

Contract No.18



Copyright
THE GRAIN AND FEED TRADE ASSOCIATION

GOODS FROM CONTRACT FOR AUSTRALIA IN BULK FOB TERMS

** delete/specify as applicable*

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SELLERS

INTERVENING AS BROKERS

BUYERS

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

1. GOODS

2. QUANTITY

5 % more or less at Buyers' option at contract price. In the event of more than one delivery being made each delivery shall be considered a separate contract, but the margin on the mean quantity sold shall not be affected thereby.

3. PRICE

At the price per tonne of 1,000 kilograms delivered Stowed and Trimmed, Free on Board Buyers' vessel at

4. BROKERAGEper tonne, to be paid by Sellers on the mean contract quantity, goods lost or not lost,

contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the contract under the terms of the Prevention of Performance Clause. Brokerage shall be due on the day shipping documents are exchanged, or if the goods are not delivered then the brokerage shall be due on the 30th consecutive day after the last day of the period for presentation of the vessel. Any disputes arising out of this clause shall be referred to arbitration in accordance with the arbitration clause.

5. QUALITY

***Warranted to contain**

Difference in quality shall not entitle Buyers to reject except under the award of arbitrator(s) or board of appeal, as the case may be, referred to in the Arbitration Rules specified in the Arbitration Clause.

***Official**..... certificate of inspection or certification of inspection of..... issued at time and place of delivery shall be final as to quality. Buyers shall not be entitled to reject the delivery of a higher grade of grain of the same colour and description.

***Sample**, at time and place of delivery about as per sealed sample marked
in possession

the word "about" when referring to quality shall mean the equivalent of 0.50% on contract price.

Condition. Delivery shall be made in good condition.

6. PERIOD FOR PRESENTATION OF THE VESSEL

Presentation of the vessel duringat Buyers' call.

Nomination of vessel.

Buyers shall serve not less than consecutive days' notice of the name and probable readiness date of the vessel and the estimated tonnage required. The Buyer has the right to substitute any nominated vessel. Buyers' obligations regarding pre-advice shall only apply to the original vessel nominated. No new pre-advice is

48 required to be given in respect of any substitute vessel, provided that the substitute vessel arrives no earlier
49 than the estimated time of arrival of the original vessel nominated and always within the period for presentation
50 of the vessel. Provided the vessel is presented at the loading port in readiness to load within the period for
51 presentation of the vessel, Sellers shall if necessary complete loading after the period for presentation of the
52 vessel and carrying charges shall not apply. Notice of substitution to be given as soon as possible but in any
53 event no later than one business day before the estimated time of arrival of the original vessel. In case of re-sales
54 a provisional notice shall be passed on without delay, where possible, by telephone and confirmed on the same
55 day in accordance with the Notices Clause.

56 In any month containing an odd number of days the middle day shall be accepted as being in both halves of the
57 month, except for pricing purposes the middle day shall be considered to be in the first half of the month.
58

59 **Loading**

60 Vessel(s) to be clean and fit to receive the goods and to load in accordance with the custom of the port of loading
61 unless otherwise stipulated. Bill of lading shall be considered proof of delivery in the absence of evidence to the
62 contrary.
63

64 The cost of loading to be for Sellers' account. Vessel(s) to load at a rate of metric tons per WWSSHEX
65 EIU (Weather Working Day, Saturdays, Sundays and Holidays Excluded, even if used). Notice of readiness to be
66 tendered during business hours Monday to Friday, WIPON, (Whether in Port or Not), WIBON, (Whether in Berth
67 or Not), WIFPON (Whether in Free Pratique or Not), WCCON (Whether Customs Cleared or Not), and time to
68 count at 0800 hours on the next working day. Time from Friday 1700 hours to Monday at 0800 hours, or from
69 1700 hours on a day preceding a holiday to 0800 hours on the next business day, not to count, even if used. Time
70 used in shifting from anchorage to berth not to count, even if the vessel is already on demurrage.
71

72 Demurrage/Despatch as per Charter Party, but maximumDemurrage/Despatch to be
73 settled within 30 days of the presentation of an invoice and supporting documents.
74

75 **7. EXTENSION OF PERIOD FOR PRESENTATION OF THE VESSEL**

76 The period for presentation of the vessel shall be extended by an additional period of not more than 21 consecutive
77 days, provided that Buyers serve notice claiming extension not later than the next business day following the last
78 day of the period for presentation of the vessel. In this event Sellers shall carry the goods for Buyers' account and
79 all charges for storage, interest, insurance and other such normal carrying expenses shall be for Buyers' account,
80 unless the vessel presents in readiness to load within the original period for presentation of the vessel.

