

Gafta No.100

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THE GRAIN AND FEED TRADE ASSOCIATION

CONTRACT FOR SHIPMENT OF FEEDINGSTUFFS IN BULK TALE QUALE - CIF TERMS

**delete/specify as appropriate*

Date.....

1 **SELLERS**

2
3 **INTERVENING AS BROKERS**

4
5 **BUYERS**

6 have this day entered into a contract on the following terms and conditions. Wherever the word "cakes" is used, this is agreed to mean
7 goods of the contractual description.

8
9 **1. GOODS-**

10 Broken cakes and/or meal in a proportion, having regard to the characteristics of the goods and methods of handling, to be taken and
11 paid for as cakes. Goods in bulk but Buyers agree to accept up to 15% in stowage bags, such bags to be taken and paid for as cakes
12 and any cutting to be paid for by Buyers. Sellers have the option of shipping the whole or part of the quantity in excess of 15% in
13 bags, in which case the excess over 15% shall be delivered in bulk and Sellers shall be responsible for cutting the excess bags which
14 remain their property.

15
16 **2. QUANTITY-** 2% more or less.

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

24
25 **3. PRICE AND DESTINATION - At**

26 * per tonne of 1000 kilograms }
27 } gross weight, cost, insurance and freight to
28 * per ton of 1016 kilograms or 2240 lbs. }

29
30 **4. BROKERAGE**.....per tonne, to be paid by Sellers on the mean contract quantity, goods lost or not lost,

31 contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the contract under the terms of the
32 Prohibition or Force Majeure Clause. Brokerage shall be due on the day shipping documents are exchanged or, if the goods are
33 not appropriated then brokerage shall be due on the 30th consecutive day after the last day for appropriation.

34
35 **5. QUALITY-**

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

37
38 Not less than% of oil and protein combined, and not more than 2.50% of sand and/or silica. Should the whole, or
39 any portion, not turn out equal to warranty, the goods must be taken at an allowance to be agreed or settled by arbitration as
40 provided for below, except that for any deficiency of oil and protein there shall be allowances to Buyers at the following rates,
41 viz.: 1% of the contract price for each of the first 3 units of deficiency under the warranted percentage; 2% of the contract price
42 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.
43 When the combined content of oil and protein is warranted within a margin (as for example 40%/42%) no allowance shall be made
44 if the analysis ascertained as herein provided be not below the minimum, but if the analysis results are below the minimum
45 warranted the allowance for deficiency shall be computed from the mean of the warranted content. For any excess of sand and/or
46 silica there shall be an allowance of 1% of the contract price for each unit of excess and proportionately for any fraction thereof.
47 Should the goods contain over 5% of sand and/or silica the Buyers shall be entitled to reject the goods, in which case the contract
48 shall be null and void for such quantity rejected.

49
50 The goods are warranted free from castor seed and/or castor seed husk, but should the analysis show castor seed husk not
51 exceeding 0.005%, the Buyers shall not be entitled to reject the goods, but shall accept them with the following allowances: 0.75%
52 of contract price if not exceeding 0.001%, 1% of contract price if not exceeding 0.002%, and 1.50% of contract price if not
53 exceeding 0.005%. Should the first analysis show the goods free from castor seed and/or castor seed husk such analysis shall be
54 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
55 either party and the mean of the two analyses shall be taken as final. Should the parcel contain castor seed husk in excess of
56 0.005% Buyers shall be entitled to reject the parcel, in which case the contract shall be null and void for such quantity rejected.

57 Nevertheless, should Buyers elect to retain the parcel they shall be entitled to a further allowance for any excess over 0.005% of
58 castor seed husk, to be settled by agreement or arbitration. For the purpose of sampling and analysis each mark shall stand as a
59 separate shipment. The right of rejection provided by this clause shall be limited to the parcel or parcels found to be defective.
60

61 * **Official** certificate of inspection, at time of loading into the ocean carrying vessel, shall be final as to
62 quality.
63

64 * **Sample**, at time and place of shipment about as per sealed sample marked.....in possession of
65 the word "about" when referring to quality shall mean the equivalent of 0.50% on contract price. Analysis as per arrival sample.
66 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,
67 referred to in the Arbitration Rules specified in the Arbitration Clause.
68 **Condition** - Shipment shall be made in good condition.
69

70 **6. PERIOD OF SHIPMENT-** as per bill(s) of lading dated or to be dated
71 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
72 shipment in the absence of evidence to the contrary. In any month containing an odd number of days, the middle day shall be accepted
73 as being in both halves of the month.
74

75 **7. SALES BY NAMED VESSELS-** For all sales by named vessels, the following shall apply: -
76 (a) Position of vessel is mutually agreed between Buyers and Sellers;
77 (b) The word "now" to be inserted before the word "classed" in the Shipment and Classification Clause;
78 (c) Appropriation Clause cancelled if sold "shipped".
79

