



Contract No.1

Copyright
THE GRAIN AND FEED TRADE ASSOCIATION

GENERAL CONTRACT FOR SHIPMENT OF FEEDING STUFFS IN 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**

9 in new and/or secondhand bags of suitable strength to withstand ordinary wear and tear to port of destination.
10 Such bags to be taken and paid for as goods. Broken cakes and/or meal to be taken and paid for as cakes.

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
14 made, each shipment shall be considered a separate contract, but the tolerance on the mean quantity sold
15 shall not be affected thereby.

16
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.....

21
22 *cost, insurance and freight free out to

23
24 *cost and freight to

25
26 * cost and freight free out to

27
28 **4. BROKERAGE**.....per tonne, to be paid by Sellers on the mean contract quantity, goods

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

34
35 **5. QUALITY**

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

37
38 ***Official**..... certificate of inspection, at time of loading into the
39 ocean carrying vessel, shall be final as to quality.

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

41
42 **6. PERIOD OF SHIPMENT**

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

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

47
48

- 49 **7. SALES BY NAMED VESSELS**
50 For all sales by named vessels, the following shall apply: -
51 (a) Position of vessel is mutually agreed between Buyers and Sellers;
52 (b) The word "now" to be inserted before the word "classed" in the Shipment and Classification Clause;
53 (c) Appropriation Clause cancelled if sold "shipped".
54
- 55 **8. SHIPMENT AND CLASSIFICATION**
56 Shipment from.....
57 direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s)
58 suitable for the carriage of the contract goods, classed in accordance with the Institute Classification
59 Clause of the International Underwriting Association in force at the time of shipment.
60
- 61 **9. NOMINATION OF VESSEL(S) FOR CONTRACTS CONCLUDED ON C & F/C&FFO TERMS**
62 (a) At a date agreed between the Parties but in any event prior to the commencement of loading, Sellers
63 shall nominate the intended carrying vessel(s) to Buyers.
64 (b) Sellers are entitled to substitute the nomination(s) provided that the substituting vessel(s) complies
65 with the terms of this clause.
66
- 67 **10. EXTENSION OF SHIPMENT**
68 The contract period for shipment, if such be 31 days or less, shall be extended by an additional period of
69 not more than 8 days, provided that Sellers serve notice claiming extension not later than the next
70 business day following the last day of the originally stipulated period. The notice need not state the
71 number of additional days claimed.
72 Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on
73 the number of days by which the originally stipulated period is exceeded, in accordance with the following
74 scale: -
75 1 to 4 additional days, 0.50%;
76 5 or 6 additional days, 1%;
77 7 or 8 additional days 1.50% of the gross contract price.
78 If, however, after having served notice to Buyers as above, Sellers fail to make shipment within such 8
79 days, then the contract shall be deemed to have called for shipment during the originally stipulated period
80 plus 8 days, at contract price less 1.50%, and any settlement for default shall be calculated on that basis. If
81 any allowance becomes due under this clause, the contract price shall be deemed to be the original
82 contract price less the allowance and any other contractual differences shall be settled on the basis of such
83 reduced price.
84
- 85 **11. APPROPRIATION**
86 (a) Notice of appropriation shall state the vessel's name, the presumed weight shipped, and the date or the
87 presumed date of the bill of lading.
88 (b) The notice of appropriation shall within 5 business days from the date of the bill(s) of lading be served
89 by or on behalf of the Shipper direct on his Buyers or on the Selling Agent or Brokers named in the
90 contract.
91 (c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of
92 subsequent Sellers on their Buyers or on the Selling Agent or Brokers named in the contract, but if notice
93 of appropriation is received by subsequent Sellers on the last day or after the period stated in sub-clause
94 (b) from the date of the bill of lading, their notice of appropriation shall be deemed to be in time if served:
95 (1) On the same calendar day, if received not later than 1600 hours on any business day, or
96 (2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-
97 business day.
98 (d) A notice of appropriation served on a Selling Agent or Brokers named in the contract shall be
99 considered an appropriation served on Buyers. A Selling Agent or Brokers receiving a notice of
100 appropriation shall serve like notice of appropriation in accordance with the provisions of this clause.
101 Where the Shipper or subsequent Sellers serves the notice of appropriation on the Selling Agent, such
102 Selling Agent may serve notice of appropriation either direct to the Buyers or to the Brokers.
103 (e) The bill of lading date stated in the notice of appropriation shall be for information only and shall not
104 be binding, but in fixing the period laid down by this clause for serving notices of appropriation the actual
105 date of the bill of lading shall prevail.
106 (f) Every notice of appropriation shall be open to correction of any errors occurring in transmission,
107 provided that the sender is not responsible for such errors, and for any previous error in transmission
108 which has been repeated in good faith.
109 (g) Should the vessel arrive before receipt of the appropriation and any extra expenses is incurred
110 thereby, such expenses shall be borne by Sellers.

