

FEDERATION OF OILS, SEEDS AND FATS ASSOCIATIONS LIMITED FOSFA INTERNATIONAL

CONTRACT FOR SELECTED GROUNDNUTS IN SHELL/GROUNDNUT KERNELS SHIPPED WEIGHT & QUALITY

34

Revised and Effective
from 1st September 2008

C&F TERMS

Reference Nos

SELLERS:

BUYERS:

BROKERS:

Reference Nos
.....
.....
.....

Date:

*An asterisk denotes alternative wording, and should be matter of agreement between the parties.

Sellers have agreed to sell and Buyers have agreed to buy	1
HAND PICKED SELECTED/MACHINE GRADED	2
*GROUNDNUTS IN SHELL/GROUNDNUT KERNELS	2
at	3
shipped weight, cost and freight to	4
as per Bill/s of Lading dated or to be dated during	5
and packed in new bags and/or clean second-hand bags of uniform size and weight suitable for shipment	6
from	7
Payment in	8
as per Payment and Shipping Documents Clause. Should any of the within mentioned quantity form part of a larger quantity of the same bulk stow or mark shipped on board the ship by the same shipper in the same or a different period of shipment, no separation or distinction shall be necessary.	9 10
1. TOLERANCE: Sellers have the option of shipping 5% more or less of the contract quantity to be settled at contract price. In the event of more than one shipment being made each shipment is to be considered as a separate contract but the tolerance on the mean contract quantity is not to be affected thereby.	11 12
2. WARRANTY: The goods are to be shipped in sound condition and are warranted to be of good merchantable quality of their description at the time and place of shipment.	13 14
3. WEIGHT: Weight to be final at the time of shipment and certified by a recognised independent superintendent, detailing weights based on minimum 10% of each Bill of Lading quantity.	15 16
4. DECLARATION OF DESTINATION: The goods are sold for shipment to	17
but Buyers have the option to declare	18
as the port/s of destination with a minimum of	19
tons to any one port. To exercise this option Buyers shall declare the port/s of destination to Sellers by any means of rapid written communication, not later than 16.00 hours on	20
The Notices Clause and the Non-Business Days Clause shall apply to such declaration.	21
5. SHIPMENT AND CLASSIFICATION: Shipment in good condition, direct or indirect, with transshipment (so long as a through Bill of Lading is provided) or without transshipment, in ship/s (tankers excluded), classified not lower than Lloyds 100 A1 or equivalent classification in any other recognised Register.	22 23
6. INSURANCE: On C and F transactions Sellers to sight the Policy/ies, Certificate/s or Letter/s of Insurance if required.	24
7. DECLARATION OF SHIPMENT: Notice stating ship's name, date of Bill/s of Lading and approximate quantity shipped shall be despatched by first Sellers to Buyers not later than 15 days after the date of the Bill/s of Lading. Notices by intermediate Sellers shall be accepted by their Buyers although received by them after such time, if from the 15th day after the date of the Bill/s of Lading such notices have been passed on with due despatch.	25 26 27
The date of the "on board" Bill/s of Lading shall be considered proof of the date of the shipment in the absence of conclusive evidence to the contrary.	28
Notices shall be deemed to be under reserve for errors and/or delays in transmission. Any slight variation in the ship's name shall not invalidate the declaration. A valid declaration cannot be withdrawn except with the Buyers' consent. Should the ship arrive before receipt of declaration of shipment and extra expenses be incurred, such expenses are to be paid by Sellers. The provisions of this clause to be inoperative if the goods have been sold afloat.	29 30 31
Presentation of documents does not constitute a notice under the terms of this clause.	32
8. SUPERINTENDENTS: Reference in the contract to superintendents, surveyors or representatives shall mean member superintendents of FOSFA International.	33
The use of member superintendents shall be mandatory except where:	34
(i) the contract or national laws or regulations require the use of Governmental or other agencies not recognised by FOSFA International;	35
(ii) no member superintendent/s is/are available or proximate to the port/s concerned.	36 37
9. PAYMENT AND SHIPPING DOCUMENTS: Payments shall be made by Buyers in the above-named place for the invoice amount against complete set of shipping documents, as listed below.	38
If documents are presented to Buyers through the intermediary of a bank/s then the bank charges incurred shall be for Sellers' account. If Buyers demand presentation through a bank of their choice, those bank charges shall be for Buyers' account.	39 40
Shipping documents shall consist of:—	41
(1) Invoice;	42
(2) Full set of clean "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 guaranteed by a recognised bank if required by Buyers;	43 44
(3) Weight Certificate as detailed in Weight Clause;	45 46
(4)	47
.....	48

Buyers agree to accept Bill/s of Lading containing the Chamber of Shipping War Risk Clause and/or any other recognised War Risk Clause. 49
Should 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 50
delivery of such documents be guaranteed, such guarantee to be signed, if requested by Buyers, by a recognised bank. Acceptance of this guarantee shall not 51
prejudice Buyers' rights under this contract. 52
Should Sellers have failed to present shipping documents on arrival of the ship at port of discharge, Buyers shall take delivery under an indemnity provided by 53
themselves and shall pay for the documents when presented. Any reasonable extra expenses, including the costs of such indemnity or extra landing charges incurred 54
by reason of the failure of Sellers to provide such documents shall be recovered by Buyers from Sellers but such payment shall not prejudice Buyers' rights under 55
the contract when shipping documents are eventually available. In the event that Buyers take delivery under their own guarantee and Sellers fail to provide 56
shipping documents and if Buyers' bank guarantee is encashed by the ship, Sellers shall be responsible for all damages, costs and consequences arising from 57
their failure to present documents. Buyers shall inform Sellers immediately there is a claim against the guarantee and Sellers shall have the right to be joined 58
in any legal action arising therefrom. 59
Payment shall not be deemed to have been effected before receipt of cleared funds by the payee or his bank. If payment is agreed to be by bank transfer, the 60
party shall effect payment to the payee's bank on or before the due date for payment and payment instructions shall specify a value date not later than the second 61
bank working day after the day of payment. Any monies due by either party to the contract to the other for final invoices and/or accounts for items on 62
shipments fulfilling this contract shall be settled by either party without delay (except as otherwise provided under awards of arbitration or appeal as 63
governed by the other provisions in the contract) and if not settled a dispute shall be deemed to have arisen which may be referred to arbitration. 64
No error in the documents which is obviously a clerical error shall entitle Buyers to reject them or delay payment, but Sellers shall be responsible for all loss or 65
expense caused to Buyers by reason of such error and Sellers shall on request furnish a guarantee in respect thereto. 66

