

Contract No.9

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THE GRAIN AND FEED TRADE ASSOCIATION



CONTRACT FOR IMPORTED FEEDING MEAT MEAL AND MEAT AND BONE MEAL IN BAGS TALE QUALE – CIF/CIFFO/C&F/C&FFO TERMS

*delete/specify as appropriate

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**

9

10 **2. QUANTITY**.....

11 Sellers shall have the option of shipping up to 5% more or less than the contract quantity. In the event of
12 more than one shipment being made, each shipment shall be considered a separate contract, but the margin
13 on the mean quantity sold shall not be affected thereby.

14

15 **3. PRICE AND DESTINATION**

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

17

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

19

20 *cost, insurance and freight free out to

21

22 *cost and freight to

23

24 * cost and freight free out, to.....

25

26 **4. BROKERAGE**.....per tonne, to be paid by Sellers on the mean contract quantity, goods lost

27 or not lost, contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the
28 contract under the terms of the Prevention of Shipment Clause. Brokerage shall be due on the day shipping
29 documents are exchanged or, if the goods are not appropriated then brokerage shall be due on the 30th
30 consecutive day after the last day for appropriation. Any disputes arising out of this clause shall be referred
31 to arbitration in accordance with the arbitration clause.

32

33 **5. QUALITY**

34 **Warranted to contain**.....

35

36 Not less than % of Protein.

37

38 Not less than % of Phosphoric Acid equal to

39

40 Not less than % of Bone Phosphate of Lime.

41

42 Not more than % of Fat.

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

44

45 **6. ALLOWANCES FOR DEFICIENCY AND/OR EXCESS**

46 **Protein** - The allowance to Buyers shall be at the rate of 1% of the contract price for each unit of deficiency
47 up to 3% and proportionately for any fraction thereof.

48 **Bone phosphate of lime** - The allowance to Buyers for deficiency shall be at the rate of 1% of the contract
49 price for each unit of deficiency up to 4% and proportionately for any fraction thereof.

50 **Fat** - where goods are sold on the basis of: -

51 not more than 3% fat an excess of 1% fat may be delivered.

52 Over 3% and not more than 5% fat, an excess of 1.50% fat may be delivered.

53 Over 5% and not more than 8% fat, an excess of 2% fat may be delivered.

54 Over 8% fat an excess of 3% fat may be delivered.

55 The allowance to Buyers for excess over the contract warranty shall be at the rate of 1% of the contract
56 price for each unit of excess or proportionately for any fraction thereof.

57 **Right of rejection** - Should the analysis show deficiency and/or excess beyond the limits specified above,
58 Buyers shall be entitled to rejection but should Buyers decide to retain the goods they shall be entitled to
59 further allowance or allowances to be settled by agreement or arbitration.

60 **7. PERIOD OF SHIPMENT**

61 As per bill(s) of lading dated or to be dated

62 The bill(s) of lading to be dated when the goods are actually on board. Date of the bill(s) of lading shall be
63 accepted as proof of date of shipment in the absence of evidence to the contrary. In any month containing
64 an odd number of days, the middle day shall be accepted as being in both halves of the month.

65 **8. SALES BY NAMED VESSELS**

66 For all sales by named vessels, the following shall apply: -

67 (a) Position of vessel is mutually agreed between Buyers and Sellers;

68 (b) The word "now" to be inserted before the word "classed" in the Shipment and Classification Clause;

69 (c) Appropriation Clause cancelled if sold "shipped".

70 **9. SHIPMENT AND CLASSIFICATION**

71 Shipment from.....

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

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

76 (a) At a date agreed between the Parties but in any event prior to the commencement of loading, Sellers
77 shall nominate the intended carrying vessel(s) to Buyers. The vessel(s) nominated shall comply with the
78 terms of the Institute Classification Clause and any other requirements as set out in the contract.

79 (b) Sellers are entitled to substitute the nomination(s) provided that the substituting vessel(s) complies
80 with the terms of this clause.

81 **11. EXTENSION OF SHIPMENT**

82 The contract period for shipment, if such be 31 days or less, shall be extended by an additional period of not
83 more than 8 days, provided that Sellers serve notice claiming extension not later than the next business day
84 following the last day of the originally stipulated period. The notice need not state the number of additional
85 days claimed.

