



Contract No.15

Copyright
THE GRAIN AND FEED TRADE ASSOCIATION

CONTRACT FOR IMPORTED FEEDINGSTUFFS 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 second-hand 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 in a proportion, having regard to the
11 characteristics of the goods and methods of handling, to be taken and paid for as goods. Wherever the word "cakes"
12 is used, this is agreed to mean goods of the contractual description.

13

14 **2. QUANTITY** 2% more or less.

15 Sellers have the option of shipping a further 3% more or less than the contract quantity. The excess above 2%
16 or the deficiency below 2% shall be settled on the quantity thereof at shipment at market value on the last day of
17 discharge of the vessel at the port of destination; the value to be fixed by arbitration, unless mutually agreed.
18 Should Sellers exercise the option to ship up to 5% more, the excess over 2% shall be paid for provisionally at
19 contract price. The difference between the contract price and the market price calculated in accordance with the
20 provisions of this clause shall be adjusted in a final invoice. In the event of more than one shipment being made,
21 each shipment shall be considered a separate contract, but the margin on the mean quantity sold shall not be
22 affected thereby.

23

24 **3. PRICE AND DESTINATION**

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

26

27 *cost, insurance and freight.....

28

29 *cost, insurance and freight free out to

30

31 *cost and freight to.....

32

33 * cost and freight free out, to

34

35 **4. BROKERAGE**per tonne, to be paid by Sellers on the mean contract quantity, goods lost or not
36 lost, contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the contract under
37 the terms of the Prevention of Shipment Clause. Brokerage shall be due on the day shipping documents are
38 exchanged, or if the goods are not appropriated then brokerage shall be due on the 30th consecutive day after
39 the last day for appropriation. Any disputes arising out of this clause shall be referred to arbitration in
40 accordance with the arbitration clause.

41

42 **5. QUALITY**

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

45

46 **Warranted to contain** not less than% of oil and protein combined and not more than 1.50% of
47 sand and/or silica. Should the whole, or any portion, not turn out equal to warranty, the goods must be taken at an

allowance to be agreed or settled by arbitration as provided for below, except that for any deficiency of oil and protein there shall be allowances to Buyers at the following rates, viz.: 1% of the contract price for each of the first 3 units of deficiency under the warranted percentage; 2% of the contract price for the 4th and 5th units and 3% of the contract price for each unit in excess of 5 and proportionately for any fraction thereof. When the combined content of oil and protein is warranted within a margin (as for example 40%/42%) no allowance shall be made if the analysis ascertained as herein provided be not below the minimum; but if the analysis be below the minimum warranted the allowance for deficiency shall be computed from the mean of the warranted contents. For any excess of sand and/or silica there shall be an allowance of 1% of the contract price of each unit of excess and proportionately for any fraction thereof. Should the goods contain over 3% of sand and/or silica the Buyers shall be entitled to reject the goods, in which case the contract shall be null and void, for such quantity rejected.

The goods are warranted free from castor seed and/or castor seed husk, but should the analysis show castor seed husk not exceeding 0.005%, Buyers shall not be entitled to reject the goods, but shall accept them with the following allowances: 0.75% of contract price if up to 0.001%, 1% if over 0.001% and up to 0.002%, and 1.50% if over 0.002% and up to 0.005%.

Should the first analysis show the goods free from castor seed and/or castor seed husk such analysis shall be final but in the event of the first analysis showing castor seed husk to be present a second sample may be analysed at the request of either party and the mean of the two analyses shall be taken as final. Should the parcel contain castor seed husk in excess of 0.005% Buyers shall be entitled to reject the parcel, in which case the contract shall be null and void for such quantity rejected. Nevertheless, should Buyers elect to retain the parcel they shall be entitled to a further allowance for any excess over 0.005% of castor seed husk, to be settled by agreement or arbitration.

For the purpose of sampling and analysis each mark shall stand as a separate shipment. The right of rejection provided by this clause shall be limited to the mark or marks found to be defective.

Condition. Shipment shall be made in good condition.

6. PERIOD OF SHIPMENT

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

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

7. SALES BY NAMED VESSELS

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

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

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

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

8. SHIPMENT AND CLASSIFICATION

Shipment, direct or indirect, with or without transshipment from.....

by first class mechanically self-propelled vessel(s) suitable for the carriage of the contract goods, in accordance with the Institute Classification Clause of the International Underwriting Association in force at the time of shipment.

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

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

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

10. EXTENSION OF SHIPMENT

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

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

1 to 4 additional days, 0.50%;

5 or 6 additional days, 1%;

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

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

any other contractual differences shall be settled on the basis of such reduced price.