10. INTEREST: If any payment is not made on or before the due date for payment, interest shall be payable. 67
If there is no due date for payment, interest shall be payable if there has been an unreasonable delay in payment. Interest payable shall be appropriate to the 68
currency involved. If the amount of interest is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration in accordance with 69
the Arbitration Clause. 70
Nothing in this clause shall affect a party's rights to invoke the provisions of the Default Clause in a case where a failure to effect timely payment could give rise 71
to a claim under that clause. 72

11. CHARTER PARTY: If the Bill/s of Lading refer/s to a Charter Party, then, if required by Buyers, Sellers shall provide a copy of the Charter Party. 73

12. UNASCERTAINED GOODS: In every instance where a parcel of goods sold by this contract forms an unidentified part or a larger identified quantity of 74
goods of the same description, whether in packages or in bulk, no separation or distinction shall be necessary and, until separation and identification of the parcel 75
sold hereby from the larger quantity has taken place, the Buyer of the parcel is a pro rata owner of the whole of the larger quantity in common with Seller/s and 76
Buyer/s of other parts of the larger quantity. 77

13. DUTIES, TAXES, ETC.: All export duties, taxes, levies, etc., present or future in country of origin/port of shipment shall be for Sellers' account. 78
All import duties, taxes, levies, etc., present or future in port of discharge/country of destination shall be for Buyers' account. 79
Where the goods are entitled to free entry into or preferential duty in the port of destination named in this contract, Sellers shall furnish together with the shipping 80
documents a Certificate of Origin and/or necessary document/s in the form valid at the time of shipment, otherwise Sellers shall be responsible for any extra duty 81
incurred by Buyers through the non-production of such Certificate and/or document/s. 82
If the eventual country of destination is different from that named in the contract, then Sellers, at Buyers' request, shall, if possible, supply the appropriate 83
Certificate of Origin for the country of final destination. 84

14. LICENCES: The obtaining of an export licence, if required, to be the sole responsibility of the Sellers. The obtaining of an import licence, if required, to 85
be the sole responsibility of the Buyers. 86

15. NOTICES: Notices to be despatched by any means of rapid written communication. All notices shall be under reserve for errors in transmission. Notices 87
shall be passed on with due despatch by intermediate Buyers and Sellers. Any notice received after 16.00 hours on a business day shall be deemed to have been 88
received on the following business day. Notice from a broker shall be a valid notice under this contract. 89

16. NON-BUSINESS DAYS: Should the time limit for doing any act or giving any notice expire on a Saturday, Sunday or any public holiday in the country 90
where the party required to do the act or give the notice resides or carries on business or in the country where the act has to be done or the notice has to be received 91
or on any day which the Federation shall declare to be a non-business day the time so limited shall be extended until the first business day thereafter. All business 92
days shall be deemed to end at 16.00 hours Mondays to Fridays inclusive. The contract shipment period not to be affected by this clause. 93

17. ODD DAYS: In any month containing an odd number of days the middle day shall be reckoned as belonging to both halves of the month. 94

18. PREVENTION OF SHIPMENT: Should shipment of the goods or any part thereof be prevented at any time during the last 30 days of the contract shipment 95
period by reason of Act of God, strikes, lockouts, riots, civil commotions, fires or any other cause comprehended by the term Force Majeure at port/s of loading or 96
elsewhere preventing transport of the goods to such port/s, the time allowed for shipment shall be extended to 30 days beyond the termination of such cause, but 97
should the contract shipment period be less than 30 days such extension shall be limited to the number of days allowed for shipment under the contract shipment 98
period. 99
Should such cause exist for a period of 60 days beyond the contract shipment period the contract or any unfulfilled part thereof so affected shall be cancelled. 100
Sellers invoking this clause shall notify Buyers with due despatch. 101
When goods of a specific origin are sold with the option of shipment from alternative ports and shipment from all alternative ports is not prevented Sellers may only 102
invoke this clause with regard to the specific port/s provided that the port/s has/have been notified to Buyers as the intended port/s of loading prior to or within 103
7 days of the occurrence but if the occurrence commences within the last 7 days of the contract shipment period the port/s of loading to be notified not later than the 104
first business day following the contract shipment period. Shipment after the contract shipment period shall be limited to the port/s so nominated. 105
Buyers have no claim against Sellers for delay in shipment or cancellation under this clause provided that Sellers shall have supplied to their Buyers, if required, 106
satisfactory evidence justifying delay or non-fulfilment to establish any claim for extension or cancellation under this clause. 107
In the case of default after extension the default date shall be similarly deferred. 108

19. PROHIBITION: In the event, during the contract shipment period, of prohibition of export or any other executive or legislative act by or on behalf of the 109
Government of the country of origin or of the territory where the port/s of shipment named herein is/are situate, or of blockade or hostilities, restricting export, 110
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 111
prevent fulfilment whether by shipment or by any other means whatsoever and to that extent this contract or any unfulfilled portion thereof shall be extended by 112
30 days. 113
In the event of shipment during the extended period still proving impossible by reason of any of the causes in this clause the contract or any unfulfilled part thereof 114
shall be cancelled. Sellers invoking this clause shall advise Buyers with due despatch. If required, Sellers must produce proof to justify their claim for extension or 115
cancellation under this clause. 116