81 Any differences in export duties, taxes, levies etc, between those applying during the original period for
82 presentation of the vessel and those applying during the period of extension, shall be for the account of Buyers. If
83 required by Buyers, Sellers shall produce evidence of the amounts paid. In such cases the Duties, Taxes, Levies
84 Clause shall not apply.

85 Should Buyers fail to present a vessel in readiness to load under the extension period, Sellers shall have the option
86 of declaring Buyers to be in default, or shall be entitled to demand payment at the contract price plus such charges
87 as stated above, less current FOB charges, against warehouse warrants and the tender of such warehouse warrants
88 shall be considered complete delivery of the contract on the part of Sellers.
89

90 **8. SHIP'S CLASSIFICATION**

91 Shipment by first class mechanically self-propelled vessel(s) suitable for the carriage of the contract goods, classed
92 in accordance with the Institute Classification Clause of the International Underwriting Association in force at the
93 time of shipment, excluding tankers and vessels which are either classified in Lloyd's Register or described in
94 Lloyd's Shipping Index as "Ore/Oil" vessels.
95

96 **9. PAYMENT**

97 (a) By cash in

98 against the following documents.....

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

102 (c) **Interest.** If there has been unreasonable delay in any payment, interest appropriate to the currency involved
103 shall be charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which shall be settled
104 by arbitration. Otherwise interest shall be payable only where specifically provided in the terms of the contract
105 or by an award of arbitration. The terms of this clause do not override the parties' contractual obligation under
106 sub-clause (a).
107
108
109

- 110 **10. DUTIES, TAXES, LEVIES, ETC.**
111 Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in Australia or
112 of the territory where the port or ports of loading named herein is/are situate, shall be for Sellers' account.
113
- 114 **11. EXPORT LICENCE** - if required, to be obtained by Sellers.
115
- 116 **12. WEIGHING**
117 The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this contract.
118 Final at time and place of loading, as per GAFTA registered superintendent certificate at Sellers' choice and
119 expense. Buyers have the right to attend at loading.
120
- 121 **13. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**
122 The terms and conditions of GAFTA Sampling Rules No.124 are deemed to be incorporated into this contract.
123 Samples shall be taken at time and place of loading. The parties shall appoint superintendents, for the purposes
124 of supervision and sampling of the goods, from the GAFTA Register of Superintendents. Unless otherwise agreed,
125 analysts shall be appointed from the GAFTA Register of Analysts.
126
- 127 **14. FUMIGATION**
128 Where fumigation has been agreed, the terms and conditions of GAFTA Fumigation Rules No. 132 shall be
129 incorporated into this contract.
130
- 131 **15. INSURANCE**
132 Marine and War Risk insurance including strikes, riots, civil commotions and mine risks to be effected by the
133 Buyers with first class underwriters and/or approved companies. Buyers shall supply Sellers with confirmation
134 thereof at least 5 consecutive days prior to expected readiness of vessel(s). If Buyers fail to provide such
135 confirmation Sellers shall have the right to place such insurance at Buyers' risk and expense.
136
- 137 **16. PREVENTION OF PERFORMANCE**
138 "Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on
139 behalf of the government of the country of origin or of the territory where the port or ports named herein is/are
140 situate, restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d)
141 hostilities, or (e) strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of
142 machinery, or (h) fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to
143 transportation or navigation, or (l) any other event comprehended in the term "force majeure".
144
- 145 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force
146 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,
147 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not
148 later than 21 consecutive days before commencement of the period for presentation of the vessel, whichever is
149 later, with the reasons therefor.
150
- 151 If the Event of Force Majeure continues for 21 consecutive days after the end of the period for presentation of the
152 vessel, then Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not
153 later than the first business day after expiry of the 21 day period.
154
- 155 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14
156 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract
157 shall be automatically cancelled.
158
- 159 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers
160 shall notify Buyers without delay that the Event of Force Majeure has ceased. The period for presentation of the
161 vessel shall be extended, from the cessation, to as much time as was left for presentation of the vessel under the
162 contract prior to the occurrence of the Event of Force Majeure. If the time that was left for presentation of the
163 vessel under the contract is 14 days or less, a period of 14 consecutive days shall be allowed.
164
- 165 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-
166 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory
167 evidence justifying the delay or non-fulfilment.
168
- 169 **17. NOTICES**
170 (a) All notices required to be served on the parties pursuant to this contract shall be served in legible form by E-
171 mail, or by other mutually recognised electronic method of rapid communication, always subject to the provision

172 that if receipt of any notice is contested, the burden of proof of transmission shall be on the sender who shall, in the
173 case of a dispute, establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to the
174 Arbitration Clause, that the notice was actually transmitted to the addressee.