86 Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on
87 the number of days by which the originally stipulated period is exceeded, in accordance with the following
88 scale: -

89 1 to 4 additional days, 0.50%;

90 5 or 6 additional days, 1%;

91 7 or 8 additional days 1.50% of the gross contract price.

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

98 **12. APPROPRIATION**

99 (a) Notice of appropriation shall state the vessel's name, the presumed weight shipped, and the date or the
100 presumed date of the bill of lading.

107 (b) The notice of appropriation shall within consecutive days from the date of the bill(s) of
108 lading be served by or on behalf of the Shipper direct on his Buyers or on the Selling Agent or Brokers
109 named in the contract. The Non-Business Days Clause shall not apply.

110 (c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of
111 subsequent Sellers on their Buyers or on the Selling Agent or Brokers named in the contract, but if notice of
112 appropriation is received by subsequent Sellers on the last day or after the period stated in sub-clause (b)
113 from the date of the bill of lading, their notice of appropriation shall be deemed to be in time if served: -

114 (1) On the same calendar day, if received not later than 1600 hours on any business day, or

115 (2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-
116 business day.

117 (d) A notice of appropriation served on a Selling Agent or Brokers named in the contract shall be considered
118 an appropriation served on Buyers. A Selling Agent or Brokers receiving a notice of appropriation shall
119 serve like notice of appropriation in accordance with the provisions of this clause. Where the Shipper or
120 subsequent Sellers serves the notice of appropriation on the Selling Agent, such Selling Agent may serve
121 notice of appropriation either direct to the Buyers or to the Brokers.

122 (e) The bill of lading date stated in the notice of appropriation shall be for information only and shall not be
123 binding, but in fixing the period laid down by this clause for serving notices of appropriation the actual date
124 of the bill of lading shall prevail.

125 (f) Every notice of appropriation shall be open to correction of any errors occurring in transmission,
126 provided that the sender is not responsible for such errors, and for any previous error in transmission
127 which has been repeated in good faith.

128 (g) Should the vessel arrive before receipt of the appropriation and any extra expenses is incurred thereby,
129 such expenses shall be borne by Sellers.

130 (h) When a valid notice of appropriation has been received by Buyers, it shall not be withdrawn except with
131 their consent.

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

134 13. PAYMENT

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

136 * In exchange for and on presentation of shipping documents;

137 * In exchange for shipping documents on or before arrival of the vessel at destination, at Buyers' option;
138 Sellers, however, have the option of calling upon Buyers to take up and pay for documents on or after
139

140 consecutive days from the date of the bill(s) of lading.

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

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

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

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

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

164 (g) No obvious clerical error in the documents shall entitle Buyers to reject them or delay payment, but
165 Sellers shall be responsible for all loss or expense caused to Buyers by reason of such error and Sellers shall
166 on request furnish an approved guarantee in respect thereto.
167

168 (h) **Interest.** If there has been unreasonable delay in any payment, interest appropriate to the currency
169 involved shall be charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which
170 shall be settled by arbitration. Otherwise interest shall be payable only where specifically provided in the
171 terms of the contract or by an award of arbitration. The terms of this clause do not override the parties'
172 contractual obligation under sub-clause (a).
173

174 **14. DUTIES, TAXES, LEVIES, ETC.**

175 Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in country
176 of origin, shall be for Sellers' account. All import duties, taxes, levies, etc., present or future, in country of
177 destination, shall be for Buyers' account.
178

179 **15. DISCHARGE**

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

184 (b) For C&FFO/CIFFO terms, the cost of discharge shall be for Buyers' account.
185

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

193 (c) If documents are tendered which do not provide for discharging as above or contain contrary
194 stipulations, Sellers shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by
195 grab(s) shall be permitted unless specifically excluded at time of contract. If shipment is effected by lash
196 barge, then the last day of discharge shall be the day of discharging the last lash barge at the port of
197 destination.
198