20. BANKRUPTCY/INSOLVENCY: If before the fulfilment of this contract, either party shall suspend payment, notify any of his creditors that he is unable 117
to meet his debts or that he has suspended payment or that he is about to suspend payment of his debts, convene, call or hold a meeting of his creditors, propose a 118
voluntary arrangement, apply for an official moratorium, have an administration order made, have a winding up order made, have a receiver or manager appointed, 119
convene, call or hold a meeting to go into liquidation (other than for reconstruction or amalgamation), become subject to an Interim Order under Section 252 of 120
the Insolvency Act 1986 or have a Bankruptcy Petition presented against him the contract shall forthwith be closed, either at the actual or estimated market price 121
then current for similar goods or, at the option of the other party, at a price to be ascertained by re-purchase or re-sale and the difference between the contract price 122
and such closing-out price shall be the amount which the other party shall be entitled to claim or shall be liable to account for under this contract. Should either 123
party be dissatisfied with the price ascertained by re-purchase or re-sale, then the matter shall be referred to arbitration. If no re-purchase or re-sale takes place and 124
if the parties cannot agree to a closing-out price, then on application of either party, the closing-out price shall be fixed by a sole arbitrator appointed by the 125
Federation subject to the right of appeal under the Federation's Rules of Arbitration and Appeal. 126

21. CIRCLE: Where a Seller repurchases from his Buyer, or from any subsequent Buyer, the same goods or part thereof, a circle shall be considered to exist as 127
regards the particular goods so repurchased, and the provisions of the Default Clause shall not apply. (For the purpose of this clause, the same goods shall mean 128
goods of the same description, of the same country of origin, of the same quality and, where applicable, of the same analysis warranty, for shipment to the same 129
port/s of destination during the same period of shipment.) Different currencies shall not invalidate the circle. 130
If the goods are not declared or, having been declared, documents are not presented as a result of a circle having been established, invoices based on the mean 131
contract quantity shall be settled between each Buyer and his Seller in the circle by payment by each Buyer to his Seller of the excess of the Seller's invoice 132
amount over the lowest invoice amount in the circle. 133
Where the circle includes contract/s expressed in different currencies, the lowest invoice amount shall be replaced by the market price on the first business day for 134
contractual shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the difference between the market price and the 135
relevant contract price in the currency of the contract. Failing amicable agreement the market price shall be that declared by a Price Settlement Committee of the 136
Federation appointed for that purpose on application of either party. 137
Such settlement shall be due for payment not later than 15 consecutive days after the last day for declaration or, should the circle not be established before the 138
expiry of this time, then settlement to be due for payment not later than 7 days after the circle is established. No circle shall be considered to exist if its existence 139
is not established within 45 days after the last day of shipment. 140
All Sellers and Buyers shall give every assistance to the establishment of the circle and when a circle shall have been established same shall be binding on all 141
parties to the circle. Should any party in the circle commit prior to the due date for payment any act comprehended in the Bankruptcy/Insolvency Clause, the 142
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invoice amount for the goods calculated at the closing-out price as provided for in the Bankruptcy/Insolvency Clause, shall be taken as the basis for settlement instead of the lowest invoice amount in the circle, and in this event each Buyer shall make payment to his Seller or each Seller shall make payment to his Buyer of the difference between the closing-out price and the contract price, as the case may be.

In the event of a claim under the Prohibition Clause or the Prevention of Shipment Clause, the date for settlement shall be deferred until the expiry of the extended shipment period. Thereafter, if the contract is cancelled under the terms of the Prohibition Clause or the Prevention of Shipment Clause, this clause is not applicable.

22. DEFAULT: In default of fulfilment of this contract by either party, the other party at his discretion shall, after giving notice, have the right either to cancel the contract, or the right to sell or purchase, as the case may be, against the defaulter who shall on demand make good the loss, if any, on such sale or purchase. If the party liable to pay shall be dissatisfied with the price of such sale or purchase, or if neither of the above rights is exercised, the damages, if any, shall, failing amicable settlement, be determined by arbitration. The damages awarded against the defaulter shall be limited to the difference between the contract price and the actual or estimated market price on the day of default. Damages to be computed on the mean contract quantity. If the arbitrators consider the circumstances of the default justify it they may, at their absolute discretion, award damages on a different quantity and/or award additional damages. Prior to the last day for making a declaration of shipment a Seller may notify his Buyer of his inability to ship but the date of such notice shall not become the default date without the agreement of the Buyer. If, for any other reason, either party fails to fulfil the contract and is declared to be in default by the other party and default is either agreed between the parties or subsequently found by arbitrators to have occurred, then the day of the default shall, failing amicable settlement, be decided by arbitration.

23. DOMICILE: This contract shall be deemed to have been made in England and the construction, validity and performance thereof shall be governed in all respects by English law. Any dispute arising out of or in connection therewith shall be submitted to arbitration in accordance with the Rules of the Federation. The serving of proceedings upon any party by sending same to their last known address together with leaving a copy of such proceedings at the offices of the Federation shall be deemed good service, rule of law or equity to the contrary notwithstanding.

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 Law 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 the Limitation Period in the International Sale of Goods of 1974 and the amending Protocol of 1980.

25. ARBITRATION: Any dispute arising out of this contract, including any question of law arising in connection therewith, shall be referred to arbitration in London (or elsewhere if so agreed) in accordance with the Rules of Arbitration and Appeal of the Federation of Oils, Seeds and Fats Associations Limited, in force at the date of this contract and of which both parties hereto shall be deemed to be cognizant. 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 arbitrators, umpire or Board of Appeal (as the case may be), in accordance with the Rules of Arbitration and Appeal of the Federation, and it is hereby expressly agreed and declared that the obtaining of an Award from the arbitrators, umpire or Board of Appeal (as the case may be), shall be a condition precedent to the right of either party hereto or of any person claiming under either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute.

