



# Contract No.8

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THE GRAIN AND FEED TRADE ASSOCIATION

## CONTRACT FOR LOCUST BEANS IN BULK OR BAGS TALE QUALE – CIF/CIFFO/C&F/C&FFO TERMS

*\*delete/specify as applicable*

Date .....

1 **SELLERS** .....

2

3 **INTERVENING AS BROKERS**

4 .....

5

6 **BUYERS**.....

7 have this day entered into a contract on the following terms and conditions.

8

9 **1. GOODS**..... in bulk.

10 If in bags, then the bags to be suitable for export and able to withstand ordinary wear and tear to port of destination. Such

11 bags to be taken and paid for as goods.

12

13 **2. QUANTITY** .....

14 Sellers have the option of shipping up to 5% more or less. In the event of more than one shipment being made, each

15 shipment shall be considered a separate contract, but the tolerance on the mean quantity sold shall not be affected

16 thereby.

17

18 **3. PRICE AND DESTINATION**

19 At the price per tonne of 1,000 kilograms gross weight of .....

20

21 \*cost, insurance and freight to.....

22

23 \*cost, insurance and freight free out to .....

24

25 \*cost and freight to .....

26

27 \* cost and freight free out to.....

28

29 **4. BROKERAGE**.....per tonne, to be paid by Sellers on the mean contract quantity, goods lost or not lost,

30 contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the contract under the terms of

31 the Prevention of Shipment Clause. Brokerage shall be due on the day shipping documents are exchanged, or if the goods

32 are not appropriated then brokerage shall be due on the 30th consecutive day after the last day for appropriation. Any

33 disputes arising out of this clause shall be referred to arbitration in accordance with the arbitration clause

34

35 **5. QUALITY**

36 \*Warranted to contain.....at time and place of discharge.

37

38 \*Official ..... certificate of inspection, at time of loading into the ocean carrying vessel, shall be final as to

39 quality.

40

41 \*Sample, at time and place of shipment about as per seal sample marked .....

42

43 in possession of ....., the word about when referring to quality shall mean the equivalent of 0.05% on

44 contract price.

45 Difference in quality shall not entitle Buyers to reject except under the award of arbitrator(s) or board of appeal, as the

46 case may be, referred to in the Arbitration Rules specified in the Arbitration Clause.

47 **Condition.** Shipment shall be made in good condition.

48

49

50 **6. PERIOD OF SHIPMENT**  
51 As per bill(s) of lading dated or to be dated .....  
52 The bill(s) of lading to be dated when the goods are actually on board. Date of the bill(s) of lading shall be accepted as  
53 proof of date of shipment in the absence of evidence to the contrary. In any month containing an odd number of days,  
54 the middle day shall be accepted as being in both halves of the month.  
55

56 **7. SALES BY NAMED VESSELS**  
57 For all sales by named vessels, the following shall apply: -  
58 (a) Position of vessel is mutually agreed between Buyers and Sellers;  
59 (b) The word "now" to be inserted before the word "classed" in the Shipment and Classification Clause;  
60 (c) Appropriation Clause cancelled if sold "shipped".  
61

62 **8. SHIPMENT AND CLASSIFICATION**  
63 Shipment from .....  
64 direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s) suitable for the  
65 carriage of the contract goods, classed in accordance with the Institute Classification Clause of the International  
66 Underwriting Association in force at the time of shipment.  
67

68 **9. NOMINATION OF VESSEL(S) FOR CONTRACTS CONCLUDED ON C & F/C&FFO TERMS**  
69 (a) At a date agreed between the Parties but in any event prior to the commencement of loading, Sellers shall nominate  
70 the intended carrying vessel(s) to Buyers.  
71 (b) Sellers are entitled to substitute the nomination(s) provided that the substituting vessel(s) complies with the terms  
72 of this clause.  
73

