

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 **BUYERS**.....

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

7

8 **1. GOODS**..... in bulk.

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

10 bags to be taken and paid for as goods.

11

12 **2. QUANTITY**

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

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

15 thereby.

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17 **3. PRICE AND DESTINATION**

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

19

20 *cost, insurance and freight to.....

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22 *cost, insurance and freight free out to

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24 *cost and freight to

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26 * cost and freight free out to.....

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

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

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

31 goods are not appropriated then brokerage shall be due on the 30th consecutive day after the last day for

32 appropriation. Any disputes arising out of this clause shall be referred to arbitration in accordance with the arbitration

33 clause

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35 **5. QUALITY**

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

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

39 quality.

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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.

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6. PERIOD OF SHIPMENT

As per bill(s) of lading dated or to be dated
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 proof of date of shipment in the absence of evidence to the contrary. In any month containing an odd number of days, the middle day shall be accepted as being in both halves of the month.

7. SALES BY NAMED VESSELS

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

8. SHIPMENT AND CLASSIFICATION

Shipment from
direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s) suitable for the carriage of the contract goods, classed in accordance with the Institute Classification Clause of the International Underwriting Association in force at the time of shipment.

9. NOMINATION OF VESSEL(S) FOR CONTRACTS CONCLUDED ON C & F/C&FFO TERMS

(a) At a date agreed between the Parties but in any event prior to the commencement of loading, Sellers shall nominate the intended carrying vessel(s) to Buyers.
(b) Sellers are entitled to substitute the nomination(s) provided that the substituting vessel(s) complies with the terms of this clause.

10. EXTENSION OF SHIPMENT

The contract period for shipment, if such be 31 days or less, shall be extended by an additional period of not more than 8 days, provided that Sellers serve notice claiming extension not later than the next business day following the last day of the originally stipulated period. The notice need not state the number of additional days claimed.
Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on the number of days by which the originally stipulated period is exceeded, in accordance with the following scale: -
1 to 4 additional days, 0.50%;
5 or 6 additional days, 1%;
7 or 8 additional days 1.50% of the gross contract price.

If, however, after having served notice to Buyers as above, Sellers fail to make shipment within such 8 days, then the contract shall be deemed to have called for shipment during the originally stipulated period plus 8 days, at contract price less 1.50%, and any settlement for default shall be calculated on that basis. If any allowance becomes due under this clause, the contract price shall be deemed to be the original contract price less the allowance and any other contractual differences shall be settled on the basis of such reduced price.

11. APPROPRIATION

(a) Notice of appropriation shall state the vessel's name, the presumed weight shipped, and the date or the presumed date of the bill of lading.
(b) The notice of appropriation shall within consecutive days from the date of the bill(s) of lading be served by or on behalf of the Shipper direct on his Buyers or on the Selling Agent or Brokers named in the contract. The Non-Business Days Clause shall not apply.
(c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of subsequent Sellers on their Buyers or on the Selling Agent or Brokers named in the contract, but if notice of appropriation is received 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 notice of appropriation shall be deemed to be in time if served: -
(1) On the same calendar day, if received not later than 1600 hours on any business day, or
(2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-business day.
(d) A notice of appropriation served on a Selling Agent or Brokers named in the contract shall be considered an appropriation served on Buyers. A Selling Agent or Brokers receiving a notice of appropriation shall serve like notice of appropriation in accordance with the provisions of this clause. Where the Shipper or subsequent Sellers serves the notice of appropriation on the Selling Agent, such Selling Agent may serve notice of appropriation either direct to the Buyers or to the Brokers.
(e) The bill of lading date stated in the notice of appropriation shall be for information only and shall not be binding, but in fixing the period laid down by this clause for serving notices of appropriation the actual date of the bill of lading shall 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
112 expenses 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
114 consent.

115 (i) In the event of less than 95 tonnes being tendered by any one vessel Buyers shall be entitled to refund of any proved
116 extra expenses for sampling, analysis and lighterage incurred thereby at port of discharge.

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
128 contract. Buyers agree to accept documents containing the Chamber of Shipping War Deviation Clause and/or other
129 recognised official War Risk Clause.

130 (c) In the event of shipping documents not being available when called for by Buyers, or on arrival of the vessel at
131 destination, Sellers shall provide other documents or an indemnity entitling Buyers to obtain delivery of the goods and
132 payment shall be made by Buyers in exchange for same, but such payment shall not prejudice Buyers' rights under the
133 contract when shipping documents are eventually available.