80 **8. SHIPMENT AND CLASSIFICATION** - Shipment from
81 direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s) suitable for the carriage of the
82 contract goods, classed in accordance with the Institute Classification Clause of the International Underwriting Association in force at
83 the time of shipment.
84

85 **9. EXTENSION OF SHIPMENT-** The contract period for shipment, if such be 31 days or less, shall be extended by an additional
86 period of not more than 8 days, provided that Sellers serve notice claiming extension not later than the next business day following the
87 last day of the originally stipulated period. The notice need not state the number of additional days claimed.
88 Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on the number of days by
89 which the originally stipulated period is exceeded, in accordance with the following scale: -
90 1 to 4 additional days, 0.50%;
91 5 or 6 additional days, 1%;
92 7 or 8 additional days 1.50% of the gross contract price.

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

98 **10. APPROPRIATION-**

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

101 (b) The notice of appropriation shall within (i) 10 consecutive days if shipped from the U.S. Gulf and/or U.S. and/or Canadian
102 Atlantic/Lake Ports, (ii) 14 consecutive days if shipped from any other port, from the date of the bill(s) of lading be served by or
103 on behalf of the Shipper direct on his Buyers or on the Selling Agent or Brokers named in the contract. The Non-Business Days
104 Clause shall not apply.

105 (c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of subsequent Sellers on
106 their Buyers or on the Selling Agent or Brokers named in the contract, but if notice of appropriation is received by subsequent
107 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
108 shall be deemed to be in time if served: -
109

- 110 (1) On the same calendar day, if received not later than 1600 hours on any business day, or
- 111
- 112 (2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-business day.
113

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

118 (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
119 the period laid down by this clause for serving notices of appropriation the actual date of the bill of lading shall prevail.

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

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

124 (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.

11. 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. 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 may 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 may take delivery under an indemnity provided by themselves and shall pay for the other documents when presented. Any recoverable 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 an approved guarantee in respect thereto.

(h) Amounts payable under this contract shall be settled without delay. If not so settled, either party may notify the other that a dispute has arisen and serve a notice stating his intention to refer the dispute to arbitration in accordance with the Arbitration Rules.

(i) **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).

12. **DUTIES, TAXES, LEVIES, ETC.**- All export duties, taxes, levies, etc., present or future, in country of origin, shall be for Sellers' account. All import duties, taxes, levies, etc., present or future, in country of destination, shall be for Buyers' account.

13. **DISCHARGE**- Discharge shall be as fast as the vessel can deliver in accordance with the custom of the port, but in the event of shipment being made under liner bill(s) of lading, discharge shall be as fast as the vessel can deliver in accordance with the terms of the bill(s) of lading. The cost of discharge from hold to ship's rail shall be for Sellers' account, from ship's rail overboard for Buyers' account. If documents are tendered which do not provide for discharging as above or contain contrary stipulations, Sellers shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by grab(s) shall be permitted unless specifically excluded at time of contract. If shipment is effected by lash barge, then the last day of discharge shall be the day of discharging the last lash barge at the port of destination.

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

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

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

17. **INSURANCE**- Sellers shall provide insurance on terms not less favourable than those set out hereunder, and as set out in detail in GAFTA Insurance Terms No.72 viz.:-

(a) Risks Covered:-

196 Cargo Clauses (WA), with average payable, with 3% franchise or better terms - Section 2 of Form 72
197 War Clauses (Cargo) - Section 4 of Form 72
198 Strikes, Riots and Civil Commotions Clauses (Cargo) - Section 5 of Form 72

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

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

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

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

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

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

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

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

229
230 **18. PROHIBITION-** In case of prohibition of export, blockade or hostilities or in case of any executive or legislative act done by or on
231 behalf of the government of the country of origin or of the territory where the port or ports of shipment named herein is/are situate,
232 restricting export, whether partially or otherwise, any such restriction shall be deemed by both parties to apply to this contract and to
233 the extent of such total or partial restriction to prevent fulfilment whether by shipment or by any other means whatsoever and to that
234 extent this contract or any unfulfilled portion thereof shall be cancelled. Sellers shall advise Buyers without delay with the reasons
235 therefor and, if required, Sellers must produce proof to justify the cancellation.

236
237 **19. FORCE MAJEURE, STRIKES, ETC-** Sellers shall not be responsible for delay in shipment of the goods or any part thereof
238 occasioned by any Act of God, strike, lockout, riot or civil commotion, combination of workmen, breakdown of machinery, fire, or
239 any cause comprehended in the term "force majeure". If delay in shipment is likely to occur for any of the above reasons, the Shipper
240 shall serve a notice on Buyers within 7 consecutive days of the occurrence, or not less than 21 consecutive days before the
241 commencement of the contract period, whichever is the later. The notice shall state the reason(s) for the anticipated delay.