FEDERATION OF OILS, SEEDS AND FATS ASSOCIATIONS LIMITED FOSFA INTERNATIONAL

CONTRACT FOR FULL CONTAINER LOADS OF SELECTED GROUNDNUTS IN SHELL/GROUNDNUT KERNELS, STUFFED WEIGHT & QUALITY

35

Revised and Effective
from 1st September 2008

CIF/C&F TERMS

Reference Nos

SELLERS:

BUYERS:

BROKERS:

Date:

*An asterisk denotes alternative wording, and should be matter of agreement between the parties.

- Sellers have agreed to sell and Buyers have agreed to buy say metric tons 1
packed in 20 and/or 40 foot container loads each of about metric tons 2
*HAND PICKED SELECTED/MACHINE GRADED *GROUNDNUT KERNELS/GROUNDNUTS IN SHELL 3
at say per metric ton 4
gross stuffed weight *cost and freight/cost insurance and freight as per "on board" Bill/s of Lading dated or to be dated during 5
The goods are to be packed in new or sound clean second hand bags suitable for shipment. 6
Payment in as per Payment and Shipping Documents Clause. 7
1. TOLERANCE: Sellers have the option of shipping 5% more or less of the contract quantity. In the event of more than one shipment being made each shipment is to be considered as a separate contract but the tolerance on the mean contract quantity is not to be affected thereby. 8 9
2. QUALITY & CONDITION: The goods are to be stuffed in sound condition and are warranted to be of good merchantable quality of their description. Quality and condition at time of stuffing certified by a recognised independent superintendent. 10 11
3. WEIGHT: Weight to be final at time of stuffing and certified by a recognised independent superintendent. 12
4. SUPERINTENDENTS: Reference in the contract to superintendents, surveyors or representatives shall mean member superintendents of FOSFA International. 13
The use of member superintendents shall be mandatory except where: 14
(i) the contract or national laws or regulations require the use of Governmental or other agencies not recognised by FOSFA International; 15
(ii) no member superintendent/s is/are available or proximate to the port/s concerned. 16
5. ANALYSTS: Reference in the contract to analysts shall mean analysts who are members of FOSFA International. The use of member analysts shall be mandatory except where the contract or national laws or regulations require the use of Governmental or other analysts. 17 18
6. AFLATOXIN: Aflatoxin content (or its absence) to be certified by a recognised independent analyst. The certificates shall bear the FOSFA International official seal. 19 20
7. FUMIGATION: The goods are to be fumigated in the container prior to shipment and certified by a recognised independent superintendent/fumigation agency. 21
All container vents after fumigation, to be kept open unless otherwise specified. Fumigant is to be contained within sachets and not scattered in the container. 22
8. DECLARATION OF DESTINATION: The goods are sold for shipment to 23
but the Buyers have the option to declare 24
as the port/s of destination with a minimum of one full container load to any one port. To exercise this option Buyers shall declare the port/s of destination to 25
Sellers by any means of rapid written communication, not later than 16.00 hours on 26
The Notices Clause and the Non-Business Days Clause shall not apply to such declaration. 27
9. SHIPMENT AND CLASSIFICATION: Shipment in good condition, direct or indirect, with transshipment (so long as a through Bill of Lading is provided) or without transshipment in ship/s (tankers excluded), classified not lower than Lloyds 100 A1 or equivalent classification in any other recognised Register. 28 29
10. CONTAINER TERMS: Sellers are responsible for ensuring that the goods are shipped in container/s of a suitable type and condition. 30
11. INSURANCE: Insurance to be effected with first class underwriters and/or companies domiciled in the UK or with companies which accept a British domicile for the purpose of any legal proceedings and which provide an address in London for service of process but for whose solvency the Seller shall not be responsible. The terms shall include:- 31 32
Institute/FOSFA Trade Clauses (A), Institute/FOSFA Supplementary Clauses (4), Institute Strike Clauses (FOSFA Trades), Institute War Clauses (FOSFA Trades). 33
Buyers shall accept insurance including Exclusion Clauses on the FOSFA Insurance Exclusion Clause List. 34
Cover against heating, sweating and spontaneous combustion, and for 10% over the provisional invoice amount including freight. 35
Claims payable in the currency of the contract. 36
In respect of C&F transactions, Insurance to be arranged by Buyers confirmed to Sellers prior to expected readiness of ship to load. 37 38
12. WAR RISK INSURANCE: War Risks Insurance shall be effected on the terms and conditions in force at the time of shipment by the Institute of London Underwriters (Institute War Clauses (FOSFA Trades)). 39 40
Any expense for covering war risks in excess of ½ % shall be for account of Buyers. The rate of insurance shall not exceed the rate ruling in London at the time of shipment or date of ship's sailing whichever may be adopted by underwriters. Notice of such expense/rate of insurance to be given in due time by Sellers to Buyers. 41 42
13. DECLARATION OF SHIPMENT: Notice stating ship's name, date of Bill/s of Lading and approximate quantity shipped together with container number/s shall be despatched by first Sellers to their Buyers not later than 15 days after the date of the Bill/s of Lading. Notices by intermediate Sellers shall be accepted by their Buyers although received by them after such time, if from the 15th day after the date of the Bill/s of Lading such notices have been passed on with due despatch. The date of the "on board" Bill/s of Lading shall be considered proof of the date of shipment in the absence of conclusive evidence to the contrary. Notices shall be deemed to be under reserve for errors and/or delays in transmission. Any slight variation in the ship's name or container number/s shall not invalidate the declaration. A valid declaration cannot be withdrawn except with the Buyers' consent. Should the ship arrive before the receipt of the declaration of shipment and extra expenses be incurred, such expenses are to be paid by the Sellers. 43 44 45 46 47 48
The provisions of this clause to be inoperative if the goods have been sold afloat. 49
Presentation of documents does not constitute a notice under the terms of this clause. 50 51