134 (d) Should Sellers fail to present shipping documents or other documents or an indemnity entitling Buyers to take
135 delivery, Buyers shall take delivery under an indemnity provided by themselves and shall pay for the other documents
136 when presented. Any reasonable extra expenses, including the costs of such indemnity or extra charges incurred by
137 reason of the failure of Sellers to provide such documents, shall be borne by Sellers, but such payment shall not
138 prejudice Buyers' rights under the contract when shipping documents are eventually available.

139 (e) Should shipping documents be presented with an incomplete set of bill(s) of lading or should other shipping
140 documents be missing, payment shall be made provided that delivery of such missing documents is guaranteed, such
141 guarantee to be countersigned, if required by Buyers, by a recognised bank.

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

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

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

151 **13. DUTIES, TAXES, LEVIES, ETC.**

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

155 **14. DISCHARGE**

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

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

161 Discharge shall be at the average rate of tonnes per Weather Working Day, Saturdays, Sundays, Holidays
162 Excepted, Unless Used, (WWD SSHEX UU), in which case actual time used to count. Notice of Readiness (NOR) shall be
163 tendered during ordinary office hours on arrival, Whether In Port Or Not, (WIPON), Whether In Berth Or Not, (WIBON),
164 Whether In Free Pratique Or Not, (WIFPON), Whether Customs Cleared Or Not (WCCON) and laytime shall commence

169 at 0800 hours on the next working day. Rate of demurrage/despatch as per Charter Party. In the event of a time
170 charter, the daily hire rate shall be taken as the rate of demurrage, half despatch.

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

175 176 **15. WEIGHING**

177 The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this contract. Unless
178 otherwise agreed, final settlement shall be made on the basis of gross delivered weights at time and place of discharge
179 at Buyers' expense. If the place of destination is outside the port limits, Buyers agree to pay the extra expenses
180 incurred by Sellers or their agents for weighing. No payment shall be made for increase in weight occasioned by water
181 and/or oil during the voyage. If final at time and place of loading, as per GAFTA registered superintendents' certificate
182 at Sellers' choice and expense, (in which case the Deficiency Clause will not apply).

183 184 **16. DEFICIENCY**

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

187 188 **17. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**

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

194 195 **18. FUMIGATION**

196 Where fumigation has been agreed, the terms and conditions of GAFTA Fumigation Rules No. 132 shall be incorporated
197 into this contract.

198 199 **19. INSURANCE**

200 **19.1 For Contracts Concluded on CIF/CIFFO terms** Sellers shall provide insurance on terms not less favourable than
201 those set out hereunder, and as set out in detail in GAFTA Insurance Terms No.72 viz.:-

202 (a) Risks Covered:-

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

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

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

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

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

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

218 (e) Certificates/Policies - Sellers shall serve all policies and/or certificates and/or letters of insurance provided for in
219 this contract, (duly stamped if applicable) for original and increased value (if any) for the value stipulated in (c) above.
220 In the event of a certificate of insurance being supplied, it is agreed that such certificate shall be exchanged by Sellers
221 for a policy if and when required and such certificate shall state on its face that it is so exchangeable. If required by
222 Buyers, letter(s) of insurance shall be guaranteed by a recognised bank, or by any other guarantor who is acceptable to
223 Buyers.

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

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

229 (h) War and Strike Risks Premiums - Any premium in excess of 0.50% to be for account of Buyers. The rate of such
230 insurance not to exceed the rate ruling in London at time of shipment or date of vessel's sailing whichever may be
231 adopted by underwriters. Such excess premium shall be claimed from Buyers, wherever possible, with the Provisional

232 Invoice, but in no case later than the date of vessel's arrival, or not later than 7 consecutive days after the rate has been
233 agreed with underwriters, whichever may be the later, otherwise such claim shall be void unless, in the opinion of
234 Arbitrators, the delay is justifiable. Sellers' obligation to provide War Risk Insurance shall be limited to the terms and
235 conditions in force and generally obtainable in London at time of shipment.

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

240 **19.2 For Contracts Concluded on C & F/C&FFO terms** Buyers shall be responsible for obtaining insurance cover as
241 per Clause 19.1 above and shall, if required by Sellers, provide evidence to Sellers prior to the commencement of
242 loading that they have obtained suitable cover. If Buyers refuse or fail to provide evidence Sellers are entitled (but not
243 obliged) to cover insurance on the same terms at the Buyers' expense.