242
243 If after serving such notice an extension to the shipping period is required, then the Shipper shall serve a further notice not later than 2
244 business days after the last day of the contract period of shipment stating the port or ports of loading from which the goods were
245 intended to be shipped, and shipments effected after the contract period shall be limited to the port or ports so nominated.

246
247 If shipment be delayed for more than 30 consecutive days, Buyers shall have the option of cancelling the delayed portion of the
248 contract, such option to be exercised by Buyers serving notice to be received by Sellers not later than the first business day after the
249 additional 30 consecutive days. If Buyers do not exercise this option, such delayed portion shall be automatically extended for a further
250 period of 30 consecutive days. If shipment under this clause be prevented during the further 30 consecutive days extension, the
251 contract shall be considered void. Buyers shall have no claim against Sellers for delay or non-shipment under this clause, provided that
252 Sellers shall have supplied to Buyers, if required, satisfactory evidence justifying the delay or non-fulfilment.

253
254 **20. NOTICES-** All notices required to be served on the parties pursuant to this contract shall be communicated rapidly in legible form.
255 Methods of rapid communication for the purposes of this clause are defined and mutually recognised as: - either telex, or letter if
256 delivered by hand on the date of writing, or telefax, or E-mail, or other electronic means, always subject to the proviso that if
257 receipt of any notice is contested, the burden of proof of transmission shall be on the sender who shall, in the case of a dispute,
258 establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to the Arbitration Clause, that the notice was
259 actually transmitted to the addressee. In case of resales/repurchases all notices shall be served without delay by sellers on their
260 respective buyers or vice versa, and any notice received after 1600 hours on a business day shall be deemed to have been received
261 on the business day following. A notice to the Brokers or Agent shall be deemed a notice under this contract.

262
263 **21. NON-BUSINESS DAYS-** Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any
264 days, which GAFTA may declare as non-business days for specific purposes, shall be non-business days. Should the time limit for
265 doing any act or serving any notice expire on a non-business day, the time so limited shall be extended until the first business day
266 thereafter. The period of shipment shall not be affected by this clause.

267
268 **22. PRO RATA-**

269 (a) Should any of the above mentioned quantity form part of a larger quantity of the same or a different period of shipment of bags of
270 the same mark, or of a similar quality, whether in bags or bulk or whether destined to more than one port, no separation or distinction
271 shall be necessary.
272 (b) All loose collected, damaged goods and sweepings shall be shared by and apportioned pro-rata in kind between the various
273 Receivers thereof at the port of discharge named in the contract, buying under contracts containing this clause. In the event of this not
274 being practicable or any of them receiving more or less than his pro-rata share or apportionment, he shall settle with the other(s) on a
275 pro-rata basis in cash at the market price and each Receiver shall bear his proportion of the depreciation in market value. The pro-rata
276 statement shall be established by the Sellers or their Representatives in conjunction with the Receivers or their Representatives.
277 (c) The above pro-rata apportionment between Receivers shall have no bearing on the establishment of final invoices with Sellers and
278 for the purpose of these invoices, the total quantity of loose collected, damaged goods and sweepings shall be regarded as delivered to
279 those Receivers who did not receive their full invoiced quantity.
280 (d) In the case of excess or deficiency, the difference between the invoiced and the total delivered quantity shall be settled at the market
281 price by final invoices to be rendered by Receivers, who have received more or less than that paid for, to their immediate Sellers
282 without taking into consideration the above pro-rata apportionment between Receivers.
283 (e) If an excess quantity is delivered to one or more Receiver and a deficient quantity is delivered to one or more Receiver, the excess
284 and deficiency shall be settled between them at the market price. Invoices shall be established with immediate Sellers for any balance
285 resulting from this settlement.
286 (f) All Shippers, Sellers and Buyers of any part of such larger quantity as aforesaid under contracts containing this clause shall be
287 deemed to have entered into mutual agreements with one another to the above effect, and to agree to submit to arbitration all questions
288 and claims between them or any of them in regard to the execution of this clause as aforesaid in accordance with the Arbitration
289 Clause of this contract. Sellers and Buyers shall serve all reasonable assistance in execution of this clause. All Sellers shall be
290 responsible for the settlement by the respective Buyers in accordance with this clause within a reasonable time.
291 (g) The market price wherever mentioned in this clause shall be the market price on the last day of discharge of the vessel in the port
292 of destination, such price to be fixed by arbitration unless mutually agreed.
293 (h) In the event of this clause being brought into operation, any allowances payable in respect of condition, or quality, or under any of
294 the other guarantees contained in this contract, shall be based upon the actual weight received by the Buyers and not on the pro-rata
295 weight.
296 (i) In the event of any conflict in terms of apportionment applicable to the port of discharge the method published by GAFTA shall,
297 where applicable, take precedence over sub-clauses (b) to (h) above.
298 (j) In the event that sub-clause (a) applies or that the goods subsequently become co-mingled, and that the goods were shipped by more
299 than one Shipper and destined for one or more ports of discharge then, after the adjustment between Receivers under the terms of this
300 clause, the Shippers shall settle pro-rata between themselves in proportion to their bill of lading quantities. Such settlements shall be
301 made in cash and in the event of two or more discharging ports being involved, then the settlement price shall be the average of the
302 market prices on the last day of discharge in the respective ports.
303

