports and recreation sectors). These conditions were formulated in conjunction with the Dutch Consumers' Association and the Royal Dutch Touring Club (ANWB) within the framework of the Self-Regulation Coordination Group of the Social and Economic Council. The conditions apply exclusively to members of HISWA-RECRON. In the event of misuse, HISWA-RECRON will take action against this. The conditions have been filed at the registry of the court in Amsterdam, on 16th of august 2021 under file reference number 44/2021.

ARTICLE 1 - DEFINITIONS

The following definitions apply in these conditions:

- a. *Entrepreneur*: a natural person or legal entity who performs HISWA inspections and/or carries out work on vessels that are linked to such an inspection. This entrepreneur is a member of HISWA-RECRON.
- b. *Consumer*: a natural person who concludes a contract with the entrepreneur. This consumer does not act in the name of his profession or company, but in a personal capacity.
- c. *Vessel*: an object designed to stay and move on water, including the machinery and equipment associated with it. This term also includes a hull or a vessel under construction.
- d. HISWA inspection: an inspection of the overall condition of a vessel or depending on the instruction of parts of a vessel.
- e. *HISWA standard inspection report*: an inspection report drafted by HISWA-RECRON and completed by the entrepreneur. The report contains the parts to be inspected, reservations, exclusions and other matters that are important for inspections of vessels. Only entrepreneurs as referred to under (a) may use this report.
- f. HISWA info sheet: a further description of the activities performed by the entrepreneur for the inspection, including the exclusions and limitations. If a text on the HISWA info sheet conflicts with these general conditions, the text of these conditions will apply.
- g. Disputes Committee: the Water Recreation Disputes Committee in The Hague.

All amounts stated in these general conditions include VAT.

ARTICLE 2 - APPLICABILITY OF THESE CONDITIONS

These conditions apply to every contract for services concluded by the entrepreneur and the consumer for the performance of a HISWA inspection and/or other related activities.

ARTICLE 3 - PROPOSAL/OFFER

- 1. The entrepreneur makes his offer verbally, in writing or digitally. In the offer, he states:
 - what work he will perform;
 - the price;
 - within which period the inspection must take place.
- 2. A verbal offer lapses if the consumer does not accept it immediately. This does not apply if the entrepreneur has stated a term within which the consumer can accept the offer.
- 3. A written or digital offer must be dated. If a validity period is mentioned in the offer, the entrepreneur may not change or withdraw his offer within that period. If no period is mentioned, the entrepreneur may not change or withdraw his offer up to and including 14 days after the date.
- 4. The entrepreneur must provide a copy of these general conditions with every offer.

ARTICLE 4 - AGREEMENT

1. If the consumer wants to have a HISWA inspection performed, he concludes a contract for services with the entrepreneur. The entrepreneur assumes the obligation to perform this inspection for the consumer against payment.

- 2. The contract is concluded as soon as the consumer has accepted the entrepreneur's offer. If possible, the entrepreneur will send confirmation of instruction to the consumer by post or e-mail. He does this after the contract has been concluded and before he starts the actual on-site inspection.
- 3. If the entrepreneur has not sent a written or digital confirmation of instruction to the consumer, the contract remains legally valid.
- 4. The entrepreneur carries out the HISWA purchase inspection on the basis of the HISWA standard inspection report, unless the parties explicitly agree otherwise.
- 5. The HISWA standard inspection report describes in detail what the inspection to be performed entails and what the limitations and exclusions are for each component.
- 6. The HISWA inspection is a snapshot and gives an indication of the condition of the vessel at the time of the inspection. The entrepreneur makes every effort to detect all defects in the vessel, but cannot guarantee he will discover every (hidden) defect. Neither can he guarantee that no other defects will come to light (shortly) after the inspection, unless he should have discovered them in all reasonableness.
- 7. During the HISWA inspection, the entrepreneur only inspects the places that are reasonably accessible and for which no destructive work and/or disassembly have to be carried out.
- 8. During the inspection, the entrepreneur only carries out a visual, and not an internal inspection of the machinery, systems, equipment, etc.
- 9. If contrary to paragraphs 7 and 8, the consumer wishes a more in-depth inspection, this can be done only if this is practically possible and if the parties make explicit agreements about this. In that case, the entrepreneur carries out the extra work for an additional fee.
- 10. If the entrepreneur includes an amount for repairs in his offer, this is only an indication. No rights can be derived from this amount.

