

Euro-Supply Contract, General Terms

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Date _____

Sellers _____

Intervening as brokers _____

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

1. Goods

(in bulk or in bags) _____

Packing/marks

If in bags, to be uniform weight bags suitable to withstand ordinary wear and tear to destination, such bags to be taken and paid for as goods.

2. Quality _____

Clauses _____ of addendum no. 93 to apply.

3. Quantity

_____ tonnes of 1 000 kilograms, plus or minus 2%.

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. Each mark/parcel shall stand as a separate parcel.

4. Price

_____ per tonne of 1000 kilograms gross weight.

* Collected from _____

* Delivered to _____

* (Complete as applicable)

5. Brokerage

_____ per tonne to be paid by sellers on the mean contract quantity, contract fulfilled or not fulfilled, unless such non-fulfilment is due to the successful application of the prohibition clause or the force majeure clause. Brokerage shall be due on the last day of the delivery period.

6. Period of delivery/despatch/collection (delivery period).

Period of Delivery/despatch/collection _____

a) If collection:

Sellers shall have the goods available for collection within the collection period at buyers' call with _____ business day(s) pre-advance. Sellers shall load in good condition, free on to buyers' transport within the collection period. Each lorry/barge/wagon load to be considered a separate contract, but the margin on the mean contract quantity shall not be affected thereby. All costs and risk to the point of collection shall be for sellers' account, thereafter for buyers' account.

b) If delivery/despatch:

Sellers shall deliver/despatch to buyers' nominated destination at time(s) agreed between the parties, otherwise at buyers' call within the delivery/despatch period. All costs and risk to the point of delivery/despatch shall be for sellers' account, thereafter for buyers' account.

c) If delivered at frontier:

Sellers shall deliver to buyers' nominated destination at time(s) agreed between the parties, otherwise at buyers' call, within the delivery period.

Sellers shall pay the costs of customs formalities necessary for exportation of the goods as well as all duties, taxes and other official charges payable upon exportation, and where necessary for their transit through another country. Buyers shall pay all duties, taxes and other official charges as well as the costs of carrying out customs formalities payable upon importation of the goods.

7. Extension

8. Insurance

Sellers shall be responsible for insurance cover up to the point of the delivery/despatch/collection, thereafter insurance shall be for the account of buyers.

9. Payment

Payment shall be by cash in _____ against the following documents _____

Final invoices for monies due may be prepared by either party and shall be settled without delay. If not settled, either party may declare that a dispute has arisen which may be referred to arbitration as herein provided.

10. Proprietary rights

The contract goods shall become the property of buyers only after the contractual terms of payment have been fulfilled. Buyers shall cooperate with sellers in respect of any means the latter may intend to pursue in order to protect their proprietary rights to the goods contracted. If third parties try to assert or substantiate right to the goods in which Sellers still have proprietary rights, Buyers will immediately inform sellers of any such action.

11. 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 obligation under the payment clause.

12. Weights

The goods shall be weighed as agreed between the parties and such weights shall be final. sellers and buyers have the right to superintend.

13. Prohibition clause

In case of prohibition of export, blockade or hostilities or in case of any executive or legislative act done by or on behalf of the government of the country of origin of the goods, or of the country from which the goods are to be shipped, restricting export, whether partially or otherwise, any such restriction shall be deemed by both parties to apply to this contract and to the extent of such total or partial restriction to prevent fulfilment whether by shipment or by any other means whatsoever and to that extent this contract or any unfulfilled portion thereof shall be cancelled. Sellers shall advise buyers without delay with the reasons therefor and, if required, sellers must produce proof to justify the cancellation.

14. Force majeure

Should the execution of this contract or any unfulfilled portion thereof be prevented by any cause comprehended in the term "force majeure", provided that notice has been given by sellers or buyers, as appropriate, within 7 consecutive days from the occurrence, or not later than 21 days before the commencement of the delivery period, whichever is later, the time for delivery shall be extended for a period of one calendar month. After the additional period of one calendar month the contract shall be void for the unfulfilled portion so prevented. Sellers and/or buyers shall have no claim against the other for delay or non fulfilment under this clause, provided that they shall have supplied, if required, satisfactory evidence to justify the delay or non fulfilment.

15. Notices

Any notices received after 1600 hours on a business day shall be deemed to have been received on the business day following. All notices given under this contract shall be given by letter, if delivered by hand on the day of writing, or by telegram or by telex or by other method of rapid

written communication. In case of re-sales, all notices shall be passed on without delay by buyers to the respective sellers or vice versa.

Facsimile - a notice despatched by means of facsimile machines will not be deemed a good notice unless an acknowledgement of its receipt is obtained.

16. Non-business days

Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days which The Grain and Feed Trade Association may declare as non-business days for specific purposes, shall be non-business days. Should the time limit for doing any act or giving any notice expire on a non-business day, the time so limited shall be extended until the first business day thereafter. The period of delivery/despatch/collection shall not be affected by this clause.

17. Sampling & analysis

Samples required for the purposes of the contract shall be taken, and analytical instructions given, in accordance with the GAFTA sampling rules form no. 124.

18. Default

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

(a) the party other than the defaulter shall, at their discretion have the right, after giving notice by letter, telegram, telex or by other method of rapid written communication to the defaulter, to sell or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default price.

(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 agreed, then the assessment of damages shall be settled by arbitration.

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

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

(e) damages, if any, shall be computed on the mean contract quantity.

19. 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 payment 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 reconstruction or amalgamation), 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 transmit by telex or telegram or by other method of rapid written communication a notice of the occurrence of such act of insolvency to 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 thus given 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 giving of the notice. If such notice be not given as aforesaid, 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 repurchase 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.

20. Domicile

Buyers and sellers agree that, for the purpose of proceedings either legal or by arbitration, this contract shall be deemed to have been made in England, and to be performed there, any correspondence in reference to the offer, the acceptance, the place of payment, or otherwise, notwithstanding, and the Courts of England or arbitrators appointed in England, as the case may be, shall, except for the purpose of enforcing any award made in pursuance of the arbitration clause hereof, have exclusive jurisdiction over all disputes which may arise under this contract. Such disputes shall be settled according to the law of England, whatever the domicile, residence or place of business of the parties to this contract may be or become. Any party to this contract residing or carrying on business elsewhere than in England or Wales, shall for the purpose of proceedings at law or in arbitration be considered as ordinarily resident or carrying on business at the offices of The Grain and Feed Trade Association, and if in Scotland, he 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 office of The Grain and Feed Trade Association, together with the posting of a copy of such proceedings to his address abroad, or in Scotland or in Northern Ireland, shall be deemed good service, any rule of law or equity to the contrary notwithstanding. Where goods forming the subject of this contract are not for consumption in Great Britain or Northern Ireland nothing in the foregoing shall make the sale subject to the provisions of the agriculture act for the time being in force.

21. Arbitration

(a) Unless the Parties otherwise agree, and any dispute arising out of or under this contract shall be settled by arbitration in accordance with the arbitration rules, no: 125, of the Grain and Feed Trade Association (GAFTA) 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.

Sellers _____ Buyers _____