

General Terms and Conditions of the loan agreement between the NMF and user

Version 2011/2

These general terms and conditions constitute a part of every loan agreement concluded with the NMF and take up 6 pages.

A. Obligations of the user

General obligations of the user

Art. A 1 The user accepts full responsibility and liability for the instrument for the entire duration of the loan.

Good condition and maintenance

Art. A 2 The user undertakes to keep the instrument in good condition and to preserve and maintain it with all due and reasonable care.

Use by third parties

Art. A 3 The user is not permitted to make the instrument available for use by third parties or to place it in the custody of third parties, except in the case of inspection by an expert, as referred to below, or with explicit written permission from the NMF.

Notification obligation

Art. A 4 The user is obliged to immediately notify the NMF and the police of any loss, theft or misappropriation of the instrument as well as any other damage resulting from a crime or suspected crime, and to immediately send a copy of the police report to the NMF.

Obligation to report loss or damage

Art. A 5 The user is obliged to notify NMF immediately of any complete or partial loss of or damage to the instrument, and to provide the NMF or a third party designated by the NMF with all relevant information.

Use in a non-EU country

Art. A 6 The user is prohibited from travelling with the instrument to or within a country outside the European Union (EU) without prior, explicit written permission from the NMF. Permission can only be given if the user has submitted a request to that effect no later than 14 days prior to departure. If the user travels with the instrument to a non-EU country without permission from the NMF, the user will be liable for all associated risks.

Contribution towards NMF operating expenses

Art. A 7 The user is obliged to pay the NMF an annual contribution towards the NMF's operating expenses. The NMF will notify the user in advance of the annual contribution rates applicable to the user. These rates are stated in the appendix to these General Terms and Conditions and are publicised on the NMF website. The amount of the contribution may be revised every year. The invoice for the contribution to the operating expenses will be drawn up and sent during the month of January each year. The amount of the contribution is calculated on the basis of the number of days the instrument is available to the user, including any periods during which the instrument is in the possession of third parties with the NMF's permission. The user is required to authorise the NMF to automatically deduct the amount owed from the user's bank account by direct debit mandate. The amount owed will be deducted on a quarterly basis, always during the first month of each quarter. The user is required to ensure that there are sufficient funds in his/her account.

Administration costs

Art. A 8 Upon applying for an instrument, new users are required to pay a one-off administration charge. This amount will be determined on a yearly basis. This administration charge will be reimbursed in the event that the user's application is rejected.

Change of various personal details

Art. A 9 The user is obliged to immediately notify the NMF of any change in his/her personal details. This is in any case understood to mean: any change with regard to postal address, telephone number, email address and/or bank account number.

This also equally applies to: any changes with regard to study (including conclusion or termination of study due to graduation or other reasons), any change of employment, departure abroad for a period exceeding three months and any change of nationality.

Contact with the NMF

Art. A 10 The user is obliged to respond to all requests by the NMF for information as quickly as possible, but in any case within two weeks, whether via post, email, telephone or any other medium, insofar as this concerns matters related to the instrument on loan to the user or any matter pertaining to the loan agreement or the general terms and conditions thereof.

B. Care, Maintenance and Repairs

Inspection

Art. B 1 The NMF is entitled to inspect the instrument or arrange for its inspection at any time.

Costs of regular maintenance

Art. B 2 The costs of maintenance arising from regular use of the instrument are for the account of the user.

Permission for repairs

Art. B 3 The user is obliged to notify the NMF immediately and in advance of all intended repairs to the instrument and/or accessories. No repairs may be carried out until the NMF has given permission for them. The repairs may only be carried out by an expert designated by the NMF.

Inspection by expert

Art. B 4 The user is obliged to hand the instrument over to the NMF or an expert designated by the NMF for purposes of inspection at least once a year, at a time specified by the NMF. This expert will then also assess the instrument's current value, which will serve as the basis for the value to be insured. The instrument's state of repair and assessed value will be recorded on a form which the NMF will provide the user. In the case of instruments valued at €250.000 or more, an assessment is to be carried out annually by two experts (to be designated by the NMF). Failure to have the maintenance inspection and/or assessment carried out on time may result in the termination of the loan agreement.

General duty of care

Art. B 5 The user has a general duty of care with respect to the instrument: the user is required to exercise all possible care to prevent the occurrence of damage, theft or wear and tear with regard to the instrument under all circumstances (including during use, transport and storage of the instrument, for instance). If damage or loss occurs as a result of failure to fulfil this duty of care, the user will be liable therefor.