74 **10. EXTENSION OF SHIPMENT**  
75 The contract period for shipment, if such be 31 days or less, shall be extended by an additional period of not more than  
76 8 days, provided that Sellers serve notice claiming extension not later than the next business day following the last day  
77 of the originally stipulated period. The notice need not state the number of additional days claimed.  
78 Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on the number of  
79 days by which the originally stipulated period is exceeded, in accordance with the following scale: -  
80 1 to 4 additional days, 0.50%;  
81 5 or 6 additional days, 1%;  
82 7 or 8 additional days 1.50% of the gross contract price.  
83 If, however, after having served notice to Buyers as above, Sellers fail to make shipment within such 8 days, then the  
84 contract shall be deemed to have called for shipment during the originally stipulated period plus 8 days, at contract price  
85 less 1.50%, and any settlement for default shall be calculated on that basis. If any allowance becomes due under this  
86 clause, the contract price shall be deemed to be the original contract price less the allowance and any other contractual  
87 differences shall be settled on the basis of such reduced price.  
88

89 **11. APPROPRIATION**  
90 (a) Notice of appropriation shall state the vessel's name, the presumed weight shipped, and the date or the presumed  
91 date of the bill of lading.  
92 (b) The notice of appropriation shall within 5 business days from the date of the bill(s) of lading be served by or on behalf  
93 of the Shipper direct on his Buyers or on the Selling Agent or Brokers named in the contract.  
94 (c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of subsequent  
95 Sellers on their Buyers or on the Selling Agent or Brokers named in the contract, but if notice of appropriation is received  
96 by subsequent Sellers on the last day or after the period stated in sub-clause (b) from the date of the bill of lading, their  
97 notice of appropriation shall be deemed to be in time if served: -  
98 (1) On the same calendar day, if received not later than 1600 hours on any business day, or  
99 (2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-business day.  
100 (d) A notice of appropriation served on a Selling Agent or Brokers named in the contract shall be considered an  
101 appropriation served on Buyers. A Selling Agent or Brokers receiving a notice of appropriation shall serve like notice of  
102 appropriation in accordance with the provisions of this clause. Where the Shipper or subsequent Sellers serves the  
103 notice of appropriation on the Selling Agent, such Selling Agent may serve notice of appropriation either direct to the  
104 Buyers or to the Brokers.  
105 (e) The bill of lading date stated in the notice of appropriation shall be for information only and shall not be binding, but  
106 in fixing the period laid down by this clause for serving notices of appropriation the actual date of the bill of lading shall  
107 prevail.  
108 (f) Every notice of appropriation shall be open to correction of any errors occurring in transmission, provided that the  
109 sender is not responsible for such errors, and for any previous error in transmission which has been repeated in good  
110 faith.

111 (g) Should the vessel arrive before receipt of the appropriation and any extra expenses is incurred thereby, such expenses  
112 shall be borne by Sellers.  
113 (h) When a valid notice of appropriation has been received by Buyers, it shall not be withdrawn except with their consent.  
114 (i) In the event of less than 95 tonnes being tendered by any one vessel Buyers shall be entitled to refund of any proved  
115 extra expenses for sampling, analysis and lighterage incurred thereby at port of discharge.  
116

## 117 **12. PAYMENT**

118 (a) **Payment**..... % of invoice amount by cash in .....

119 \* In exchange for and on presentation of shipping documents;

120 \* In exchange for shipping documents on or before arrival of the vessel at destination, at Buyers' option;  
121 Sellers, however, have the option of calling upon Buyers to take up and pay for documents on or after  
122 ..... consecutive days from the date of the bill(s) of lading.

123 (b) **Shipping documents** – shall consist of - 1. Invoice. 2. Full set(s) of on board Bill(s) of Lading and/or Ship's Delivery  
124 Order(s) and/or other Delivery Order(s) in negotiable and transferable form. Such other Delivery Order(s) if required  
125 by Buyers, to be countersigned by the Shipowners, their Agents or a recognised bank. 3. For CIF/CIFFO terms Policy  
126 (ies) and/or Insurance Certificate(s) and/or Letter(s) of Insurance in the currency of the contract. The Letter(s) of  
127 Insurance to be certified by a recognised bank if required by Buyers. 4. Other documents as called for under the contract.  
128 Buyers agree to accept documents containing the Chamber of Shipping War Deviation Clause and/or other recognised  
129 official War Risk Clause.