ARTICLE 5 - OBLIGATIONS OF THE ENTREPRENEUR

- 1. If the entrepreneur has accepted the instruction, he will carry it out to the best of his knowledge and ability. He does this meticulously, without prejudice and in accordance with the rules of good workmanship. He ensures that he avoids (the appearance of) a conflict of interest.
- 2. Under the contract, the entrepreneur is subject to a best-efforts obligation and not a result obligation. This means he will carry out the inspection as well as possible, but cannot give any guarantees about the result.
- 3. The entrepreneur does not provide information about the inspection to third parties, unless the consumer has given explicit permission for this.
- 4. The entrepreneur takes out corporate and/or professional liability insurance for his liability in accordance with the usual conditions.
- 5. After the entrepreneur has completed the inspection, he reports to the consumer of his findings in the form of a written (final) report. He will do this within 15 working days at the latest, unless he has made other agreements about this with the consumer.
- 6. The entrepreneur concludes his activities with the issuance of the final report. The content of that report, with the essential defects and recommendations mentioned therein, is leading and takes precedence over any verbal explanation given by the entrepreneur during the inspection.
- 7. The entrepreneur keeps the data relating to the instruction for 2 years from the date of the final report. He decides how and where he keeps the data.

ARTICLE 6 - OBLIGATIONS OF THE CONSUMER

- 1. The consumer promptly provides the entrepreneur with all information necessary for the proper performance of the instruction.
- 2. The consumer prepares the vessel for the inspection at his own expense. If a trial run is part of the inspection, the consumer ensures the vessel is suitable and safe for the trial run.
- 3. The consumer ensures the inspection can be carried out under the conditions that are reasonably necessary in view of the nature of the inspection. Among other things, this means the consumer, during the inspection of the underwater hull, ensures the vessel is jacked up or lifted correctly and safely. If the vessel only hangs in the lifting straps of the crane, this is considered unsafe.
- 4. The consumer is obliged to take out comprehensive insurance for the vessel to be inspected against all risks normally covered under the Dutch bourse hull policy or an equivalent policy. This obligation only applies if the consumer is also the owner of the vessel at the time of the inspection. If the consumer does not own the vessel, he will ensure the vessel is insured by the owner. The risk that the vessel is not (sufficiently) insured lies with the consumer.

ARTICLE 7 - LIABILITY

- 1. With due observance of the exclusions below, the entrepreneur is liable for any damage to the vessel as a direct result of a shortcoming attributable to himself or to persons who work for him. This includes both persons employed by the entrepreneur and persons appointed by the entrepreneur for the performance of the work that he has agreed on with the consumer.
- 2. The entrepreneur is not liable if work that falls outside his instruction has not been carried out.
- 3. The entrepreneur is in no way liable for damage that has arisen because the consumer or someone else on his behalf has provided incorrect and/or incomplete information. This does not apply if this information was incorrect to such an extent that the entrepreneur should have noticed it immediately on account of his expertise.
- 4. Under the contract, certain parts of the ship may be excluded from the inspection. In that case, the entrepreneur is in no way liable if (hidden) defects have not been discovered.
- 5. The entrepreneur is not liable for unforeseen errors in the measuring equipment used, unless he should have noticed these errors on account of his expertise.
- 6. The consumer may only use the inspection report for the purpose described in the report. He may only use the report for other purposes if the entrepreneur has given explicit written permission for this in advance. The entrepreneur may attach conditions to this permission. If contrary to the agreements made, the consumer discloses the inspection report to a third party, the consumer is liable for the damage suffered by the entrepreneur as a result. In that case, the consumer also indemnifies the entrepreneur against third-party claims.
- 7. If and insofar as the entrepreneur is obliged to compensate the damage suffered by a consumer, that compensation is always limited to the maximum sum insured that applies within the sector.
- 8. The entrepreneur is not liable for damage that has arisen during the trial run, unless in the event of intent or gross negligence on the part of the entrepreneur. A trial run also includes mooring of the vessel.
- 9. The entrepreneur is not liable for damage resulting from the condition and/or the manner in which the vessel was presented for inspection.
- 10. Any claim against the entrepreneur lapses one year after the entrepreneur has handed over the final report to the consumer.