199 **16. WEIGHING**

200 The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this
201 contract. Unless otherwise agreed, final settlement shall be made on the basis of gross delivered weights at
202 time and place of discharge at Buyers' expense. If the place of destination is outside the port limits, Buyers
203 agree to pay the extra expenses incurred by Sellers or their agents for weighing. No payment shall be made
204 for increase in weight occasioned by water and/or oil during the voyage. If final at time and place of loading,
205 as per GAFTA registered superintendents' certificate at Sellers' choice and expense, (in which case the
206 Deficiency Clause will not apply).
207

208 **17. DEFICIENCY**

209 Any deficiency in the bill of lading weight shall be paid for by Sellers and any excess over bill of lading
210 weight shall be paid for by Buyers at contract price, (unless the Pro-rata clause applies).
211

212 **18. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**

213 The terms and conditions of GAFTA Sampling Rules No.124 are deemed to be incorporated into this
214 contract. Samples shall be taken at the time of discharge on or before removal from the ship or quay, unless
215 the parties agree that quality final at loading applies, in which event samples shall be taken at time and
216 place of loading. The parties shall appoint superintendents, for the purposes of supervision and sampling of
217 the goods, from the GAFTA Register of Superintendents. Unless otherwise agreed, analysts shall be
218 appointed from the GAFTA Register of Analysts.
219

220 **19. FUMIGATION**

221 Where fumigation has been agreed, the terms and conditions of GAFTA Fumigation Rules No. 132 shall be
222 incorporated into this contract.
223

224 **20. INSURANCE**

225 **20.1 For Contracts Concluded on CIF/CIFFO** Terms Sellers shall provide insurance on terms not less
226 favourable than those set out hereunder, and as set out in detail in GAFTA Insurance Terms No.72 viz.:-

227 (a) Risks Covered:-

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

229 War Clauses (Cargo)

- Section 4 of Form 72

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

(c) Insurable Value - Insured amount to be for not less than 2% over the invoice amount, including freight when freight 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 premium payable by Buyers.

(d) Freight Contingency - When freight is payable on arrival or on right and true delivery of the goods and the insurance does not include the freight, Sellers shall effect insurance upon similar terms, such insurance to attach only as such freight becomes payable, for the amount of the freight plus 2%, until the termination of the risk as provided in the above mentioned clauses, and shall undertake that their policies are so worded that in the case of particular or 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 time of shipment.

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

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

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

(h) War and Strike Risks Premiums - Any premium in excess of 0.50% to be for account of Buyers. The rate of such insurance not to exceed the rate ruling in London at time of shipment or date of vessel's sailing whichever may be adopted by underwriters. Such excess premium shall be claimed from Buyers, wherever possible, with the Provisional 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 agreed with underwriters, whichever may be the later, otherwise such claim shall be void unless, in the opinion of Arbitrators, the delay is justifiable. Sellers' obligation to provide War Risk Insurance shall be limited to the terms and conditions in force and generally obtainable in London at time of shipment.

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

20.2 For Contracts Concluded on C & F/C&FFO Terms Buyers shall be responsible for obtaining insurance cover as per Clause 20.1 above and shall, if required by Sellers, provide evidence to Sellers prior to the commencement of loading that they have obtained suitable cover. If Buyers refuse or fail to provide evidence Sellers are entitled (but not obliged) to cover insurance on the same terms at the Buyers' expense.

21. PREVENTION OF SHIPMENT

"Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on behalf of the government of the country of origin or of the territory where the port or ports named herein is/are situate, restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d) hostilities, or (e) strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of machinery, or (h) fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to transportation or navigation, or (l) any other event comprehended in the term "force majeure".

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

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

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

294
295 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers
296 shall notify Buyers without delay that the Event of Force Majeure has ceased. Sellers shall be entitled, from the
297 cessation, to as much time as was left for shipment under the contract prior to the occurrence of the Event of
298 Force Majeure. If the time that was left for shipment under the contract is 14 days or less, a period of 14
299 consecutive days shall be allowed.

300
301 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-
302 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory evidence
303 justifying the delay or non-fulfilment.