130 (c) In the event of a complete set of shipping documents not being available when called for by Buyers, or on arrival of  
131 the vessel at destination, Sellers may at their option, in exchange for payment by Buyers, provide a letter of indemnity  
132 entitling Buyers to obtain delivery of the goods. Such payment shall not prejudice Buyers' rights under the contract when  
133 shipping documents are available.

134 (d) Costs of collection shall be for account of Sellers, but if Buyers demand presentation only through a bank of their  
135 choice, in that event any additional collection costs shall be borne by Buyers.

136 (e) No obvious clerical error in the documents shall entitle Buyers to reject them or delay payment, but Sellers shall be  
137 responsible for all loss or expense caused to Buyers by reason of such error and Sellers shall on request furnish an  
138 approved guarantee in respect thereto.

139 (f) **Interest.** If there has been unreasonable delay in any payment, interest appropriate to the currency involved shall be  
140 charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration.  
141 Otherwise interest shall be payable only where specifically provided in the terms of the contract or by an award of  
142 arbitration. The terms of this clause do not override the parties' contractual obligation under sub-clause (a).  
143

## 144 **13. DUTIES, TAXES, LEVIES, ETC.**

145 Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in country of origin,  
146 shall be for Sellers' account. All import duties, taxes, levies, etc., present or future, in country of destination, shall be for  
147 Buyers' account.  
148

## 149 **14. DISCHARGE**

150 (a) **For CIF/C&F terms**, discharge shall be as fast as the vessel can deliver in accordance with the custom of the port, but  
151 in the event of shipment being made under liner bill(s) of lading, discharge shall be as fast as the vessel can deliver in  
152 accordance with the terms of the bill(s) of lading. The cost of discharge from hold to ship's rail shall be for Sellers'  
153 account, from ship's rail overboard for Buyers' account.

154 (b) **For C&FFO/CIFFO terms**, the cost of discharge shall be for Buyers' account.  
155

156 Discharge shall be at the average rate of ..... tonnes per Weather Working Day, Saturdays, Sundays, Holidays  
157 Excepted, Unless Used, (WWD SSheX UU), in which case actual time used to count. Notice of Readiness (NOR) shall be  
158 tendered during ordinary office hours on arrival, Whether In Port Or Not, (WIPON), Whether In Berth Or Not, (WIBON),  
159 Whether In Free Pratique Or Not, (WIFPON), Whether Customs Cleared Or Not (WCCON) and laytime shall commence at  
160 0800 hours on the next working day. Rate of demurrage/despatch as per Charter Party. In the event of a time charter,  
161 the daily hire rate shall be taken as the rate of demurrage, half despatch.

162 (c) If documents are tendered which do not provide for discharging as above or contain contrary stipulations, Sellers  
163 shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by grab(s) shall be permitted unless  
164 specifically excluded at time of contract. If shipment is effected by lash barge, then the last day of discharge shall be the  
165 day of discharging the last lash barge at the port of destination.  
166

## 167 **15. WEIGHING**

168 The terms and conditions of Gafta Weighing Rules No. 123 are deemed to be incorporated into this contract. Unless  
169 otherwise agreed, final settlement shall be made on the basis of gross delivered weights at time and place of discharge  
170 at Buyers' expense. If the place of destination is outside the port limits, Buyers agree to pay the extra expenses incurred  
171 by Sellers or their agents for weighing. No payment shall be made for increase in weight occasioned by water and/or oil  
172 during the voyage. If final at time and place of loading, as per Gafta approved register of superintendents' certificate at  
173 Sellers' choice and expense, the Deficiency Clause will not apply.

174 **16. DEFICIENCY**

175 Any deficiency in the bill of lading weight shall be paid for by Sellers and any excess over bill of lading weight shall be  
176 paid for by Buyers at contract price.