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

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

116 12. PAYMENT

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

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

119 * In exchange for shipping documents on or before arrival of the vessel at destination, at Buyers' option;

120 Sellers, however, have the option of calling upon Buyers to take up and pay for documents on or after
121

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
124 Ship's Delivery Order(s) and/or other Delivery Order(s) in negotiable and transferable form. Such other
125 Delivery Order(s) if required by Buyers, to be countersigned by the Shipowners, their Agents or a
126 recognised bank. 3. For CIF/CIFFO terms Policy (ies) and/or sales Insurance Certificate(s) and/or
127 Letter(s) of Insurance in the currency of the contract. The Letter(s) of Insurance to be certified by a
128 recognised bank if required by Buyers. 4. Other documents as called for under the contract. Buyers agree
129 to accept documents containing the Chamber of Shipping War Deviation Clause and/or other recognised
130 official War Risk Clause.

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

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

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

140 (f) **Interest.** If there has been unreasonable delay in any payment, interest appropriate to the currency
141 involved shall be charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which
142 shall be settled by arbitration. Otherwise interest shall be payable only where specifically provided in the
143 terms of the contract or by an award of arbitration. The terms of this clause do not override the parties'
144 contractual obligation under sub-clause (a).
145

146 13. DUTIES, TAXES, LEVIES, ETC.

147 Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in
148 country of origin, shall be for Sellers' account. All import duties, taxes, levies, etc., present or future, in
149 country of destination, shall be for Buyers' account.
150

151 14. DISCHARGE

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

156 (b) **For C&FFO/CIFFO terms**, the cost of discharge shall be for Buyers' account.
157

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

165 (c) If documents are tendered which do not provide for discharging as above or contain contrary
166 stipulations, Sellers shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by
167 grab(s) shall be permitted unless specifically excluded at time of contract. If shipment is effected by lash
168 barge, then the last day of discharge shall be the day of discharging the last lash barge at the port of
169 destination.
170
171
172