ARTICLE 8 - PAYMENT CONDITIONS

- 1. The consumer must pay the invoice within 14 days of receiving it. He can do this by transferring the amount into a bank account designated by the entrepreneur. If the entrepreneur so chooses, the consumer must pay the amount in cash at the place where the inspection is held. The parties may also agree otherwise.
- 2. If the consumer does not pay his invoice in time, he is in default without the entrepreneur having to give him notice of default. Nevertheless, after the payment date has passed, the entrepreneur still sends one free payment reminder to the consumer. In the reminder, he points out the consumer's default and gives him the opportunity to pay the invoice within 14 days. In the payment reminder, the entrepreneur also states the extrajudicial collection costs owed by the consumer in the event of late payment.
- 3. If the 14-day period referred to in paragraph 2 has expired and the consumer has not yet paid his invoice, the entrepreneur has the right to demand payment of the amount owed, without having to give the consumer further notice of default. He may reasonably charge the consumer for the extrajudicial collection costs associated with this. The maximum amounts stated in the Dutch Extrajudicial Collection Costs (Fees) Decree apply to this. Subject to legal changes, these maximum amounts are set at:
 - 15% on the first € 2,500, with a minimum of € 40;
 - 10% on the next € 2,500;
 - 5% on the next € 5,000;
 - 1% on the next € 190,000;
 - 0.5% on the excess, with a minimum of € 6,775.

ARTICLE 9 - SUSPENSION AND DISSOLUTION OF THE CONTRACT

- 1. The consumer may always terminate the contract. However, in that case, he must reimburse the costs incurred by the entrepreneur up to that point.
- 2. If one of the parties fails to fulfil its obligations under the contract, the other party may suspend its own obligations. If one of the parties only partially or improperly fulfils its obligations, the other party may only suspend its obligations to the extent justified by the failure of the first party.
- 3. If one of the parties is in default, the other party may terminate the contract. This does not apply if the shortcoming of the first party because of its special character or minor significance does not justify such dissolution.

- 4. The entrepreneur may terminate his activities with immediate effect and dissolve the contract if the consumer:
 - is declared bankrupt;
 - has assigned his assets to avoid bankruptcy;
 - has submitted a request for suspension of payment;
 - is subject to debt rescheduling;
 - has (some of) his assets seized;
 - had died or is placed under guardianship.

In all these cases, the entrepreneur continues to be entitled to compensation for his costs, the interest on them and any damage he has incurred.

ARTICLE 10 - COMPLAINTS

- 1. If the consumer has a complaint about the performance of the contract, he must report this to the entrepreneur in writing or digitally. He must do this within a qualified (appropriate) time after he has discovered or could have discovered the shortcoming. He must sufficiently describe and explain the complaint.
- 2. If the consumer has a complaint about an invoice, he should preferably report it to the entrepreneur by letter or email. He must do this within a qualified (appropriate) time after receiving the relevant invoice. He must sufficiently describe and explain the complaint in his letter or e-mail.
- 3. Failure to submit a complaint in time may result in the consumer losing his rights in this respect.
- 4. If it has become clear that the complaint cannot be resolved by mutual agreement, the parties have a dispute.