177  
178 **17. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**

179 The terms and conditions of Gafta Sampling Rules No.124 are deemed to be incorporated into this contract. Samples shall  
180 be taken at the time of discharge on or before removal from the ship or quay, unless the parties agree that quality final  
181 at loading applies, in which event samples shall be taken at time and place of loading. The parties shall appoint  
182 superintendents, for the purposes of supervision and sampling of the goods, from the Gafta Approved Register of  
183 Superintendents. Unless otherwise agreed, analysts shall be appointed from the Gafta Approved Register of Analysts.

184  
185 **18. FUMIGATION**

186 Where fumigation has been agreed, the terms and conditions of Gafta Fumigation Rules No. 132 shall be incorporated  
187 into this contract.

188  
189 **19. INSURANCE**

190 **19.1 For Contracts Concluded on CIF/CIFFO terms** Sellers shall provide insurance on terms not less favourable than  
191 those set out hereunder, and as set out in detail in Gafta Insurance Terms No.72 viz:-

192 (a) Risks Covered:-

193 Cargo Clauses (WA), with average payable, with 3% franchise or better terms - Section 2 Form 72

194 War Clauses (Cargo) - Section 4 of Form 72

195 Strikes, Riots and Civil Commotions Clauses (Cargo) - Section 5 of Form 72

196 (b) Insurers - The insurance to be effected with first class underwriters and/or companies who are domiciled or carrying  
197 on business in the United Kingdom or who, for the purpose of any legal proceedings, accept a British domicile and provide  
198 an address for service of process in London, but for whose solvency Sellers shall not be responsible.

199 (c) Insurable Value - Insured amount to be for not less than 2% over the invoice amount, including freight when freight  
200 is payable on shipment or due in any event, ship and/or cargo lost or not lost, and including the amount of any War Risk  
201 premium payable by Buyers.

202 (d) Freight Contingency - When freight is payable on arrival or on right and true delivery of the goods and the insurance  
203 does not include the freight, Sellers shall effect insurance upon similar terms, such insurance to attach only as such  
204 freight becomes payable, for the amount of the freight plus 2%, until the termination of the risk as provided in the above  
205 mentioned clauses, and shall undertake that their policies are so worded that in the case of particular or general average  
206 claim the Buyers shall be put in the same position as if the c.i.f. value plus 2% were insured from the time of shipment.

207 (e) Certificates/Policies - Sellers shall serve all policies and/or certificates and/or letters of insurance provided for in  
208 this contract, (duly stamped if applicable) for original and increased value (if any) for the value stipulated in (c) above.

209 In the event of a certificate of insurance being supplied, it is agreed that such certificate shall be exchanged by Sellers for  
210 a policy if and when required and such certificate shall state on its face that it is so exchangeable. If required by Buyers,  
211 letter(s) of insurance shall be guaranteed by a recognised bank, or by any other guarantor who is acceptable to Buyers.

212 (f) Total Loss - In the event of total or constructive total loss, or where the amount of the insurance becomes payable in  
213 full, the insured amount in excess of 2% over the invoice amount shall be for Sellers' account and the party in possession  
214 of the policy (ies) shall collect the amount of insurance and shall thereupon settle with the other party on that basis.

215 (g) Currency of Claims - Claims to be paid in the currency of the contract.

216 (h) War and Strike Risks Premiums - Any premium in excess of 0.50% to be for account of Buyers. The rate of such  
217 insurance not to exceed the rate ruling in London at time of shipment or date of vessel's sailing whichever may be adopted  
218 by underwriters. Such excess premium shall be claimed from Buyers, wherever possible, with the Provisional Invoice,  
219 but in no case later than the date of vessel's arrival, or not later than 7 consecutive days after the rate has been agreed  
220 with underwriters, whichever may be the later, otherwise such claim shall be void unless, in the opinion of Arbitrators,  
221 the delay is justifiable. Sellers' obligation to provide War Risk Insurance shall be limited to the terms and conditions in  
222 force and generally obtainable in London at time of shipment.

