

Contract No.18



Copyright
THE GRAIN AND FEED TRADE ASSOCIATION

GOODS FROM CONTRACT FOR AUSTRALIA IN BULK FOB TERMS

** delete/specify as applicable*

Date.....

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 AND DESTINATION

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 Delivery 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 for delivery. 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 shipment 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 OF DELIVERY

Delivery duringat Buyers' call.

Nomination of Vessel.

Buyers shall serve not less thanconsecutive 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.

Buyer's obligations regarding pre-advice shall only apply to the original vessel nominated. No new pre-advice is required to be given in respect of any substitute vessel, provided that the substitute vessel arrives no earlier than the estimated time of arrival of the original vessel nominated and always within the delivery period. Provided the

vessel is presented at the loading port in readiness to load within the delivery period, Sellers shall if necessary complete loading after the delivery period and carrying charges shall not apply. Notice of substitution to be given as soon as possible but in any event no later than one business day before the estimated time of arrival of the original vessel. In case of re-sales a provisional notice shall be passed on without delay, where possible, by telephone and confirmed on the same day in accordance with the Notices Clause. In any month containing an odd number of days the middle day shall be accepted as being in both halves of the month, except for pricing purposes the middle day shall be considered to be in the first half of the month.

Loading

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

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

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

7. EXTENSION OF DELIVERY

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

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

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

8. SHIP'S CLASSIFICATION

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

9. PAYMENT

(a) By cash in

against the following documents.....

(b) 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 of Buyers furnish an approved guarantee in respect thereto.

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

10. DUTIES, TAXES, LEVIES, ETC.

Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in Australia or of the territory where the port or ports of shipment named herein is/are situate, shall be for Sellers' account.

11. EXPORT LICENCE - if required, to be obtained by Sellers.

112 **12. WEIGHING**

113 The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this contract.
114 Final at time and place of loading, as per GAFTA registered superintendent certificate at Sellers' choice and
115 expense. Buyers have the right to attend at loading.

116
117 **13. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**

118 The terms and conditions of GAFTA Sampling Rules No.124 are deemed to be incorporated into this contract.
119 Samples shall be taken at time and place of loading. The parties shall appoint superintendents, for the purposes
120 of supervision and sampling of the goods, from the GAFTA Register of Superintendents. Unless otherwise agreed,
121 analysts shall be appointed from the GAFTA Register of Analysts.

122
123 **14. FUMIGATION**

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

126
127 **15. INSURANCE**

128 Marine and War Risk insurance including strikes, riots, civil commotions and mine risks to be effected by the Buyers
129 with first class underwriters and/or approved companies. Buyers shall supply Sellers with confirmation thereof at
130 least 5 consecutive days prior to expected readiness of vessel(s). If Buyers fail to provide such confirmation Sellers
131 shall have the right to place such insurance at Buyers' risk and expense.

132
133 **16. PREVENTION OF DELIVERY**

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

140
141 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force
142 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,
143 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not
144 later than 21 consecutive days before commencement of the period of delivery, whichever is later, with the
145 reasons therefor.

146
147 If the Event of Force Majeure continues for 21 consecutive days after the end of the period of delivery, then
148 Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than
149 the first business day after expiry of the 21 day period.

150
151 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14
152 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract
153 shall be automatically cancelled.

154
155 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers
156 shall notify Buyers without delay that the Event of Force Majeure has ceased. The period of delivery shall be
157 extended, from the cessation, to as much time as was left for delivery under the contract prior to the occurrence
158 of the Event of Force Majeure. If the time that was left for delivery under the contract is 14 days or less, a period
159 of 14 consecutive days shall be allowed.

160
161 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-
162 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory evidence
163 justifying the delay or non-fulfilment.

164
165 **17. NOTICES**

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

175
176 **18. NON-BUSINESS DAYS**

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

182 **19. DEFAULT**

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

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

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

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

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

196 (e) Damages, if any, shall be computed on the quantity called for, but if no such quantity has been declared then on
197 the mean contract quantity and any option available to either party shall be deemed to have been exercised
198 accordingly in favour of the mean contract quantity.
199

200 **20. CIRCLE**

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

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

214 Where the circle includes contracts expressed in different currencies the lowest invoice amount shall be replaced
215 by the market price on the first day for contractual delivery and invoices shall be settled between each Buyer and
216 his Seller in the circle by payment of the differences between the market price and the relative contract price in
217 the currency of the contract.

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

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

228 **21. INSOLVENCY**

229 If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he is
230 unable to meet debts or that he has suspended or that he is about to suspend payments of his debts, convene, call or
231 hold a meeting of creditors, propose a voluntary arrangement, have an administration order made, have a winding
232 up order made, have a receiver or manager appointed, convene, call or hold a meeting to go into liquidation (other
233 than for re-construction or amalgamation) become subject to an Interim Order under Section 252 of the Insolvency
234 Act 1986, or have a Bankruptcy Petition presented against him (any of which acts being hereinafter called an "Act of
235 Insolvency") then the party committing such Act of Insolvency shall forthwith serve a notice of the occurrence of
236 such Act of Insolvency on the other party to the contract and upon proof (by either the other party to the contract or

the Receiver, Administrator, Liquidator or other person representing the party committing the Act of Insolvency) that such notice was served within 2 business days of the occurrence of the Act of Insolvency, the contract shall be closed out at the market price ruling on the business day following the serving of the notice. If such notice has not been served, then the other party, on learning of the occurrence of the Act of Insolvency, shall have the option of declaring the contract closed out at either the market price on the first business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the market price ruling on the first business day after the date when the Act of Insolvency occurred.

In all cases the other party to the contract shall have the option of ascertaining the settlement price on the closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the re-purchase or re-sale price shall be the amount payable or receivable under this contract.

22. DOMICILE

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

23. ARBITRATION

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

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

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

24. INTERNATIONAL CONVENTIONS

The following shall not apply to this contract: -

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

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

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

(d) Incoterms.

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

25. PHYTOSANITARY CERTIFICATE

Where the provision of a phytosanitary certificate has been agreed between the parties, Sellers shall use their reasonable endeavours to supply, at their own cost, a phytosanitary certificate in circumstances where:

(a) After the date on which the contract has been entered into the named country of import changes its phytosanitary requirements or

(b) As at the date on which the contract has been entered into Sellers are not aware of the named country of

300 import.

301

302 **26. METHODS OF ANALYSIS**

303 Unless otherwise agreed, the terms and conditions of GAFTA Methods of Analysis No. 130 are deemed to be
304 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