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

178 (c) A notice to the Brokers or Agent shall be deemed a notice under this contract.
179

18. NON-BUSINESS DAYS

181 Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days,
182 which GAFTA may declare as non-business days for specific purposes, shall be non-business days. Should the time
183 limit for doing any act or serving any notice expire on a non-business day, the time so limited shall be extended
184 until the first business day thereafter. The period for presentation of the vessel shall not be affected by this clause.
185

19. DEFAULT

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

187 (a) The party other than the defaulter shall, at their discretion have the right, after serving a notice on the defaulter,
188 to sell or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default
189 price.
190

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

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

196 (d) In all cases the damages shall, in addition, include any proven additional expenses which would directly and
197 naturally result in the ordinary course of events from the defaulter's breach of contract, but in no case shall
198 damages include loss of profit on any sub-contracts made by the party defaulted against or others unless the
199 arbitrator(s) or board of appeal, having regard to special circumstances, shall in his/their sole and absolute
200 discretion think fit.

201 (e) Damages, if any, shall be computed on the quantity called for, but if no such quantity has been declared then on
202 the mean contract quantity and any option available to either party shall be deemed to have been exercised
203 accordingly in favour of the mean contract quantity.
204

20. CIRCLE

205 Where Sellers re-purchase from their Buyers or from any subsequent Buyer the same goods or part thereof, a
206 circle shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the
207 Default Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the same
208 description, from the same country of origin, of the same quality, and, where applicable, of the same analysis
209 warranty, for delivery from the same port(s) of loading during the same period for presentation of the vessel).
210 Different currencies shall not invalidate the circle.
211

212 Subject to the terms of the Prevention of Performance Clause in the contract, if the circle is established before
213 the goods are delivered, or if the goods are not delivered, invoices based on the mean contract quantity, or if the
214 goods have been delivered invoices based on the delivered quantity, shall be settled by all Buyers and their
215 Sellers in the circle by payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over the
216 lowest invoice amount in the circle. Payment shall be due not later than 15 consecutive days after the last date
217 for presentation of the vessel, or, should the circle not be ascertained before the expiry of this time, then payment
218 shall be due not later than 15 consecutive days after the circle is ascertained.

219 Where the circle includes contracts expressed in different currencies the lowest invoice amount shall be
220 replaced by the market price on the first day for presentation of the vessel and invoices shall be settled between
221 each Buyer and his Seller in the circle by payment of the differences between the market price and the relative
222 contract price in the currency of the contract.

223 All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle shall have been
224 ascertained in accordance with this clause same shall be binding on all parties to the circle. As between Buyers
225 and Sellers in the circle, the non-presentation of documents by Sellers to their Buyers shall not be considered a
226 breach of contract.

227 Should any party in the circle prior to the due date of payment commit any act comprehended in the Insolvency
228 Clause of this contract, settlement by all parties in the circle shall be calculated at the closing out price as provided
229 for in the Insolvency Clause, which shall be taken as a basis for settlement, instead of the lowest invoice amount in
230 the circle. In this event respective Buyers shall make payment to their Sellers or respective Sellers shall make
231 payment to their Buyers of the difference between the closing out price and the contract price.
232

233 **21. INSOLVENCY**

234 21.1 If before the fulfilment of this contract, either party shall:

- 235 (a) suspend payments;
- 236 (b) notify any of the creditors that he is unable to meet debts or that he has suspended or that he is about to
- 237 suspend payments of his debts;
- 238 (c) convene, call or hold a meeting of creditors;
- 239 (d) propose either:
- 240 (i) a voluntary arrangement; or
- 241 (ii) a restructuring plan under Part 26A Companies Act 2006;
- 242 (e) be subject to a moratorium pursuant to Part A1 of the Insolvency Act 1986;
- 243 (f) be subject to either:
- 244 (i) a notice of intention to appoint an administrator; or
- 245 (ii) a notice of appointment of an administrator;
- 246 (g) have an administration order made;
- 247 (h) be subject to a winding up petition;
- 248 (i) have a winding up order made;
- 249 (j) have a receiver or manager appointed;
- 250 (k) convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation);
- 251 (l) become subject to an interim order under Section 252 of the Insolvency Act 1986; or
- 252 (m) have a bankruptcy petition presented against him,