- 173 **15. WEIGHING**
174 The terms and conditions of Gafta Weighing Rules No. 123 are deemed to be incorporated into this
175 contract. Unless otherwise agreed, final settlement shall be made on the basis of gross delivered weights
176 at time and place of discharge at Buyers' expense. If the place of destination is outside the port limits,
177 Buyers agree to pay the extra expenses incurred by Sellers or their agents for weighing. No payment shall
178 be made for increase in weight occasioned by water and/or oil during the voyage. If final at time and place
179 of loading, as per Gafta approved superintendents' certificate at Sellers' choice and expense, the Deficiency
180 Clause will not apply.
181
- 182 **16. DEFICIENCY**
183 Any deficiency in the bill of lading weight shall be paid for by Sellers and any excess over bill of lading
184 weight shall be paid for by Buyers at contract price, (unless the Pro-rata clause applies).
185
- 186 **17. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**
187 The terms and conditions of Gafta Sampling Rules No.124 are deemed to be incorporated into this
188 contract. Samples shall be taken at the time of discharge on or before removal from the ship or quay,
189 unless the parties agree that quality final at loading applies, in which event samples shall be taken at time
190 and place of loading. The parties shall appoint superintendents, for the purposes of supervision and
191 sampling of the goods, from the Gafta Approved Register of Superintendents. Unless otherwise agreed,
192 analysts shall be appointed from the Gafta Approved Register of Analysts.
193
- 194 **18. FUMIGATION**
195 Where fumigation has been agreed, the terms and conditions of Gafta Fumigation Rules No. 132 shall be
196 incorporated into this contract.
197
- 198 **19. INSURANCE**
199 **19.1 For Contracts Concluded on CIF/CIFFO terms** - Sellers shall provide insurance on terms not less
200 favourable than those set out hereunder, and as set out in detail in Gafta Insurance Terms No.72 viz.:-
201 (a) Risks Covered:-
202 Cargo Clauses (WA), with average payable, with 3% franchise or better terms - Section 2 of Form 72
203 War Clauses (Cargo) - Section 4 of Form 72
204 Strikes, Riots and Civil Commotions Clauses (Cargo) - Section 5 of Form 72
205 (b) Insurers - The insurance to be effected with first class underwriters and/or companies who are
206 domiciled or carrying on business in the United Kingdom or who, for the purpose of any legal proceedings,
207 accept a British domicile and provide an address for service of process in London, but for whose solvency
208 Sellers shall not be responsible.
209 (c) Insurable Value - Insured amount to be for not less than 2% over the invoice amount, including freight
210 when freight is payable on shipment or due in any event, ship and/or cargo lost or not lost, and including
211 the amount of any War 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
213 the insurance does not include the freight, Sellers shall effect insurance upon similar terms, such
214 insurance to attach only as such freight becomes payable, for the amount of the freight plus 2%, until the
215 termination of the risk as provided in the above mentioned clauses, and shall undertake that their policies
216 are so worded that in the case of particular or general average claim the Buyers shall be put in the same
217 position as if the c.i.f. value plus 2% were insured from the time of shipment.
218 (e) Certificates/Policies - Sellers shall serve all policies and/or certificates and/or letters of insurance
219 provided for in this contract, (duly stamped if applicable) for original and increased value (if any) for the
220 value stipulated in (c) above. In the event of a certificate of insurance being supplied, it is agreed that such
221 certificate shall be exchanged by Sellers for a policy if and when required and such certificate shall state
222 on its face that it is so exchangeable. If required by Buyers, letter(s) of insurance shall be guaranteed by a
223 recognised bank, or by any other guarantor who is acceptable to Buyers.
224 (f) Total Loss - In the event of total or constructive total loss, or where the amount of the insurance
225 becomes payable in full, the insured amount in excess of 2% over the invoice amount shall be for Sellers'
226 account and the party in possession of the policy (ies) shall collect the amount of insurance and shall
227 thereupon settle with the other party on 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
230 rate of such insurance not to exceed the rate ruling in London at time of shipment or date of vessel's
231 sailing whichever may be adopted by underwriters. Such excess premium shall be claimed from Buyers,
232 wherever possible, with the Provisional Invoice, but in no case later than the date of vessel's arrival, or not
233 later than 7 consecutive days after the rate has been agreed with underwriters, whichever may be the
234 later, otherwise such claim shall be void unless, in the opinion of Arbitrators, the delay is justifiable.

235 Sellers' obligation to provide War Risk Insurance shall be limited to the terms and conditions in force and
236 generally obtainable in London at time of shipment.

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

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

20. PREVENTION OF SHIPMENT

247 "Event of Force Majeure" means (a) prohibition of export or other an executive or legislative act done by or on
248 behalf of the government of the country of origin or of the territory where the port or ports named herein is/are
249 situate, restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d)
250 hostilities, or (e) strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of
251 machinery, or (h) fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to
252 transportation or navigation, or (l) any other event comprehended in the term "force majeure".
253

254 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force
255 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,
256 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not
257 later than 21 consecutive days before commencement of the shipment period, whichever is later, with the
258 reasons therefor.
259

260 If the Event of Force Majeure continues for 21 consecutive days after the end of the shipment period, then
261 Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than
262 the first business day after expiry of the 21 day period.
263

264 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14
265 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract
266 shall be automatically cancelled.
267

268 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers
269 shall notify Buyers without delay that the Event of Force Majeure has ceased. Sellers shall be entitled, from the
270 cessation, to as much time as was left for shipment under the contract prior to the occurrence of the Event of
271 Force Majeure. If the time that was left for shipment under the contract is 14 days or less, a period of 14
272 consecutive days shall be allowed.
273

274 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-
275 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory
276 evidence justifying the delay or non-fulfilment.
277

21. NOTICES

278 (a) All notices required to be served on the parties pursuant to this contract shall be served in legible form
279 by E-mail, or by other mutually recognised electronic method of rapid communication, always subject to
280 the provision that if receipt of any notice is contested, the burden of proof of transmission shall be on the
281 sender who shall, in the case of a dispute, establish, to the satisfaction of the arbitrator(s) or board of
282 appeal appointed pursuant to the Arbitration Clause, that the notice was actually transmitted to the
283 addressee.
284