11. APPROPRIATION

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

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

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

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

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

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

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

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

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

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

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

12. PAYMENT

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

* In exchange for and on presentation of shipping documents;

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

Sellers, however, have the option of calling upon Buyers to take up and pay for documents on or after consecutive days from the date of the bill(s) of lading.

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

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

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

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

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

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

172 an approved guarantee in respect thereto.

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

178 179 **13. DUTIES, TAXES, LEVIES, ETC.**

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

183 184 **14. INSURANCE**

185 **14.1 For Contracts Concluded on CIF Terms** Sellers shall provide insurance on terms not less favourable than
186 those set out hereunder, and as set out in detail in GAFTA Insurance Terms No. 72, viz.: -

187 (a) Risks Covered: -

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

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

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

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

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

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

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

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

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

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

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

226 **14.2 For Contracts Concluded on C & F Terms** Buyers shall be responsible for obtaining insurance cover as per
227 Clause 14.1 above and shall, if required by Sellers, provide evidence to Sellers prior to the commencement of
228 loading that they have obtained suitable cover. If Buyers refuse or fail to provide evidence Sellers are entitled (but
229 not obliged) to cover insurance on the same terms at the Buyers' expense.

230 231 **15. DISCHARGE**

232 (a) For CIF/C&F terms, discharge shall be as fast as the vessel can deliver in accordance with the custom of
233 the port, but in the event of shipment being made under liner bill(s) of lading, discharge shall be as fast as

234 the vessel can deliver in accordance with the terms of the bill(s) of lading. The cost of discharge from hold
235 to ship's rail shall be for Sellers' account, from ship's rail overboard for Buyers' account.

236 (b) For C&FFO/CIFFO terms, the cost of discharge shall be for Buyers' account.
237

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

245 (c) If documents are tendered which do not provide for discharging as above or contain contrary
246 stipulations, Sellers shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by
247 grab(s) shall be permitted unless specifically excluded at time of contract. If shipment is effected by lash
248 barge, then the last day of discharge shall be the day of discharging the last lash barge at the port of
249 destination.
250

251 **16. WEIGHING**

252 The terms and conditions of GAFTA Weighing Rules No.123 are deemed to be incorporated into this contract.
253 Unless otherwise agreed, final settlement shall be made on the basis of gross delivered weights at time and place
254 of discharge at buyers' expense. If the place of destination is outside the port limits, Buyers agree to pay the
255 extra expenses incurred by Sellers or their agents for weighing. No payment shall be made for increase in weight
256 occasioned by water and/or oil during the voyage. If final at time and place of loading, as per GAFTA registered
257 superintendents' certificate at Sellers' choice and expense, (in which case the Deficiency Clause will not apply).
258

259 **17. DEFICIENCY**

260 Any deficiency in the bill of lading weight shall be paid for by Sellers and any excess over bill of lading weight
261 shall be paid for by Buyers at contract price.
262

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

264 The terms and conditions of GAFTA Sampling Rules No.124 are deemed to be incorporated into this contract.
265 Samples shall be taken at the time of discharge on or before removal from the ship or quay, unless the parties agree
266 that quality final at loading applies, in which event samples shall be taken at time and place of loading. The parties
267 shall appoint superintendents, for the purposes of supervision and sampling of the goods, from the GAFTA Register
268 of Superintendents. Unless otherwise agreed, analysts shall be appointed from the GAFTA Register of Analysts.
269

270 **19. FUMIGATION**

271 Where fumigation has been agreed, the terms and conditions of GAFTA Fumigation Rules No. 132 shall be
272 incorporated into this contract.
273

274 **20. PREVENTION OF SHIPMENT**

275 "Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on
276 behalf of the government of the country of origin or of the territory where the port or ports named herein is/are
277 situate, restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d)
278 hostilities, or (e) strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of
279 machinery, or (h) fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to
280 transportation or navigation, or (l) any other event comprehended in the term "force majeure".
281

282 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force
283 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,
284 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not
285 later than 21 consecutive days before commencement of the shipment period, whichever is later, with the
286 reasons therefor.
287

288 If the Event of Force Majeure continues for 21 consecutive days after the end of the shipment period, then
289 Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than
290 the first business day after expiry of the 21 day period.
291

292 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14
293 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract
294 shall be automatically cancelled.
295

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

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

305 306 **21. NON-BUSINESS DAYS**

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

311 312 **22. NOTICES**

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

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

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

322 323 **23. DEFAULT**

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

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

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

330 (c) The damages payable shall be based on the difference between the contract price and either the default price
331 established under (a) above or upon the actual or estimated value of the goods, on the date of default, established
332 under (b) above.