20. PREVENTION OF SHIPMENT

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245 "Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on behalf
246 of the government of the country of origin or of the territory where the port or ports named herein is/are situate,
247 restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d) hostilities, or (e)
248 strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of machinery, or (h)
249 fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to transportation or
250 navigation, or (l) any other event comprehended in the term "force majeure".
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253 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force
254 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,
255 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not later
256 than 21 consecutive days before commencement of the shipment period, whichever is later, with the reasons
257 therefor.

258
259 If the Event of Force Majeure continues for 21 consecutive days after the end of the shipment period, then Buyers
260 have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than the first
261 business day after expiry of the 21 day period.

262
263 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14
264 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract
265 shall be automatically cancelled.

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

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

21. NOTICES

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277 All notices required to be served on the parties pursuant to this contract shall be served rapidly in legible form.
278 Methods of rapid communication for the purposes of this clause are defined and mutually recognised as: - either telex,
279 or letter if delivered by hand on the date of writing, or telefax, or E-mail, or other electronic means, always subject to
280 the proviso that if receipt of any notice is contested, the burden of proof of transmission shall be on the sender who
281 shall, in the case of a dispute, establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to
282 the Arbitration Clause, that the notice was actually transmitted to the addressee. In case of resales/repurchases all
283 notices shall be served without delay by sellers on their respective buyers or vice versa, and any notice received after
284 1600 hours on a business day shall be deemed to have been received on the business day following. A notice to the
285 Brokers or Agent shall be deemed a notice under this contract.
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22. NON BUSINESS DAYS

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288 Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days, which
289 GAFTA may declare as non business days for specific purposes, shall be non business days. Should the time limit for
290 doing any act or serving any notice expire on a non business day, the time so limited shall be extended until the first
291 business day thereafter. The period of shipment shall not be affected by this clause.
292

23. DEFAULT

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

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

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

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

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

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

309 (f) Default may be declared by Sellers at any time after expiry of the contract period, and the default date shall then be the first
310 business day after the date of Sellers' advice to their Buyers. If default has not already been declared then (notwithstanding the
311 provisions stated in the Appropriation Clause) if notice of appropriation has not been served by the 10th consecutive day after the
312 last day for appropriation laid down in the contract, where the Appropriation Clause provides for 7 or more days for service of the
313 appropriation, or if notice of appropriation has not been served by the 4th business day after the last day for appropriation laid
314 down in the contract where the Appropriation Clause provides for less than 7 days for service of the appropriation, the Sellers
315 shall be deemed to be in default, and the default date shall then be the first business day thereafter.

316 **24. CIRCLE**

317 Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part thereof, a circle
318 shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the Default Clause
319 shall not apply. (For the purpose of this clause the same goods shall mean goods of the same description, from the same
320 country of origin, of the same quality, and, where applicable, of the same analysis warranty, for shipment to the same
321 port(s) of destination during the same period of shipment). Different currencies shall not invalidate the circle.

322 Subject to the terms of the Prevention of Shipment Clause in the contract, if the goods are not appropriated, or, having
323 been appropriated documents are not presented, invoices based on the mean contract quantity shall be settled by all
324 Buyers and their Sellers in the circle by payment by all Buyers to their Sellers of the excess of the Sellers' invoice
325 amount over the lowest invoice amount in the circle. Payment shall be due not later than 15 consecutive days after the
326 last day for appropriation, or, should the circle not be ascertained before the expiry of this time, then payment shall be
327 due not later than 15 consecutive days after the circle is ascertained.

328 Where the circle includes contracts expressed in different currencies the lowest invoice amount shall be replaced by
329 the market price on the first day for contractual shipment and invoices shall be settled between each Buyer and his
330 Seller in the circle by payment of the differences between the market price and the relative contract price in currency
331 of the contract.

332 All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle shall have been ascertained
333 in accordance with this clause same shall be binding on all parties to the circle. As between Buyers and Sellers in the
334 circle, the non presentation of documents by Sellers to their Buyers shall not be considered a breach of contract. Should
335 any party in the circle prior to the due date of payment commit any act comprehended in the Insolvency Clause of his
336 contract, settlement by all parties in the circle shall be calculated at the closing out price as provided for in the
337 Insolvency Clause, which shall be taken as a basis for settlement, instead of the lowest invoice amount in the circle. In
338 this event respective Buyers shall make payment to their Sellers or respective Sellers shall make payment to their
339 Buyers of the difference between the closing out price and the contract price.