304 **23. DEFAULT-** In default of fulfilment of contract by either party, the following provisions shall apply: -

305 (a) The party other than the defaulter shall, at their discretion have the right, after serving notice on the defaulter to sell or purchase, as
306 the case may be, against the defaulter, and such sale or purchase shall establish the default price.
307 (b) If either party be dissatisfied with such default price or if the right at (a) above is not exercised and damages cannot be mutually
308 agreed, then the assessment of damages shall be settled by arbitration.
309 (c) The damages payable shall be based on, but not limited to, the difference between the contract price and either the default price
310 established under (a) above or upon the actual or estimated value of the goods, on the date of default, established under (b) above.
311 (d) In no case shall damages include loss of profit on any sub-contracts made by the party defaulted against or others unless the
312 arbitrator(s) or board of appeal, having regard to special circumstances, shall 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 been appropriated then on the
314 mean contract quantity, and any option available to either party shall be deemed to have been exercised accordingly in favour of the
315 mean contract quantity.
316 (f) Default may be declared by Sellers at any time after expiry of the contract period, and the default date shall then be the first
317 business day after the date of Sellers' advice to their Buyers. If default has not already been declared then (notwithstanding the
318 provisions stated in the Appropriation Clause) if notice of appropriation has not been served by the 10th consecutive day after the last
319 day for appropriation laid down in the contract, the Seller shall be deemed to be in default and the default date shall then be the first
320 business day thereafter.
321

322 **24. CIRCLE** -Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part thereof, a circle shall be
323 considered to exist as regards the particular goods so re-purchased, and the provisions of the Default Clause shall not apply. (For the
324 purpose of this clause the same goods shall mean goods of the same description, from the same country of origin, of the same quality,
325 and, where applicable, of the same analysis warranty, for shipment to the same port(s) of destination during the same period of
326 shipment). Different currencies shall not invalidate the circle.

327 Subject to the terms of the Prohibition Clause in the contract, if the goods are not appropriated, or, having been appropriated
328 documents are not presented, invoices based on the mean contract quantity shall be settled by all Buyers and their Sellers in the circle
329 by payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over the lowest invoice amount in the circle.
330 Payment shall be due not later than 15 consecutive days after the last day for appropriation, or, should the circle not be ascertained
331 before the expiry of this time, then payment shall be due not later than 15 consecutive days after the circle is ascertained.
332 Where the circle includes contracts expressed in different currencies the lowest invoice amount shall be replaced by the market price
333 on the first day for contractual shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the
334 differences between the market price and the relative contract price in currency of the contract.
335 All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle shall have been ascertained in accordance
336 with this clause same shall be binding on all parties to the circle. As between Buyers and Sellers in the circle, the non-presentation of
337 documents by Sellers to their Buyers shall not be considered a breach of contract. Should any party in the circle prior to the due date
338 of payment commit any act comprehended in the Insolvency Clause of his contract, settlement by all parties in the circle shall be
339 calculated at the closing out price as provided for in the Insolvency Clause, which shall be taken as a basis for settlement, instead of
340 the lowest invoice amount in the circle. In this event respective Buyers shall make payment to their Sellers or respective Sellers shall
341 make payment to their Buyers of the difference between the closing out price and the contract price.

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- 25. INSOLVENCY-** If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he is unable to meet debts or that he has suspended or that he is about to suspend payments of his debts, convene, call or hold a meeting of creditors, propose a voluntary arrangement, have an administration order made, have a winding up order made, have a receiver or manager appointed, convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation) become subject to an Interim Order under Section 252 of the Insolvency Act 1986, or have a Bankruptcy Petition presented against him (any of which acts being hereinafter called an "Act of Insolvency") then the party committing such Act of Insolvency shall forthwith serve a notice of the occurrence of 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.
- 26. 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, 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.
- 27. ARBITRATION-**
(a) Any dispute arising out of or under this contract shall be settled by arbitration in accordance with the GAFTA Arbitration Rules, No. 125, in the edition current at the date of this contract, such Rules forming part of this contract and of which both parties hereto shall be deemed to be cognisant.
(b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings against the other of them in respect of any such dispute until such dispute 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 a 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.
- 28. 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; and
(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.

Sellers Buyers

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