14. PAYMENT AND SHIPPING DOCUMENTS: Payment shall be made by Buyers in the above named place in the Preamble for the invoice amount by cash against complete set of shipping documents:-	52
* (a) on presentation; or	53
* (b)	54
.....	55
.....	56
.....	57
If Sellers choose to present documents to Buyers through the intermediary of a bank/s all bank charges incurred including those raised by Buyers' bank shall be for Sellers' account unless Buyers demand presentation through a bank of their choice, in which case those bank charges shall be for Buyers' account.	58
Any charges for telegraphic remittance of funds to Sellers shall be for Buyers' account.	59
Shipping documents shall consist of:	60
(1) Invoice.	61
(2) Full set of clean "on board" Bill/s of Lading and/or Ship's Delivery Order/s guaranteed by a recognised bank if required by Buyers.	62
(3) On CIF transactions Policy/ies and/or Insurance Certificate/s and/or Letter/s of Insurance in the currency of the contract. Letter/s of Insurance shall specify the insurance company/ies and/or underwriter/s and policy number/s and shall be guaranteed by a recognised bank if required by Buyers. After payment Letter/s of Insurance shall be substituted by Policy/ies and/or Certificate/s on request.	63
(4) Certificate of Origin.	64
(5) Certificate of Quality as detailed in Quality and Condition Clause.	65
(6) Certificate of Weight as detailed in the Weight Clause.	66
(7) Certificate of Aflatoxin as detailed in the Aflatoxin Clause.	67
(8) Certificate of Fumigation as detailed in the Fumigation Clause.	68
(9) Phytosanitary Certificate.	69
(10)	70
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Buyers agree to accept the Bill/s of Lading containing the Chamber of Shipping War Risk Clause and/or any other recognised War Risk Clause. Should 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 documents be guaranteed, such guarantee to be signed, if required by Buyers, by a first class bank. Acceptance of this guarantee shall not prejudice Buyer's rights under this contract.	75
Should Sellers have failed to present shipping documents on arrival of the ship at destination, Buyers shall take delivery under a guarantee acceptable to the shipowners to be provided by Buyers, such guarantee to be signed by a first class bank if required by the shipowners. Buyers shall pay for the documents when presented. Any reasonable extra expenses, including the costs of such guarantee or extra handling charges incurred by reason of the failure of Sellers to provide such documents shall be borne by Sellers and allowed for in the final invoice. In the event that Buyers take delivery as above and Sellers fail to provide shipping documents and if the guarantee provided by Buyers as above is encashed by the shipowners, Sellers shall be responsible for all damages, costs and consequences arising from their failure to present documents. Buyers shall inform Sellers immediately there is a claim against the guarantee and Sellers shall have the right to be joined in any legal action arising therefrom.	76
Payment shall not be deemed to have been effected before receipt of cleared funds by the payee or his bank. If payment is agreed to be by bank transfer, the party shall effect payment to the payee's bank on or before the due date for payment and payment instructions shall specify a value date not later than the second bank working day after the day of payment.	77
Any monies due by either party to the contract to the other for final invoices and/or accounts for items on shipments fulfilling this contract shall be settled by either party without delay (except as otherwise provided under awards of arbitration or appeal as governed by the other provisions in the contract) and if not settled a dispute shall be deemed to have arisen which may be referred to arbitration.	78
No error in the documents which is obviously a clerical error shall entitle the Buyer 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 a guarantee in respect thereto.	79
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15. INTEREST: If any payment is not made on or before the due date for payment, interest shall be payable.	94
If there is no due date for payment, interest shall be payable if there has been an unreasonable delay in payment. Interest payable shall be appropriate to the currency involved. If the amount of interest is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration in accordance with the Arbitration Clause.	95
Nothing in this clause shall affect a party's rights to invoke the provisions of the Default Clause in a case where a failure to effect timely payment could give rise to a claim under that clause.	96
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16. CHARTER PARTY: If the Bill/s of Lading refer/s to a Charter Party then, if required by Buyers, Sellers shall provide a copy of the Charter Party.	100
17. UNASCERTAINED GOODS: In every instance where a parcel of goods sold by this contract forms an unidentified part of a larger identified quantity of goods of the same description, whether in packages or in bulk, no separation or distinction shall be necessary and, until separation and identification of the parcel sold hereby from the larger quantity has taken place, the Buyer of the parcel is a pro rata owner of the whole of the larger quantity in common with Seller/s and Buyer/s of other parts of the larger quantity.	101
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18. DUTIES, TAXES, ETC: All export duties, taxes, levies, etc., present or future in country of origin/port of shipment shall be for Sellers' account. All import duties, taxes, levies, etc., present or future in port of discharge/country of destination shall be for Buyers' account. Where the goods are entitled to free entry into or preferential duty in the port of destination named in this contract, Sellers shall furnish together with the shipping documents a Certificate of Origin and/or necessary document/s in the form valid at the time of shipment, otherwise Sellers shall be responsible for any extra duty incurred by Buyers through non-production of such Certificate and/or document/s.	105
If the eventual country of destination is difference from that named in the contract, then Sellers, at Buyers' request, shall, if possible, supply the appropriate Certificate of Origin for the country of final destination.	106
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19. LICENCES: The obtaining of an export licence, if required, to be the sole responsibility of the Sellers. The obtaining of an import licence, if required, to be the sole responsibility of the Buyers.	112
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20. NOTICES: Notices to be despatched by any means of rapid written communication. All notices shall be under reserve for errors in transmission. Notices shall be passed on with due despatch by intermediate Buyers and Sellers. Any notice received after 16.00 hours on a business day shall be deemed to have been received on the following business day. Notice from a broker shall be a valid notice under this contract.	114
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21. NON-BUSINESS DAYS: Should the time limit for doing any act or giving any notice expire on a Saturday, Sunday or any public holiday in the country where the party required to do the act or give the notice resides or carries on business or in the country where the act has to be done or the notice has to be received or on any day which the Federation shall declare to be a non-business day the time so limited shall be extended until the first business day thereafter. All business days shall be deemed to end at 16.00 hours Mondays to Fridays inclusive. The contract shipment period not to be affected by this clause.	117
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22. ODD DAYS: In any month containing an odd number of days the middle day shall be reckoned as belonging to both halves of the month.	121
23. FORCE MAJEURE: Should shipment of the goods or any part thereof be prevented at any time during the last 30 days of the contract shipment period by reason of Act of God, strikes, lockouts, riots, civil commotions, fires or any other cause comprehended by the term Force Majeure at port/s of loading or elsewhere preventing transport of the goods to such port/s, the time allowed for shipment shall be extended to 30 days beyond the termination of such cause, but should the contract shipment period be less than 30 days such extension shall be limited to the number of days allowed for shipment under the contract shipment period.	122
Should such cause exist for a period of 60 days beyond the contract shipment period the contract or any unfulfilled part thereof so affected shall be cancelled. Sellers invoking this clause shall notify Buyers with due despatch.	123
When the goods are sold with the option of shipment from alternative ports and shipment from all alternative ports is not prevented, Sellers may only invoke this clause with regard to the specific port/s provided that the port/s has/have been notified to Buyers as the intended port/s of loading prior to or within 7 days of the occurrence but if the occurrence commences within the last 7 days of the contract shipment period the port/s of loading to be notified not later than the first business day following the contract shipment period. Shipment after the contract shipment period shall be limited to the port/s nominated.	124
Buyers have no claim against Sellers for delay in shipment or cancellation under this clause provided that Sellers shall have supplied to their Buyers, if required, satisfactory evidence justifying delay or non-fulfilment to establish any claim for extension or cancellation under this clause. In case of default after extension the default date shall be similarly deferred.	125
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24. PROHIBITION: In the event, during the contract shipment period, of prohibition of export or any other executive or legislative act by or on behalf of the Government of the country of origin or of the territory where the port/s of shipment named herein is/are situate, or of blockade or hostilities, 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 extended by 30 days.	136
In the event of shipment during the extended period still proving impossible by reason of any of the causes in this clause the contract or any unfulfilled part thereof shall be cancelled. Sellers invoking this clause shall advise Buyers with due despatch. If required, Sellers must produce proof to justify their claim for extension or cancellation under this clause.	137
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25. BANKRUPTCY/INSOLVENCY: If before the fulfilment of this contract, either party shall suspend payment, notify any of his creditors that he is unable to meet his debts or that he has suspended payment or that he is about to suspend payment of his debts, convene, call or hold a meeting of his creditors, propose a voluntary arrangement, apply for an official moratorium, 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), become subject to an Interim Order under Section 252 of the Insolvency Act 1986 or have a Bankruptcy Petition presented against him the contract shall forthwith be closed, either at the actual or estimated market price then current for similar goods or, at the option of the other party, at a price to be ascertained by re-purchase or re-sale and the difference between the contract price and such closing-out price shall be the amount which the other party shall be entitled to claim or shall be liable to account for under this contract. Should either party be dissatisfied with the price ascertained by re-purchase or re-sale, then the matter shall be referred to arbitration. If no re-purchase or re-sale takes place and if the parties cannot agree to a closing-out price, then on application of either party, the closing-out price shall be fixed by a sole arbitrator appointed by the Federation subject to the right of appeal under the Federation's Rules of Arbitration and Appeal.