223 (i) Where Sellers are responsible for allowances or other payments to Buyers under Rye Terms or other contractual  
224 terms, (and which risks are also covered by the insurance provided by Sellers), the Buyers, on receipt of settlement, shall  
225 immediately return to Sellers the insurance documents originally received from them and shall, if required, subrogate to  
226 Sellers all right of claim against the Insurers in respect of such matters.

227 **19.2 For Contracts Concluded on C & F/C&FFO terms** Buyers shall be responsible for obtaining insurance cover as per  
228 Clause 19.1 above and shall, if required by Sellers, provide evidence to Sellers prior to the commencement of loading that  
229 they have obtained suitable cover. If Buyers refuse or fail to provide evidence Sellers are entitled (but not obliged) to  
230 cover insurance on the same terms at the Buyers' expense.

231  
232 **20. PREVENTION OF SHIPMENT**

233 "Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on behalf  
234 of the government of the country of origin or of the territory where the port or ports named herein is/are situate,  
235 restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d) hostilities, or (e)  
236 strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of machinery, or (h)

237 fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to transportation or navigation,  
238 or (l) any other event comprehended in the term "force majeure".

239  
240 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force  
241 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,  
242 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not later  
243 than 21 consecutive days before commencement of the shipment period, whichever is later, with the reasons  
244 therefor.

245  
246 If the Event of Force Majeure continues for 21 consecutive days after the end of the shipment period, then Buyers  
247 have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than the first  
248 business day after expiry of the 21 day period.

249  
250 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14  
251 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract shall  
252 be automatically cancelled.

253  
254 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers shall  
255 notify Buyers without delay that the Event of Force Majeure has ceased. Sellers shall be entitled, from the cessation,  
256 to as much time as was left for shipment under the contract prior to the occurrence of the Event of Force Majeure.  
257 If the time that was left for shipment under the contract is 14 days or less, a period of 14 consecutive days shall be  
258 allowed.

259  
260 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-  
261 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory evidence  
262 justifying the delay or non-fulfilment.

## 263 **21. NOTICES**

264  
265 (a) All notices required to be served on the parties pursuant to this contract shall be served in legible form by E-mail, or  
266 by other mutually recognised electronic method of rapid communication, always subject to the provision that if receipt  
267 of any notice is contested, the burden of proof of transmission shall be on the sender who shall, in the case of a dispute,  
268 establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to the Arbitration Clause, that  
269 the notice was actually transmitted to the addressee.

270 (b) In case of resales/repurchases, all notices shall be served without delay by sellers on their respective buyers or vice  
271 versa, and any notice received after 1600 hours on a business day shall be deemed, for the purpose of passing onto their  
272 sub buyers and sub sellers, to have been received on the business day following.

273 (c) A notice to the Brokers or Agent shall be deemed a notice under this contract.

## 274 **22. NON BUSINESS DAYS**

275  
276 Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days, which  
277 Gafta may declare as non business days for specific purposes, shall be non business days. Should the time limit for doing  
278 any act or serving any notice expire on a non business day, the time so limited shall be extended until the first business  
279 day thereafter. The period of shipment shall not be affected by this clause.

## 280 **23. DEFAULT**

281  
282 In default of fulfilment of contract by either party, the following provisions shall apply: -

283 (a) The party other than the defaulter shall, at their discretion have the right, after serving notice on the defaulter to sell  
284 or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default price.

285 (b) If either party be dissatisfied with such default price or if the right at (a) above is not exercised and damages cannot  
286 be mutually agreed, then the assessment of damages shall be settled by arbitration.

287 (c) The damages payable shall be based on, but not limited to, the difference between the contract price and either the  
288 default price established under (a) above or upon the actual or estimated value of the goods, on the date of default,  
289 established under (b) above.

290 (d) In no case shall damages include loss of profit on any sub contracts made by the party defaulted against or others  
291 unless the arbitrator(s) or board of appeal, having regard to special circumstances, shall in his/their sole and absolute  
292 discretion think fit.