304 305 **22. NOTICES**

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

316 317 **23. NON BUSINESS DAYS**

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

323 324 **24. DEFAULT**

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

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

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

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

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

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

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

348 349 **25. CIRCLE**

350 Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part thereof, a
351 circle shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the
352 Default Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the same

353 description, from the same country of origin, of the same quality, and, where applicable, of the same analysis
354 warranty, for shipment to the same port(s) of destination during the same period of shipment). Different
355 currencies shall not invalidate the circle. Subject to the terms of the Prevention of Shipment Clause in the
356 contract, if a circle is established prior to the goods being appropriated to all parties in the circle, settlement shall
357 be based on the mean contract quantity. However, where a circle is established after the goods have been
358 appropriated to all parties in the circle, settlement shall be based on the appropriated quantity. No circle
359 settlement shall apply where documents have been presented to and paid by one of the parties in the circle.
360 Settlement shall be made between the parties in the circle by payment by all Buyers to their Sellers of the excess
361 of the Sellers' invoice amount over the lowest invoice amount in the circle. Payment shall be due not later than 15
362 consecutive days after the last day for appropriation, or, should the circle not be ascertained before the expiry of
363 this time, then payment shall be due not later than 15 consecutive days after the circle is ascertained. Where the
364 circle includes contracts expressed in different currencies the lowest invoice amount shall be replaced by the
365 market price on the first day for contractual shipment and invoices shall be settled between each Buyer and his
366 Seller in the circle by payment of the differences between the market price and the relative contract price in
367 currency of the contract. All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle
368 shall have been ascertained in accordance with this clause same shall be binding on all parties to the circle. As
369 between Buyers and Sellers in the circle, the non-presentation of documents by Sellers to their Buyers shall not be
370 considered a breach of contract. Should any party in the circle prior to the due date of payment commit any act
371 comprehended in the Insolvency Clause of his contract, settlement by all parties in the circle shall be calculated at
372 the closing out price as provided for in the Insolvency Clause, which shall be taken as a basis for settlement,
373 instead of the lowest invoice amount in the circle. In this event respective Buyers shall make payment to their
374 Sellers or respective Sellers shall make payment to their Buyers of the difference between the closing out price
375 and the contract price.
376

377 **26. INSOLVENCY**

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

390 If such notice has not been served, then the other party, on learning of the occurrence of the Act of
391 Insolvency, shall have the option of declaring the contract closed out at either the market price on the first
392 business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the
393 market price ruling on the first business day after the date when the Act of Insolvency occurred. In all cases
394 the other party to the contract shall have the option of ascertaining the settlement price on the closing out
395 of the contract by re-purchase or re sale, and the difference between the contract price and the re-purchase
396 or re-sale price shall be the amount payable or receivable under this contract.
397

398 **27. DOMICILE**

399 This contract shall be deemed to have been made in England and to be performed in England,
400 notwithstanding any contrary provision, and this contract shall be construed and take effect in accordance
401 with the laws of England. Except for the purpose of enforcing any award made in pursuance of the
402 Arbitration clause of this contract, the Courts of England shall have exclusive jurisdiction to determine any
403 application for ancillary relief, (save for obtaining security only for the claim or counter-claim), the
404 exercise of the powers of the Court in relation to the arbitration proceedings and any dispute other than a
405 dispute which shall fall within the jurisdiction of arbitrators or board of appeal of the Association pursuant
406 to the Arbitration Clause of this contract. For the purpose of any legal proceedings each party shall be
407 deemed to be ordinarily resident or carrying on business at the offices of The Grain and Feed Trade
408 Association, England, (GAFTA) and any party residing or carrying on business in Scotland shall be held to
409 have prorogated jurisdiction against himself to the English Courts or if in Northern Ireland to have
410 submitted to the jurisdiction and to be bound by the decision of the English Courts. The service of
411 proceedings upon any such party by leaving the same at the offices of The Grain and Feed Trade
412 Association, together with the posting of a copy of such proceedings to his address outside England, shall be
413 deemed good service, any rule of law or equity to the contrary notwithstanding.
414

415 **28. ARBITRATION**

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

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

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

433
434 **29. INTERNATIONAL CONVENTIONS**

435 The following shall not apply to this contract: -

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

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

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

441 (d) Incoterms.

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

444
445 **30. METHODS OF ANALYSIS**

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

Sellers.....Buyers

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