26. CIRCLE: Where a Seller repurchases from his Buyer or from any subsequent Buyer, the same goods or part thereof, a circle shall be considered to exist as regards the particular goods so repurchased, and the provisions of the Default Clause shall not apply. (For the purpose of this clause, the same goods shall mean goods of the same description, of the same country of origin, of the same quality and, where applicable, of the same analysis warranty, for shipment to the same port/s of destination during the same period of shipment). Different currencies shall not invalidate the circle. If the goods are not declared or, having been declared, documents are not presented as a result of a circle having been established, invoices based on the mean contract quantity shall be settled between each Buyer and his Seller in the circle by payment by each Buyer to his Seller of the excess of the Seller's invoice amount over the lowest invoice amount in the circle. Where the circle includes contract/s expressed in different currencies, the lowest invoice amount shall be replaced by the market price on the first business day for contractual shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the difference between the market price and the relevant contract price in the currency of the contract. Failing amicable agreement the market price shall be that declared by a Price Settlement Committee of the Federation appointed for the purpose on application of either party. Such settlement shall be due for payment not later than 15 consecutive days after the last day for declaration or, should the circle not be established before the expiry of this time, then settlement shall be due for payment not later than 7 days after the circle is established. No circle shall be considered to exist if its existence is not established within 45 days after the last day of shipment. All Sellers and Buyers shall give every assistance to the establishment of the circle and where a circle shall have been established same shall be binding on all parties to the circle. Should any party in the circle commit prior to the due date for payment any act comprehend in the Bankruptcy/Insolvency Clause, the invoice amount for the goods calculated at the closing-out price as provided for in the Bankruptcy/Insolvency Clause shall be taken as the basis for settlement instead of the lowest invoice amount in the circle, and in this event each Buyer shall make payment to his Seller or each Seller shall make payment to his Buyer of the difference between the closing-out price and the contract price, as the case may be. In the event of a claim under the Prohibition Clause or the Prevention of Shipment Clause, the date for settlement shall be deferred until the expiry of the extended shipment period. Thereafter, if the contract is cancelled under the terms of the Prohibition Clause or the Prevention of Shipment Clause, this clause is not applicable.