293 (e) Damages, if any, shall be computed on the quantity appropriated if any but, if no such quantity has been appropriated  
294 then on the mean contract quantity, and any option available to either party shall be deemed to have been exercised  
295 accordingly in favour of the mean contract quantity.

296 (f) Sellers may declare themselves in default at any time after expiry of the contract period, and the default date shall then be the  
297 first business day after the date of Sellers' advice to their Buyers. If default has not already been declared then (notwithstanding the  
298 provisions stated in the Appropriation Clause) if notice of appropriation has not been served by the 5<sup>th</sup> business day after the last

299 day for appropriation laid down in the contract, the Sellers shall be deemed to be in default, and the default date shall then be the  
300 first business day thereafter.

#### 301 **24. CIRCLE**

302 Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part thereof, a  
303 circle shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the Default  
304 Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the same description,  
305 from the same country of origin, of the same quality, and, where applicable, of the same analysis warranty, for  
306 shipment to the same port(s) of destination during the same period of shipment). Different currencies shall not  
307 invalidate the circle. Subject to the terms of the Prevention of Shipment Clause in the contract, if a circle is  
308 established prior to the goods being appropriated to all parties in the circle, settlement shall be based on the mean  
309 contract quantity. However, where a circle is established after the goods have been appropriated to all parties in  
310 the circle, settlement shall be based on the appropriated quantity. No circle settlement shall apply where documents  
311 have been presented to and paid by one of the parties in the circle. Settlement shall be made between the parties  
312 in the circle by payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over the lowest  
313 invoice amount in the circle. Payment shall be due not later than 15 consecutive days after the last day for  
314 appropriation, or, should the circle not be ascertained before the expiry of this time, then payment shall be due not  
315 later than 15 consecutive days after the circle is ascertained. Where the circle includes contracts expressed in  
316 different currencies the lowest invoice amount shall be replaced by the market price on the first day for contractual  
317 shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the differences  
318 between the market price and the relative contract price in currency of the contract. All Sellers and Buyers shall  
319 give every assistance to ascertain the circle and when a circle shall have been ascertained in accordance with this  
320 clause same shall be binding on all parties to the circle. As between Buyers and Sellers in the circle, the non-  
321 presentation of documents by Sellers to their Buyers shall not be considered a breach of contract. Should any party  
322 in the circle prior to the due date of payment commit any act comprehended in the Insolvency Clause of his contract,  
323 settlement by all parties in the circle shall be calculated at the closing out price as provided for in the Insolvency  
324 Clause, which shall be taken as a basis for settlement, instead of the lowest invoice amount in the circle. In this event  
325 respective Buyers shall make payment to their Sellers or respective Sellers shall make payment to their Buyers of  
326 the difference between the closing out price and the contract price.  
327

#### 328 **25. INSOLVENCY**

329 25.1 If before the fulfilment of this contract, either party shall:

- 330 (a) suspend payments;
- 331 (b) notify any of the creditors that he is unable to meet debts or that he has suspended or that he is about to  
332 suspend payments of his debts;
- 333 (c) convene, call or hold a meeting of creditors;
- 334 (d) propose either:
  - 335 (i) a voluntary arrangement; or
  - 336 (ii) a restructuring plan under Part 26A Companies Act 2006;
- 337 (e) be subject to a moratorium pursuant to Part A1 of the Insolvency Act 1986;
- 338 (f) be subject to either:
  - 339 (i) a notice of intention to appoint an administrator; or
  - 340 (ii) a notice of appointment of an administrator;
- 341 (g) have an administration order made;
- 342 (h) be subject to a winding up petition;
- 343 (i) have a winding up order made;
- 344 (j) have a receiver or manager appointed;
- 345 (k) convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation);
- 346 (l) become subject to an interim order under Section 252 of the Insolvency Act 1986; or
- 347 (m) have a bankruptcy petition presented against him,

348 (any of which acts being hereinafter called an "**Act of Insolvency**")

349 then the party committing such Act of Insolvency shall forthwith serve a notice of the occurrence of such Act  
350 of Insolvency on the other party to the contract and upon proof (by either the other party to the contract or  
351 the office-holder or other person representing the party committing the Act of Insolvency) that such notice  
352 was served within 2 business days of the occurrence of the Act of Insolvency, the contract shall be closed out  
353 at the market price ruling on the business day following the serving of the notice.