285 (b) In case of resales/repurchases, all notices shall be served without delay by sellers on their respective
286 buyers or vice versa, and any notice received after 1600 hours on a business day shall be deemed, for the
287 purpose of passing onto their sub buyers and sub sellers, to have been received on the business day
288 following.
289

290 (c) A notice to the Brokers or Agent shall be deemed a notice under this contract.
291

22. NON BUSINESS DAYS

292 Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any
293 days, which Gafta may declare as non business days for specific purposes, shall be non business days.
294 Should the time limit for doing any act or serving any notice expire on a non business day, the time so
295
296

297 limited shall be extended until the first business day thereafter. The period of shipment shall not be
298 affected by this clause.
299

300 **23. DEFAULT**

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

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

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

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

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

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

316 (f) Sellers may declare themselves in default at any time after expiry of the contract period, and the default date
317 shall then be the first business day after the date of Sellers' advice to their Buyers. If default has not already been
318 declared then (notwithstanding the provisions stated in the Appropriation Clause) if notice of appropriation has
319 not been served by the 5th business day after the last day for appropriation laid down in the contract, the Sellers
320 shall be deemed to be in default, and the default date shall then be the first business day thereafter.
321

322 **24. CIRCLE**

323 Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part
324 thereof, a circle shall be considered to exist as regards the particular goods so re-purchased, and the
325 provisions of the Default Clause shall not apply. (For the purpose of this clause the same goods shall mean
326 goods of the same description, from the same country of origin, of the same quality, and, where applicable,
327 of the same analysis warranty, for shipment to the same port(s) of destination during the same period of
328 shipment). Different currencies shall not invalidate the circle. Subject to the terms of the Prevention of
329 Shipment Clause in the contract, if a circle is established prior to the goods being appropriated to all
330 parties in the circle, settlement shall be based on the mean contract quantity. However, where a circle is
331 established after the goods have been appropriated to all parties in the circle, settlement shall be based on
332 the appropriated quantity. No circle settlement shall apply where documents have been presented to and
333 paid by one of the parties in the circle. Settlement shall be made between the parties in the circle by
334 payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over the lowest invoice
335 amount in the circle. Payment shall be due not later than 15 consecutive days after the last day for
336 appropriation, or, should the circle not be ascertained before the expiry of this time, then payment shall be
337 due not later than 15 consecutive days after the circle is ascertained. Where the circle includes contracts
338 expressed in different currencies the lowest invoice amount shall be replaced by the market price on the
339 first day for contractual shipment and invoices shall be settled between each Buyer and his Seller in the
340 circle by payment of the differences between the market price and the relative contract price in currency
341 of the contract. All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle
342 shall have been ascertained in accordance with this clause same shall be binding on all parties to the
343 circle. As between Buyers and Sellers in the circle, the non-presentation of documents by Sellers to their
344 Buyers shall not be considered a breach of contract. Should any party in the circle prior to the due date of
345 payment commit any act comprehended in the Insolvency Clause of his contract, settlement by all parties
346 in the circle shall be calculated at the closing out price as provided for in the Insolvency Clause, which
347 shall be taken as a basis for settlement, instead of the lowest invoice amount in the circle. In this event
348 respective Buyers shall make payment to their Sellers or respective Sellers shall make payment to their
349 Buyers of the difference between the closing out price and the contract price.
350

351 **25. PRO RATA**

352 (a) Should any of the above mentioned quantity form part of a larger quantity of the same or a different
353 period of shipment of bags of the same mark, or of a similar quality, whether in bags or bulk or whether
354 destined to more than one port, no separation or distinction shall be necessary.

355 (b) All loose collected, damaged goods and sweepings shall be shared by and apportioned pro rata in kind
356 between the various Receivers thereof at the port of discharge named in the contract, buying under
357 contracts containing this clause. In the event of this not being practicable or any of them receiving more or
358 less than his pro rata share or apportionment, he shall settle with the other(s) on a pro rata basis in cash

359 at the market price and each Receiver shall bear his proportion of the depreciation in market value. The
360 pro rata statement shall be established by the Sellers or their Representatives in conjunction with the
361 Receivers or their Representatives.

362 (c) The above pro rata apportionment between Receivers shall have no bearing on the establishment of
363 final invoices with Sellers and for the purpose of these invoices, the total quantity of loose collected,
364 damaged goods and sweepings shall be regarded as delivered to those Receivers who did not receive their
365 full invoiced quantity.