ARTICLE 11 - DISPUTE SETTLEMENT PROCEDURE

- 1. If the consumer and the entrepreneur have a dispute, either of them can submit this dispute to the Water Recreation Disputes Committee, Bordewijklaan 46, P.O. Box 90600, 2509 LP The Hague (www.sgc.nl). The following conditions apply:
 - a. The dispute concerns the conclusion or performance of a contract between the entrepreneur and the consumer.
 - b. The contract concerns services or goods (to be) delivered to the consumer by the entrepreneur.
 - c. The contract is subject to these general conditions.
- 2. The Disputes Committee will only deal with a dispute if:
 - a. the consumer has first submitted his complaint to the entrepreneur;
 - b. the entrepreneur and the consumer have not come to a solution together;
 - c. the dispute has been submitted to the Disputes Committee within 12 months of the consumer submitting his complaint to the entrepreneur;
 - d. the dispute has been submitted to the committee in the form of a letter or another form determined by the committee.
- 3. In principle, the Disputes Committee only deals with disputes that have a financial interest of a maximum of € 14,000. If a dispute has a financial interest of more than € 14,000, the committee can only deal with this if both parties explicitly agree.
- 4. If a consumer submits a dispute to the Disputes Committee, the entrepreneur is obliged to accept that fact. If the entrepreneur wants to submit a dispute to the Disputes Committee, he must ask the consumer to announce within 5 weeks whether he agrees. In doing so, the entrepreneur must announce that if the consumer does not respond within those 5 weeks he can initiate proceedings before the court.
- 5. When handling the dispute and making a decision, the Disputes Committee follows the regulations that apply to the committee. On request, these regulations will be sent to the consumer and/or the entrepreneur. The decisions of the Disputes Committee come in the form of a binding opinion. Any disputes heard are subject to a fee.
- 6. Only the court and the aforementioned Disputes Committee are authorised to take cognisance of disputes between the entrepreneur and the consumer.

ARTICLE 12 - PERFORMANCE BOND

- 1. HISWA-RECRON guarantees that its members comply with the binding opinion of the Disputes Committee. This does not apply if a member decides to submit the opinion to the court for review within 2 months of it being sent. If the opinion remains in force after review by the court and the judgment showing this is irrevocable, the guarantee will start again.
- 2. HISWA-RECRON will pay a maximum of € 10,000 to the consumer per binding opinion. This also applies if the entrepreneur owes the consumer more than € 10,000 according to the binding opinion. In that case, the consumer will receive € 10,000 from HISWA-RECRON and HISWA-RECRON has a best-efforts obligation to ensure the entrepreneur pays the rest.

- 3. To make a claim under this guarantee, the consumer must request this in writing from HISWA-RECRON. He must also assign the claim he has against the entrepreneur to HISWA-RECRON. If the claim is higher than €10,000, the consumer in principle only needs to assign the part of the claim that is less than €10,000. However, if the consumer wishes, he can also assign the part of the claim that exceeds € 10,000. HISWA-RECRON will then claim payment from the entrepreneur in its own name and at its own expense. If HISWA-RECRON succeeds, it will pay the amount to the consumer.
- 4. HISWA-RECRON will not issue the aforementioned performance bond if one of the following situations occurs before the consumer has met the formal intake requirements for the handling of the dispute by the Disputes Committee:
 - a. The entrepreneur has been granted a suspension of payment.
 - b. The entrepreneur has been declared bankrupt.
 - c. The business activities of the entrepreneur have effectively are discontinued.

Decisive for this situation is the date on which the business discontinuation is registered in the trade register or an earlier date, based on which HISWA-RECRON can argue convincingly that the business activities are effectively discontinued.

The formal intake requirements are understood to mean the actions to be taken by the consumer to have the dispute handled by the Disputes Committee. This includes paying the complaint fee, submitting a completed and signed questionnaire and any deposit.

ARTICLE 13 - CHOICE OF LAW

Dutch law applies to all disputes relating to this contract, unless other national law applies on the basis of mandatory rules.

ARTICLE 14 - DEVIATIONS FROM THE GENERAL CONDITIONS

Additions to or deviations from these conditions are only possible if they are not to the detriment of the consumer and if they have been recorded in writing or digitally in such a way that the consumer can easily store them.

ARTICLE 15 - CHANGES

If HISWA-RECRON changes these general conditions, this will always be done in consultation with the ANWB and the Consumers' Association.