

## Flora Dania's Terms and Conditions for the Delivery of Potted Plants from Danish Nurseries

### Appendix 5: Agreement on Container Management in Denmark

Signatories: **Flora Dania** (previously *Trade Association for Danish Ornamentals*)

and

**Alex Andersen A/S**

and

**Container Centralen a/s**

Represented by Contanier Centralen Nordic (CC Nordic)

The parties agree that CC Nordic will continue to be responsible for container management in Denmark for the parties involved. This agreement supersedes and replaces the previous agreement between Danish Ornamental Plants (Now Flora Dania), Alex Andersen and CC Nordic of January 2006.

#### Object

- Improved utilisation of existing CC container units
- More flexible supply of CC containers in the event of shortages
- Better distribution of costs.

The parties agree that CC Nordic must monitor and supervise movements, balances and outstanding balances between the parties. If necessary, CC Nordic must supply units to the party which is owed units (surplus in sub-balance) and charge these to the party which owes these units (deficit in sub-balance).

Before the start of each season, CC Nordic offers the involved parties the chance to rent additional CC containers and shelves on special terms (see Annexe 1).

For each season, CC Nordic will endeavour to place a sufficient number of units at the parties' disposal during the season. Equipment is leased at prices and under leasing conditions in accordance with CC Nordic's general business terms and conditions.

#### Project management

Project Container Management in Denmark is headed by a steering committee consisting of representative(s) of the participating parties:

For Flora Dania: Two to four representatives (efforts should be made to ensure that there are representatives of both the sales companies and the growers)

For Alex Andersen: One representative

Container Centralen is represented by CC Nordic.

The season evaluation meeting is held in September.

### **Reporting to CC Nordic**

The parties undertake to submit weekly reporting on balances between the parties to CC Nordic. Reporting must be submitted no later than Thursday at 11:00 and must comprise balances from the previous day at 17:00.

The reporting must contain information on all balances with the other parties in the project, the number of CC containers and shelves as well as information about which firm the balance concerns.

Efforts will be made to ensure that an agreement is made on electronic reporting of data.

In the event of discrepancies in balances/movements between two parties, CC Nordic must promptly seek to reconcile this discrepancy.

If a party fails to submit reporting, the balance reported by the other party will be deemed to be correct and will be used as the basis.

The participants in the project undertake to report continuously to CC Nordic. Reporting must be submitted by all participants in the project:

GASA Group Danmark – on behalf of all Danish firms in GASA Group Danmark  
Other sales companies, members of Flora Dania (Danish Ornamental Plants)  
'Nurseries delivering directly' wishing to participate in the project  
Domestic transport (*indtrans*) carriers on behalf of affiliated nurseries.

As a general rule, at the start of the season in mid-March, a mutual agreement was made on bilateral rent exemption between all parties in the project. This means that no daily rent is calculated for outstanding balances between the parties. If a party with receivables exceeding the rent exempt buffers (*friholdelsesmængde*) wishes to start the calculation of daily rent for the excess units, the party in question must contact CC Nordic to actively to start the calculation. In case of start-up of calculation of daily rent, this must be done on a daily basis. Reporting must also take place on a daily basis.

Reporting is submitted for CC containers and shelves. (Corner post extensions do not form part of the project.) A CC container is always deemed to include four corner posts (180 cm).

The parties agree that organisations which are not members of Flora Dania, for example large chains, but which are also users of CC containers may accept the agreement.

Alex Andersen A/S has accepted the agreement, as the business in addition to functioning as domestic transport firm must also be considered to be a 'sales company'.

### **Container Centralen's role in the project**

CC Nordic monitors balances regarding CC containers and shelves between the parties.

In the event of an imbalance between two parties which exceeds the agreed rent exempt buffer, CC Nordic must intervene and seek to resolve this issue.

In practice, this means that CC Nordic must examine the imbalance found by contacting the parties involved. If the identified imbalance cannot be resolved directly by the parties, CC Nordic must start calculation of daily rent in respect of the party owing units (deficit in sub-balance) and credit the agreed amount to the party to which these units are owed (surplus in sub-balance).

CC Nordic issues a weekly balance email with information on balances between the parties. In case of start-up of calculation of daily rent, a daily balance email will be distributed as well as a weekly email with the calculation basis.

### **Rent exempt buffers (Friholdelsesmængde)**

The individual sales company has a 'rent exempt buffer' vis-à-vis each individual domestic transport carrier and 'nursery delivering directly' – and vice versa. This rent exempt buffer is made up of a maximum number of containers and shelves which the relevant exporter may owe (deficit in sub-balance) the domestic transport carrier/nursery delivering directly.

The rent exempt buffer is determined by CC Nordic based on the total contract portfolio relative to the individual supplier's contract portfolio. The rent exempt buffer accounts for 10% of the total contract portfolio on the nursery/domestic transport side.

The rent exempt buffer is calculated before the start of each season by CC Nordic.

The rent exempt buffer is calculated on the basis of the portfolio of CC containers and shelves under long-term contract with CC Nordic as at 1 January of each year.

Generally, the rent exempt buffer must always be reduced to zero, as this is not a matter of making units available for permanent use by other parties. This rent exempt buffer has been introduced for flexibility reasons. A minimum rent exempt buffer of 5 CC containers has been agreed in respect of all bilateral relations

### **Rates for calculating daily rent**

CC Nordic calculates the daily rent to be charged to the party owing units (deficit in sub-balance) on the basis of CC Nordic's rate in force at any time for daily rent during the high season. For 2012, this rate is DKK 4.10 per CC container including four corner posts and DKK 0.62 per shelf (= DKK 7.20 per CC container including five shelves).

Calculation is carried out on the basis of seven days per week.

**Payment of daily rent to the party which is owed units (surplus in sub-balance)**

If CC Nordic is unable to arrange the settlement of an outstanding balance that exceeds the agreed rent exempt buffer, CC Nordic must debit daily rent on request. Such calculation of daily rent must continue until the balance once more has been reduced.

80% of the debited daily rent will accrue to the party to which the units are owed (surplus in sub-balance), while 20% will accrue to CC Nordic as administrative fee.

The rent will not be disbursed until the corresponding amount due has been paid to CC Nordic.

Outside the high season, which is March, April, May and June, agreements on automatic deficit supply of units or calculation of daily rent are suspended as there is no expectation of shortage of units outside this period.

If a shortage situation nevertheless arises outside the peak season, settlement and calculation can be resumed with immediate notice if just one of the parties involved requests that CC Nordic do so. Such resumption will only concern the relevant individual bilateral relationship.

**Service fee to Container Centralen a/s**

In addition to the above-mentioned contributions from any calculation of daily rent, CC Nordic's administrative fee totals DKK 10,00 per CC container leased to the parties in Project Container Management.

**Extension and termination of this agreement**

This agreement has been concluded with a term of one year from 1 January 2012.

The agreement is automatically extended for one year at a time, unless terminated in writing by one of the parties. Termination must be made in writing to Container Centralen a/s with a copy to the other contractual parties and subject to a minimum notice of three months before the expiry of an agreement period.

Odense, January 2012

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Flora Dania

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Alex Andersen A/S

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Container Centralen A/S

**ANNEXE 1**

Rental prices for CC containers and shelves, 2012

Special price agreed between Flora Dania and Container Centralen A/S

Seasonal rent until 30 June 2012:

DKK 195.00 per CC container including five shelves. (including administration contribution to CC)

DKK 12.50 per extra shelf

(CC's normal price: DKK 163.00/15.60 (DKK 241.00))