C. Insurance

Insurance and policy conditions

Art. C 1 The NMF has taken out insurance for the instrument on the basis of worldwide covering all damage to or loss of insured interests due to external causes. The policy conditions stipulate the following exceptions from cover:

- wilful recklessness or gross negligence on the part of the insured party
- gradual effects of the weather
- damage caused by normal wear and tear, oxidisation and other gradual causes
- damage caused by vermin
- confiscation or seizure by customs or other lawful authorities
- leaving the instrument unattended in a motor vehicle
- damage caused by excrement

Damage or loss for the account of the user

Art. C 2 Any damage or loss that is not covered by the insurance policy will be for the account of the user.

Amendment to policy conditions

Art. C 3 In the event of an interim amendment to the policy conditions, the NMF will immediately notify the user in writing. The user will be bound to the new conditions. The current insurance and policy conditions will also be publicised on the NMF website.

Insurance premium

Art. C 4 The user is obliged to pay the annual insurance premium, the excess reduction fee plus costs and premium tax. The NMF will notify the user in advance of the annual rates applicable to the user. The NMF will charge the user for the premium. If necessary, the premium will be adjusted annually to the current assessed value of the instrument. Any change to the rates charged by the insurance company will be passed on to the user. The user is obliged to pay the insurance premium that has been adjusted accordingly.

Insured value

Art. C 5 The NMF will have the insured value annually adjusted by the insurance company in accordance with the annually assessed value of the instrument. This value is assessed by an expert designated by the NMF.

D. End of the agreement

Return before the end date

Art. D 1 The user is entitled to give notice of termination of the agreement on an earlier date than the set end date. The termination of the agreement only comes into effect when the instrument has been returned to the NMF. Moreover, the user undertakes to act in accordance with the provisions of Article D 8 with regard to the return of the instrument.

Death of the user

Art. D 2 This agreement will end by operation of law upon the user's death. The user's surviving relatives are obliged to return the instrument to the NMF in a complete state and in good condition as soon as possible. Moreover, the surviving relatives are required to act in accordance with the provisions of Article D 8 with regard to the return of the instrument.

Claim by the owner

Art. D 3 This agreement may pertain to an instrument made available on loan to the NMF by a third party. In that case, the user accepts the possibility that the owner may claim back the instrument during the term of the agreement. The NMF guarantees that the user may continue to use the instrument for another six months after any notice given in this regard. The user is obliged to return the instrument to the NMF in a complete state and in good condition following this period of six months. The agreement will then end on that date. Moreover, the user undertakes to act in accordance with the provisions of Article D 8 with regard to the return of the instrument.

User residing abroad

Art. D 4 The user may only have the instrument in his possession so long as his/her principal place of residence is in the Netherlands. This agreement will end without judicial intervention on the date upon which the user takes up residence abroad. The user is obliged to return the instrument to the NMF as of that date. Moreover, the user undertakes to act in accordance with the provisions of Article D 8 with regard to the return of the instrument.

Termination of the agreement due to special or changed circumstances

Art. D 5 The NMF expressly reserves the right to ascertain whether the facts or circumstances applicable at the time of the agreement's conclusion have not changed to such an extent during the term of the agreement as to no longer justify use of an NMF instrument by the user. If the NMF reasonably deems this to be the case or if the loan no longer meets the objectives of the NMF, for example due to the termination of or changes to the user's activities as a performing musician, withdrawal of the instrument from musical practice, transference of the user's musical activities abroad, unsatisfactory study results or due to long-term occupational disability, bankruptcy, debt rescheduling, moratorium or guardianship of or an administration order levied against the user, the Foundation Board will be entitled to terminate the agreement prematurely. In this regard, the user (or in the case of a minor, the user's parents/guardian) also undertakes to submit information to the Foundation Board at the NMF's request, regarding his/her income and/or musical activities. The user declares that he/she is aware of the fact that his/her financial position may influence the decision as to whether the loan agreement entered into can be continued. The user is obliged to immediately return the instrument to the NMF, in a complete state and in good condition, if the Foundation Board decides that the agreement is ended for this reason. Furthermore, the user is obliged to act in accordance with the provisions of Article D 8 with regard to the return of the instrument.