354 25.2 If such notice has not been served, then the other party, on learning of the occurrence of the Act of Insolvency,  
355 shall have the option of declaring the contract closed out at either the market price on the first business day  
356 after the date when such party first learnt of the occurrence of the Act of Insolvency or at the market price  
357 ruling on the first business day after the date when the Act of Insolvency occurred.

358 25.3 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the  
359 closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the re-  
360 purchase or re-sale price shall be the amount payable or receivable under this contract.  
361

362 **26. DOMICILE**

363 This contract shall be construed and take effect in accordance with the laws of England. Except for the purpose of  
364 enforcing any award made in pursuance of the Arbitration Clause of this contract, the Courts of England shall have  
365 exclusive jurisdiction to determine any application for ancillary relief, (save for obtaining security only for the claim or  
366 counter-claim), the exercise of the powers of the Court in relation to the arbitration proceedings and any dispute other  
367 than a dispute which shall fall within the jurisdiction of arbitrators or board of appeal of the Association pursuant to  
368 the Arbitration Clause of this contract. For the purpose of any legal proceedings each party shall be deemed to be  
369 ordinarily resident or carrying on business at the offices of The Grain and Feed Trade Association, (Gafta), England. The  
370 service of proceedings upon any such party by leaving the same at the offices of The Grain and Feed Trade Association,  
371 together with the posting of a copy of such proceedings to his address outside England, shall be deemed good service,  
372 any rule of law or equity to the contrary notwithstanding.  
373

374 **27. ARBITRATION**

375 (a) Any and all disputes arising out of or under this contract or any claim regarding the interpretation or execution of  
376 this contract shall be determined by arbitration in accordance with the Gafta Arbitration Rules, No 125, in the edition  
377 current at the date of this contract; such Rules are incorporated into and form part of this Contract and both parties  
378 hereto shall be deemed to be fully cognisant of and to have expressly agreed to the application of such Rules.

379 (b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings  
380 against the other in respect of any such dispute, or claim until such dispute or claim shall first have been heard and  
381 determined by the arbitrator(s) or a board of appeal, as the case may be, in accordance with the Arbitration Rules and it  
382 is expressly agreed and declared that the obtaining of an award from the arbitrator(s) or board of appeal, as the case  
383 may be, shall be a condition precedent to the right of either party hereto or of any persons claiming under either of them  
384 to bring any action or other legal proceedings against the other of them in respect of any such dispute or claim.

385 (c) Nothing contained under this Arbitration Clause shall prevent the parties from seeking to obtain security in respect  
386 of their claim or counterclaim via legal proceedings in any jurisdiction, provided such legal proceedings shall be limited  
387 to applying for and/or obtaining security for a claim or counterclaim, it being understood and agreed that the substantive  
388 merits of any dispute or claim shall be determined solely by arbitration in accordance with the Gafta Arbitration Rules,  
389 No 125.  
390

391 **28. INTERNATIONAL CONVENTIONS**

392 The following shall not apply to this contract: -

393 (a) The Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on  
394 International Sales Act 1967.

395 (b) The United Nations Convention on Contracts for the International Sale of Goods of 1980.

396 (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the  
397 amending Protocol of 1980.

398 (d) Incoterms.

399 (e) Unless the contract contains any statement expressly to the contrary, a person who is not a party to this contract has  
400 no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.  
401

402 **29. METHODS OF ANALYSIS**

403 Unless otherwise agreed, the terms and conditions of Gafta Methods of Analysis No. 130 are deemed to be incorporated  
404 into this contract.  
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Sellers ..... Buyers.....

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