366 (d) In the case of excess or deficiency, the difference between the invoiced and the total delivered quantity
367 shall be settled at the market price by final invoices to be rendered by Receivers, who have received more
368 or less than that paid for, to their immediate Sellers without taking into consideration the above pro rata
369 apportionment between Receivers.

370 (e) If an excess quantity is delivered to one or more Receiver and a deficient quantity is delivered to one
371 or more Receiver, the excess and deficiency shall be settled between them at the market price. Invoices
372 shall be established with immediate Sellers for any balance resulting from this settlement.

373 (f) All Shippers, Sellers and Buyers of any part of such larger quantity as aforesaid under contracts
374 containing this clause shall be deemed to have entered into mutual agreements with one another to the
375 above effect, and to agree to submit to arbitration all questions and claims between them or any of them in
376 regard to the execution of this clause as aforesaid in accordance with the Arbitration Clause of this
377 contract. Sellers and Buyers shall serve all reasonable assistance in execution of this clause. All Sellers
378 shall be responsible for the settlement by the respective Buyers in accordance with this clause within a
379 reasonable time.

380 (g) The market price wherever mentioned in this clause shall be the market price on the last day of
381 discharge of the vessel in the port of destination, such price to be fixed by arbitration unless mutually
382 agreed.

383 (h) In the event of this clause being brought into operation, any allowances payable in respect of
384 condition, or quality, or under any of the other guarantees contained in this contract, shall be based upon
385 the actual weight received by the Buyers and not on the pro rata weight.

386 (i) In the event of any conflict in terms of apportionment applicable to the port of discharge the method
387 published by Gafta shall, where applicable, take precedence over sub clauses (b) to (h) above.

388 (j) In the event that sub-clause (a) applies or that the goods subsequently become co mingled, and that the
389 goods were shipped by more than one Shipper and destined for one or more ports of discharge then, after
390 the adjustment between Receivers under the terms of this clause, the Shippers shall settle pro rata
391 between themselves in proportion to their bill of lading quantities. Such settlements shall be made in cash
392 and in the event of two or more discharging ports being involved, then the settlement price shall be the
393 average of the market prices on the last day of discharge in the respective ports.

394 26. **INSOLVENCY**

395 26.1 If before the fulfilment of this contract, either party shall:

396 (a) suspend payments;

397 (b) notify any of the creditors that he is unable to meet debts or that he has suspended or that he is about to
398 suspend payments of his debts;

399 (c) convene, call or hold a meeting of creditors;

400 (d) propose either:

401 (i) a voluntary arrangement; or

402 (ii) a restructuring plan under Part 26A Companies Act 2006;

403 (e) be subject to a moratorium pursuant to Part A1 of the Insolvency Act 1986;

404 (f) be subject to either:

405 (i) a notice of intention to appoint an administrator; or

406 (ii) a notice of appointment of an administrator;

407 (g) have an administration order made;

408 (h) be subject to a winding up petition;

409 (i) have a winding up order made;

410 (j) have a receiver or manager appointed;

411 (k) convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation);

412 (l) become subject to an interim order under Section 252 of the Insolvency Act 1986; or

413 (m) have a bankruptcy petition presented against him,

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

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

- 421 26.2 If such notice has not been served, then the other party, on learning of the occurrence of the Act of
422 Insolvency, shall have the option of declaring the contract closed out at either the market price on the first
423 business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the
424 market price ruling on the first business day after the date when the Act of Insolvency occurred.
- 425 26.3 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the
426 closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the
427 re-purchase or re-sale price shall be the amount payable or receivable under this contract.

428
429 **27. DOMICILE**

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

441
442 **28. ARBITRATION**

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

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

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

460
461 **29. INTERNATIONAL CONVENTIONS**

462 The following shall not apply to this contract: -

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

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

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

468 (d) Incoterms.

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

471
472 **30. METHODS OF ANALYSIS**

473 Unless otherwise agreed, the terms and conditions of Gafta Methods of Analysis No. 130 are deemed to be
474 incorporated into this contract.

Sellers..... Buyers

Printed in England and issued by

GAFTA
THE GRAIN AND FEED TRADE ASSOCIATION
9 LINCOLN'S INN FIELDS, LONDON WC2A 3BP