

**Annual Rates: Attachment to the General Terms and Conditions
of the loan agreement between the NMF and user
Version 2018-3 (June 2018)**

This attachment to the general terms and conditions constitutes a part of every loan agreement concluded with the Dutch Musical Instruments Foundation (hereinafter referred to as: the NMF) and takes up 3 pages. The new version of this replaces all previous versions.

Explanation regarding the user's invoice

1) The NMF and revenue

The Dutch Musical Instruments Foundation (NMF) is a private foundation, established in 1988. Currently it has more than 400 instruments and almost 400 bows in its possession which it loans to professional musicians and music students. The NMF is a charity which aims to support musicians, not a commercial institution that aims to make money. In the event that income exceeds expenditure in any given year, this money is put towards the purchase of instruments. In this way we are able to provide more musicians with faster and better assistance.

2) Why does the NMF need revenue?

The NMF needs revenue in order to be able to function. The professional management of a large instrument collection incurs many expenses (for example, the costs related to staff, computers, administration and maintenance). The NMF also needs money in order to purchase new instruments.

3) What are the NMF's sources of income?

The NMF's only fixed source of income is the contribution paid by users for the loan of instruments: the so-called user's contribution: see 4) below. The other most important source of income is income derived from donations: see 6) below.

4) The user's contribution

The user's contribution is split into two components.

User's contribution = a) insurance costs + b) collection costs
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a) Insurance costs

It goes without saying that the NMF's instrument collection is insured. Because the NMF possesses such a large collection, the insurance premium it pays is the lowest in the Netherlands. The user pays the premium plus the excess reduction fee to the NMF. The NMF pays this to the insurance company. The premium rate depends on the assessed value of the instrument.

b) 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 user contributes the same amount of money per instrument, which is unrelated to the actual value of the instrument.

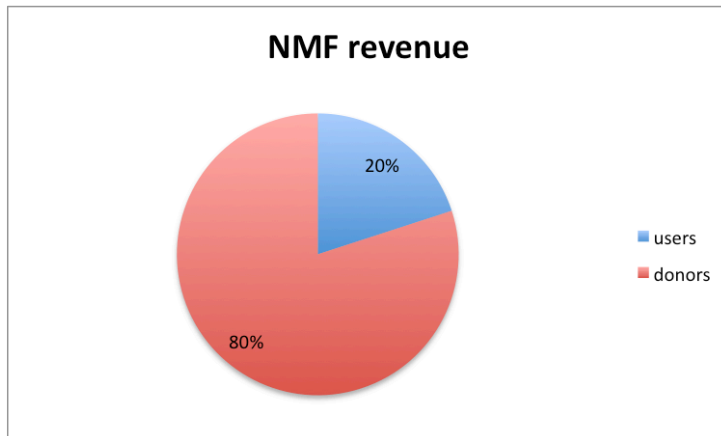
5) Discount for users

Because its underlying principle is to help musicians, the NMF pays the largest share of the collection costs. In this way, playing an instrument from the NMF's collection remains affordable for the user.

In 2018 the actual collection costs for 'standard' instruments amount to €1.501.
The NMF gives users a reduction of 55% on this rate.
Thus the user pays just €666 per instrument towards collection costs.

6) Income from donations

Due to the substantial discount given to users, the total income derived from the users' contributions falls far short of covering the NMF's total expenses. There is absolutely no possibility of purchasing new instruments from these funds. So the NMF can only continue functioning by tapping into another source of income; namely, contributions made by donors: by far the NMF's most important source of income.



NMF revenue

- 20% of the NMF's revenue is derived from the user's contribution paid by musicians
- 80% of the NMF's revenue comes from donations

7) 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 collection costs.

8) Calculation basis

All mentioned amounts are inclusive Dutch VAT. They are calculated on a yearly basis, with the exception of the administration costs, which are a one-off charge or on a weekly basis. The NMF reserves the right to adjust the contribution rate payable 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.

Annual Rates for 2018: long-term basis

Annual collection costs

total expenses for NMF per instrument:	€1.501
<u>share of collection costs paid by the user:</u>	
collection costs for:	
• All instruments except wind instruments:	€666
• Wind instruments:	to be determined on a case by case basis
• Bows < €10,000:	€150
• Bows ≥ €10,000:	€300
• Cello cases:	€124
• Other accessories:	to be determined on a case by case basis

Annual insurance premium

• For all instruments and accessories:	0.125%
• Excess reduction fee:	0.1%

The percentages will be applied to the most recent assessed value of the instrument.

Administration charges

New users will pay a one-off administration charge: €74

Administration costs charged for each week (or part thereof) past the deadline with regard to the late submission of maintenance reports (as referred to in Article B 4): €29

Annual Rates for 2018: project basis (maximum 6 months)

Project-based loan

*Minimum duration of one week and maximum duration of six months
Including insurance premium and VAT. Students will receive a discount of 50%*

Wind instruments	€95 p.w.
String instruments (incl. bow)	€95 p.w.
Bows	€10 p.w.