253 (any of which acts being hereinafter called an “**Act of Insolvency**”)

254 then the party committing such Act of Insolvency shall forthwith serve a notice of the occurrence of such

255 Act of Insolvency on the other party to the contract and upon proof (by either the other party to the

256 contract or the office-holder or other person representing the party committing the Act of Insolvency) that

257 such notice was served within 2 business days of the occurrence of the Act of Insolvency, the contract shall

258 be closed out at the market price ruling on the business day following the serving of the notice.

259 21.2 If such notice has not been served, then the other party, on learning of the occurrence of the Act of

260 Insolvency, shall have the option of declaring the contract closed out at either the market price on the first

261 business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the

262 market price ruling on the first business day after the date when the Act of Insolvency occurred.

263 21.3 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the

264 closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the

265 re-purchase or re-sale price shall be the amount payable or receivable under this contract.

266

267 **22. DOMICILE**

268 This contract shall be deemed to have been made in England and to be performed in England, notwithstanding

269 any contrary provision, and this contract shall be construed and take effect in accordance with the laws of

270 England. Except for the purpose of enforcing any award made in pursuance of the Arbitration Clause of this

271 contract, the Courts of England shall have exclusive jurisdiction to determine any application for ancillary relief,

272 (save for obtaining security only for the claim or counter-claim), the exercise of the powers of the Court in

273 relation to the arbitration proceedings and any dispute other than a dispute which shall fall within the

274 jurisdiction of arbitrators or board of appeal of the Association pursuant to the Arbitration Clause of this

275 contract. For the purpose of any legal proceedings each party shall be deemed to be ordinarily resident or

276 carrying on business at the offices of The Grain and Feed Trade Association, England, (GAFTA), and any party

277 residing or carrying on business in Scotland shall be held to have prorogated jurisdiction against himself to the

278 English Courts or if in Northern Ireland to have submitted to the jurisdiction and to be bound by the decision of

279 the English Courts. The service of proceedings upon any such party by leaving the same at the offices of The

280 Grain and Feed Trade Association, together with the posting of a copy of such proceedings to his address outside

281 England, shall be deemed good service, any rule of law or equity to the contrary notwithstanding.

282

283 **23. ARBITRATION**

284 (a) Any and all disputes arising out of or under this contract or any claim regarding the interpretation or

285 execution of this contract shall be determined by arbitration in accordance with the GAFTA Arbitration Rules, No

286 125, in the edition current at the date of this contract; such Rules are incorporated into and form part of this

287 Contract and both parties hereto shall be deemed to be fully cognisant of and to have expressly agreed to the

288 application of such Rules.

289 (b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal

290 proceedings against the other in respect of any such dispute, or claim until such dispute or claim shall first have

291 been heard and determined by the arbitrator(s) or a board of appeal, as the case may be, in accordance with the

292 Arbitration Rules and it is expressly agreed and declared that the obtaining of an award from the arbitrator(s) or

293 board of appeal, as the case may be, shall be a condition precedent to the right of either party hereto or of any

294 persons claiming under either of them to bring any action or other legal proceedings against the other of them in

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

301
302 **24. INTERNATIONAL CONVENTIONS**

303 The following shall not apply to this contract: -
304 (a) The Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on
305 International Sales Act 1967.
306 (b) The United Nations Convention on Contracts for the International Sale of Goods of 1980.
307 (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the
308 amending Protocol of 1980.
309 (d) Incoterms.
310 (e) Unless the contract contains any statement expressly to the contrary, a person who is not a party to this
311 contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

312
313 **25. PHYTOSANITARY CERTIFICATE**

314 Where the provision of a phytosanitary certificate has been agreed between the parties, Sellers shall use their
315 reasonable endeavours to supply, at their own cost, a phytosanitary certificate in circumstances where:
316 (a) After the date on which the contract has been entered into the named country of import changes its
317 phytosanitary requirements or
318 (b) As at the date on which the contract has been entered into Sellers are not aware of the named country of
319 import.

320
321 **26. METHODS OF ANALYSIS**

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

Sellers..... Buyers

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GAFTA
THE GRAIN AND FEED TRADE ASSOCIATION
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