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

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

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

347 348 **24. INSOLVENCY**

349 24.1 If before the fulfilment of this contract, either party shall:

350 (a) suspend payments;

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

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

354 (d) propose either:

355 (i) a voluntary arrangement; or

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

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

- 358 (f) be subject to either:
359 (i) a notice of intention to appoint an administrator; or
360 (ii) a notice of appointment of an administrator;
361 (g) have an administration order made;
362 (h) be subject to a winding up petition;
363 (i) have a winding up order made;
364 (j) have a receiver or manager appointed;
365 (k) convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation);
366 (l) become subject to an interim order under Section 252 of the Insolvency Act 1986; or
367 (m) have a bankruptcy petition presented against him,
368 (any of which acts being hereinafter called an "**Act of Insolvency**")
369 then the party committing such Act of Insolvency shall forthwith serve a notice of the occurrence of such
370 Act of Insolvency on the other party to the contract and upon proof (by either the other party to the
371 contract or the office-holder or other person representing the party committing the Act of Insolvency) that
372 such notice was served within 2 business days of the occurrence of the Act of Insolvency, the contract shall
373 be closed out at the market price ruling on the business day following the serving of the notice.
374 24.2 If such notice has not been served, then the other party, on learning of the occurrence of the Act of
375 Insolvency, shall have the option of declaring the contract closed out at either the market price on the first
376 business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the
377 market price ruling on the first business day after the date when the Act of Insolvency occurred.
378 24.3 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the
379 closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the
380 re-purchase or re-sale price shall be the amount payable or receivable under this contract.
381

382 25. DOMICILE

383 This contract shall be deemed to have been made in England and to be performed in England, notwithstanding any
384 contrary provision, and this contract shall be construed and take effect in accordance with the laws of England.
385 Except for the purpose of enforcing any award made in pursuance of the Arbitration Clause of this contract, the
386 Courts of England shall have exclusive jurisdiction to determine any application for ancillary relief, (save for
387 obtaining security only for the claim or counter-claim), the exercise of the powers of the Court in relation to the
388 arbitration proceedings and any dispute other than a dispute which shall fall within the jurisdiction of arbitrators
389 or board of appeal of the Association pursuant to the Arbitration Clause of this contract. For the purpose of any
390 legal proceedings each party shall be deemed to be ordinarily resident or carrying on business at the offices of The
391 Grain and Feed Trade Association, (GAFTA), England, and any party residing or carrying on business in Scotland
392 shall be held to have prorogated jurisdiction against himself to the English Courts or if in Northern Ireland to have
393 submitted to the jurisdiction and to be bound by the decision of the English Courts. The service of proceedings
394 upon any such party by leaving the same at the offices of The Grain and Feed Trade Association, together with the
395 posting of a copy of such proceedings to his address outside England, shall be deemed good service, any rule of law
396 or equity to the contrary notwithstanding
397

398 26. ARBITRATION

- 399 (a) Any and all disputes arising out of or under this contract or any claim regarding the interpretation or
400 execution of this contract shall be determined by arbitration in accordance with the GAFTA Arbitration Rules, No
401 125, in the edition current at the date of this contract; such Rules are incorporated into and form part of this
402 Contract and both parties hereto shall be deemed to be fully cognisant of and to have expressly agreed to the
403 application of such Rules.
404 (b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal
405 proceedings against the other in respect of any such dispute, or claim until such dispute or claim shall first have
406 been heard and determined by the arbitrator(s) or a board of appeal, as the case may be, in accordance with the
407 Arbitration Rules and it is expressly agreed and declared that the obtaining of an award from the arbitrator(s) or
408 board of appeal, as the case may be, shall be a condition precedent to the right of either party hereto or of any
409 persons claiming under either of them to bring any action or other legal proceedings against the other of them in
410 respect of any such dispute or claim.
411 (c) Nothing contained under this Arbitration Clause shall prevent the parties from seeking to obtain security in
412 respect of their claim or counterclaim via legal proceedings in any jurisdiction, provided such legal
413 proceedings shall be limited to applying for and/or obtaining security for a claim or counterclaim, it being
414 understood and agreed that the substantive merits of any dispute or claim shall be determined solely by
415 arbitration in accordance with the GAFTA Arbitration Rules, No 125.
416

- 417 **27. INTERNATIONAL CONVENTIONS**
418 The following shall not apply to this contract: -
419 (a) The Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on
420 International Sales Act 1967.
421 (b) The United Nations Convention on Contracts for the International Sale of Goods of 1980.
422 (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the
423 amending Protocol of 1980.
424 (d) Incoterms.
425 (e) Unless the contract contains any statement expressly to the contrary, a person who is not a party to this
426 contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.
427
428 **28. METHODS OF ANALYSIS**
429 Unless otherwise agreed, the terms and conditions of GAFTA Methods of Analysis No. 130 are deemed to
430 be incorporated into this contract.

Sellers..... Buyers

Printed in England and issued by
GAFTA
THE GRAIN AND FEED TRADE ASSOCIATION
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