340 **25. INSOLVENCY**

341 If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he is
342 unable to meet debts or that he has suspended or that he is about to suspend payments of his debts, convene, call or
343 hold a meeting of creditors, propose a voluntary arrangement, have an administration order made, have a winding up
344 order made, have a receiver or manager appointed, convene, call or hold a meeting to go into liquidation (other than
345 for re construction or amalgamation) become subject to an Interim Order under Section 252 of the Insolvency Act
346 1986, or have a Bankruptcy Petition presented against him (any of which acts being hereinafter called an "Act of
347 Insolvency") then the party committing
348 such Act of Insolvency shall forthwith serve a notice of the occurrence of such Act of Insolvency on the other party to
349 the contract and upon proof (by either the other party to the contract or the Receiver, Administrator, Liquidator or
350 other person representing the party committing the Act of Insolvency) that such notice was served within 2 business
351 days of the occurrence of the Act of Insolvency, the contract shall be closed out at the market price ruling on the
352 business day following the serving of the notice.

353 If such notice has not been served, then the other party, on learning of the occurrence of the Act of Insolvency, shall
354 have the option of declaring the contract closed out at either the market price on the first business day after the date
355

357 when such party first learnt of the occurrence of the Act of Insolvency or at the market price ruling on the first
358 business day after the date when the Act of Insolvency occurred.
359 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the closing out
360 of the contract by re purchase or re sale, and the difference between the contract price and the re purchase or re sale
361 price shall be the amount payable or receivable under this contract.
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363 **26. DOMICILE**

364 This contract shall be deemed to have been made in England and to be performed in England, notwithstanding any
365 contrary provision, and this contract shall be construed and take effect in accordance with the laws of England. Except
366 for the purpose of enforcing any award made in pursuance of the Arbitration clause of this contract, the Courts of
367 England shall have exclusive jurisdiction to determine any application for ancillary relief, (save for obtaining security
368 only for the claim or counter-claim), the exercise of the powers of the Court in relation to the arbitration proceedings
369 and any dispute other than a dispute which shall fall within the jurisdiction of arbitrators or board of appeal of the
370 Association pursuant to the Arbitration Clause of this contract. For the purpose of any legal proceedings each party
371 shall be deemed to be ordinarily resident or carrying on business at the offices of The Grain and Feed Trade
372 Association, England, (GAFTA) and any party residing or carrying on business in Scotland shall be held to have
373 prorogated jurisdiction against himself to the English Courts or if in Northern Ireland to have submitted to the
374 jurisdiction and to be bound by the decision of the English Courts. The service of proceedings upon any such party by
375 leaving the same at the offices of The Grain and Feed Trade Association, together with the posting of a copy of such
376 proceedings to his address outside England, shall be deemed good service, any rule of law or equity to the contrary
377 notwithstanding.
378

379 **27. ARBITRATION**

380 (a) Any and all disputes arising out of or under this contract or any claim regarding the interpretation or execution of
381 this contract shall be determined by arbitration in accordance with the GAFTA Arbitration Rules, No 125, in the edition
382 current at the date of this contract; such Rules are incorporated into and form part of this Contract and both parties
383 hereto shall be deemed to be fully cognisant of and to have expressly agreed to the application of such Rules.
384 (b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal
385 proceedings against the other in respect of any such dispute, or claim until such dispute or claim shall first have been
386 heard and determined by the arbitrator(s) or a board of appeal, as the case may be, in accordance with the Arbitration
387 Rules and it is expressly agreed and declared that the obtaining of an award from the arbitrator(s) or board of appeal,
388 as the case may be, shall be a condition precedent to the right of either party hereto or of any persons claiming under
389 either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute or
390 claim.
391 (c) Nothing contained under this Arbitration Clause shall prevent the parties from seeking to obtain security in respect
392 of their claim or counterclaim via legal proceedings in any jurisdiction, provided such legal proceedings shall be limited
393 to applying for and/or obtaining security for a claim or counterclaim, it being understood and agreed that the
394 substantive merits of any dispute or claim shall be determined solely by arbitration in accordance with the GAFTA
395 Arbitration Rules, No 125.
396
397

398 **28. INTERNATIONAL CONVENTIONS**

399 The following shall not apply to this contract: -
400 (a) The Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on
401 International Sales Act 1967.
402 (b) The United Nations Convention on Contracts for the International Sale of Goods of 1980.
403 (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the
404 amending Protocol of 1980.
405 (d) Incoterms.
406 (e) Unless the contract contains any statement expressly to the contrary, a person who is not a party to this contract
407 has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.
408

409 **29. METHODS OF ANALYSIS**

410 Unless otherwise agreed, the terms and conditions of GAFTA Methods of Analysis No. 130 are deemed to be
411 incorporated into this contract.

Sellers Buyers.....

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