27. DEFAULT: In default of fulfilment of this contract by either party the other party at his discretion shall, after giving notice, have the right either to cancel the contract, or the right to sell or purchase, as the case may be, against the defaulter who shall on demand make good the loss, if any, on such sale or purchase. If the party liable to pay shall be dissatisfied with the price of such sale or purchase or if neither of the above right is exercised, the damages, if any shall, failing amicable settlement, be determined by arbitration. The damages awarded against the defaulter shall be limited to the difference between the contract price and the actual or estimated market price on the day of default. Damages to be computed on the mean contract quantity. If the arbitrators consider the circumstances of the default justify it they may, at their absolute discretion, award damages on a different quantity and/or award additional damages. Prior to the last day for making a declaration of shipment a Seller may notify his Buyer of his inability to ship but the date of such notice shall not become the default date without the agreement of the Buyer. If, for any other reason, either party fails to fulfil the contract and is declared to be in default by the other party and default is either agreed between the parties or subsequently found by arbitrators to have occurred, then the day of default shall, failing amicable settlement, be decided by arbitration.

28. DOMICILE: This contract shall be deemed to have been made in England and the construction, validity and performance thereof shall be governed in all respects by English Law. Any dispute arising out of or in connection therewith shall be submitted to arbitration in accordance with the Rules of the Federation. The serving of proceedings upon any party by sending same to their last known address together with leaving a copy of such proceedings at the offices of the Federation shall be deemed good service, rule of law or equity to the contrary notwithstanding.

29. 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 the Limitation Period in the International Sale of Goods of 1974 and the amending Protocol of 1980.

30. ARBITRATION: Any dispute arising out of the contract, including any question of law arising in connection therewith, shall be referred to arbitration in London (or elsewhere if so agreed) in accordance with the Rules of Arbitration and Appeal of the Federation of Oils, Seeds and Fats Associations Limited, in force at the date of this contract and of which both parties hereto shall be deemed to be cognizant. Neither party hereto, nor any persons claiming under either of them, shall bring any action or other legal proceeding against the other of them in respect of any such dispute until such dispute shall first have been heard and determined by the arbitrators, umpire or Board of Appeal (as the case may be), in accordance with the Rules of Arbitration and Appeal governing the dispute, and it is hereby expressly agreed and declared that the obtaining of an Award from the arbitrators, umpire or Board of Appeal (as the case may be), shall be a condition precedent to the right of either party hereto or of any person claiming under either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute.

FEDERATION OF OILS, SEEDS AND FATS ASSOCIATIONS LIMITED FOSFA INTERNATIONAL

CONTRACT FOR SELECTED GROUNDNUTS IN SHELL/GROUNDNUT KERNELS

SPOT TERMS

37

Revised and Effective
from 1st September 2008

Reference Nos

SELLERS:

BUYERS:

BROKERS:

Date:

*An asterisk denotes alternative wording, and should be matter of agreement between the parties.

Sellers have agreed to sell and Buyers have agreed to buy say tons of 1000 kilos 1

HAND PICKED SELECTED/MACHINE GRADED *GROUNDNUTS IN SHELL/GROUNDNUT KERNELS 2

*inspected and approved by Buyers/on approval 3

at say 4

gross delivered weight including packing. 5

Delivery during at Sellers option 6

packed in original sound bags, suitable for edible groundnuts 7

*stored in Sellers' premises in/at 8

*ex Public Warehouse 9

free on truck 10

PAYMENT IN as per payment clause 11

Special Conditions: 12

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1. **TOLERANCE:** Sellers shall have the option of delivering/dischpatching 2% more or less of the contract quantity to be settled at contract price. 15
2. **WEIGHING:** Sellers shall have the weight ascertained at the place of delivery/dispatch in the customary manner and at their expense unless otherwise agreed. The parties shall allow each other to supervise the weighing. If a party wishes to exercise that right he shall appoint his superintendent in due time. If a party fails to supervise the weighing, or to have it supervised, the other party shall have the right to ascertain the weight or to have it ascertained independently. The weight ascertained in accordance with the foregoing shall be binding upon both parties. If the goods have not been weighed within 4 weeks after they have been put at Buyers' disposal, the invoiced weight shall be final. 16-19
3. **DELIVERY AND STORAGE:** Where goods stored in a Public Warehouse have been sold Ex Store the costs, if any, including loading and stowing, shall be for Sellers' account. The Buyer shall take delivery of stored goods during the customary working hours of the public warehouse. The Buyer shall be entitled from date of contract to 14 days free storage and insurance. Risk passes to the Buyer on approval of the goods. Contracts for forward deliveries, Rent and Insurance Free for month of delivery for Sellers account. 21-24
4. **SUPERINTENDENTS:** Reference in the contract to superintendents, surveyors or representatives shall mean member superintendents of FOSFA International. The use of member superintendents shall be mandatory. 25-27
5. **DECLARATION OF DELIVERY:** Notice stating details of location, first Sellers name and reference number, number of bags and warehouse reference if any, shall be despatched by first Seller to their Buyers not later than the last business day of the month of delivery. Notices by intermediate Sellers specifying first Sellers release date shall be accepted by their Buyers provided such notices have been passed on with due despatch. Notices shall be deemed to be under reserve for errors and/or delays in transmission. Any slight variation in the first Sellers reference number shall not invalidate the declaration. A valid declaration, cannot be withdrawn except with the Buyers' consent. 28-32
6. **PAYMENT:** Payment shall be made by Buyers in the above named place for the invoice amount by cash against delivery document/s on presentation. In case of a release of goods prior to payment, payment shall be made on presentation of provisional or final invoice at Sellers' option. Title to goods and/or documents shall remain the property of the Seller until full payment of the invoice is received. Payment shall not be deemed to have been effected before receipt of cleared funds by the payee or his bank. If payment is agreed to be by bank transfer, the party shall effect payment to the payee's bank on or before the due date for payment and payment instructions shall specify a value date not later than the second bank working day after the day of payment. Any monies due by either party to the contract to the other for final invoices and/or accounts for items on deliveries fulfilling this contract shall be settled by either party without delay (except as otherwise provided under awards of arbitration or appeal as governed by the other provisions in the contract) and if not settled a dispute shall be deemed to have arisen which may be referred to arbitration. 33-41
7. **INTEREST:** If any payment is not made on or before the due date for payment, interest shall be payable. If there is no due date for payment, interest shall be payable if there has been an unreasonable delay in payment. Interest payable shall be appropriate to the currency involved. If the amount of interest is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration in accordance with the Arbitration Clause. Nothing in this clause shall affect a party's rights to invoke the provisions of the Default Clause in a case where a failure to effect timely payment could give rise to a claim under that clause. 42-46
8. **SAMPLING:** Sample/s, if requested by Buyers, shall be taken from 2% of the sound bags, sealed jointly by Superintendents appointed by Buyers and Sellers and held pending instructions. Charges for sampling to be divided equally between Buyers and Sellers. Should either Buyer's or Seller's so desire, a further set of sealed samples shall be taken. The cost of this further set to be for account of the party demanding same. All samples drawn under the terms of this contract when delivered to the Federation of Oils, Seeds and Fats Associations Ltd to become and to be their absolute property. Either party to the contract may proceed to seal samples without the other party or his Superintendent being present only if the other party has failed to appoint a Superintendent, or if he or his Superintendent, although duly notified of the place and time of sampling, is not present at the place and time indicated. In that case the other party shall accept the sealed samples drawn as prescribed in the first paragraph of this article, but without supervision and co-sealing by his Superintendent. 47-55