Difference of opinion

Art. D 6 If the NMF and the user have any difference of opinion regarding the application of the two previous articles, the NMF will solicit a written opinion from at least three members of the Stichting NMF's Advisory Board. In certain cases, it may also solicit a medical opinion. The Foundation Board will make a decision after having been notified of these opinions. The user is then obliged to abide by this decision.

Acts or omissions in contravention of these conditions

Art. D 7 If the user infringes or fails to comply with any provision of the agreement, the agreement will be terminated without judicial intervention. The NMF is then entitled to take immediate possession of the instrument, without prejudice to the NMF's right to claim any amounts the user may still owe the NMF under the terms of this agreement. In such a case, the user will be obliged to return the instrument, in a complete state and in good condition, to the NMF or a third party designated by the NMF, without prejudice to the NMF's right to have any damage to the instrument repaired at the user's expense.

Rules governing the return of the instrument

Art. D 8 When returning the instrument to the NMF, the user or his/her representative is to comply with the following conditions:

- The instrument must be accompanied by a return report that has been completed and signed by an expert, indicating that the instrument is in a good state of repair and ready for use by the following player. A blank return report is available from the NMF office upon request.
- A minimum notice period of one month applies to instruments and accessories with regard to termination of the loan agreement by the user, with the exception of grand pianos and upright pianos, for which a notice period of two months applies.

E. Miscellaneous provisions

Participation in a recital or concert

Art. E 1 The user undertakes, at the NMF's request, to give a recital or participate in a concert organised by or on behalf of the NMF, free of charge, at least three times during the term of the loan. Dates and works to be performed will be determined and agreed upon by the user and the NMF in mutual consultation.

Text of Acknowledgment

Art. E 2 The user undertakes to ensure that his/her biography in the programme booklet for every performance includes the acknowledgement that he/she plays on an instrument provided by the Nationaal Muziekinstrumenten Fonds. The user is also obliged to ensure mention is made on all possible occasions that he/she plays on an instrument provided by the NMF; for instance, in CD booklets, during interviews and on the user's website or other websites. If possible, the user is to include the NMF logo.

Report of musical activities

Art. E 3 The user is obliged to report on his/her musical activities at least once a year. Any failure to comply with this obligation may result in the termination of the loan agreement.

Annual Rates for 2011

Explanation:

You have an instrument on loan from the Dutch National Music Instrument Foundation. In return for this loan you will be asked to pay a contribution towards the actual overall costs. The NMF funds the main portion of these expenses, which are necessary for proper management of the collection. The invoice for the use of your instrument and/or bow consists of three elements:

1. Collection costs
2. Insurance costs
3. Collision Damage Waiver

Collection costs: these are expenses incurred by the NMF in acquiring new instruments, placing these instruments with the musicians, managing the instruments and for all administrative activities.

These expenses are calculated by dividing the total costs by the number of instruments. Each musician contributes the same amount of money per instrument, which does not relate to the actual value of the instrument. The NMF takes care of the larger part of these costs.

Insurance costs: these depend on the annually assessed value of your instrument. The NMF will pay this in advance.

Collision Damage Waiver: this is the contribution you will be asked to make, allowing you to be free of any costs in case of accidental damage. This contribution will also be paid in advance by the NMF.

Contribution to the collection costs

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| • All instruments except wind instruments | € 540,35 per year | (VAT included) |
| • Stringed instruments from € 250,000 in value | to be determined on a case by case basis | |
| • Bows | € 121,45 per year | (VAT included) |
| • Cello cases | € 100,00 per year | (VAT included) |
| • Other accessories (cases, covers, etc.) | to be determined on a case by case basis | |
| • Wind instruments | to be determined on a case by case basis | |

Actual collection costs

All instruments € 1.218

*The NMF reserves the right to adjust the contribution rate payable by the individual in specific cases. The NMF is also entitled to adjust the rates every year. In the event that an instrument is only available to a user for part of a given year, the contribution rate payable by the individual will be calculated solely on the basis of the actual loan period concerned.

Discount

- Student discount

The student discount is applied exclusively to instruments and not to bows or accessories.

Every user below the age of 28 on 1 January of the invoice year will be considered as a student by the NMF and will receive a discount of 10% on the actual overall collection costs. Users who are 28 or 29 years of age on 1 January and who are still enrolled in a professional training course can qualify for the student discount upon presentation of proof of enrolment.

Specification of insurance premium

- For all instruments and accessories: 0.175% of the last assessed value per year.
- collision damage waiver: 0,1% of the last assessed value per year.