9. QUALITY AND CONDITION: The Sellers warrant that the goods will be good merchantable quality on removal from the premises or place where inspection took place or until the expiration of four weeks from the date of approval whichever shall first occur; The goods will be those that were inspected and approved. If the sale has been made on the basis "on approval", Buyers shall be entitled to inspect the goods indicated by Sellers at the place of delivery/dispatch within 2 business days after having been given the opportunity to do so and to reject it without assigning any reason, provided that notice of such rejection has been given to Sellers within the aforementioned period; In default thereof the parcel will be deemed approved. In case of rejection in due time, the contract is cancelled without any obligation to compensate for damages.	56 57 58 59 60 61
10. PROHIBITION: In the event, during the contract shipment period, of prohibition of export or any other executive or legislative act by or on behalf of the Government of the country of origin or of the territory where the port/s of shipment named herein is/are situated, or of blockade or hostilities, 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 extended by 30 days. In the event of shipment during the extended period still proving impossible by reason of any of the causes in this clause the contract or any unfulfilled part thereof shall be cancelled. Sellers invoking this clause shall advise Buyers with due despatch. If required, Sellers must produce proof to justify their claim for extension or cancellation under this clause.	62 63 64 65 66 67 68 69
11. FORCE MAJEURE: Should Sellers be prevented from making physical delivery of the material sold, or Buyers from taking physical delivery by reason of Act of God, strikes, lock-outs, riots, civil commotion, fires or any other cause comprehended by the term Force Majeure, the time of delivery shall be extended until 15 days after the operation of the cause of prevention has ceased. The party invoking this clause shall notify the other party with due despatch and shall furnish proof of prevention if required. Should such cause exist for a period of 60 days beyond the contract period, the contract or any unfulfilled part thereof so affected shall be cancelled. In case of default after extension, the default date shall be similarly deferred.	70 71 72 73 74
12. BANKRUPTCY/INSOLVENCY: If before the fulfilment of this contract, either party shall suspend payment, notify any of his creditors that he is unable to meet his debts or that he has suspended payment or that he is about to suspend payment of his debts, convene, call or hold a meeting of his creditors, propose a voluntary arrangement, apply for an official moratorium, 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), become subject to an Interim Order under Section 252 of the Insolvency Act 1986 or have a Bankruptcy Petition presented against him the contract shall forthwith be closed, either at the actual or estimated market price then current for similar goods or, at the option of the other party, at a price to be ascertained by re-purchase or re-sale and the difference between the contract price and such closing-out price shall be the amount which the other party shall be entitled to claim or shall be liable to account for under this contract. Should either party be dissatisfied with the price ascertained by re-purchase or re-sale, then the matter shall be referred to arbitration. If no re-purchase or re-sale takes place and if the parties cannot agree to a closing-out price, then on application of either party, the closing-out price shall be fixed by a sole arbitrator appointed by the Federation subject to the right of appeal under the Federation's Rules of Arbitration and Appeal.	75 76 77 78 79 80 81 82 83 84
13. LICENCES: The obtaining of an import licence, if required, to be the sole responsibility of the Buyers.	85
14. DUTIES, TAXES ETC: All import duties, taxes, levies, etc., present or future at place of delivery shall be for Buyers' account. Where the goods are entitled to free entry into or preferential duty at the place of delivery named in this contract, Sellers shall furnish together with the delivery documents a Certificate of Origin and/or necessary document/s in the form valid at the time of delivery.	86 87 88
15. NOTICES: Notices to be despatched by any means of rapid written communication. All notices shall be under reserve for errors in transmission. Notices shall be passed on with due despatch by intermediate Buyers and Sellers. Any notice received after 16.00 hours on a business day shall be deemed to have been received on the following business day. Notice from a broker shall be a valid notice under this contract.	89 90 91
16. NON-BUSINESS DAYS: Should the time limit for doing any act or giving any notice expire on a Saturday, Sunday or any public holiday in the country where the party required to do the act or give the notice resides or carries on business or in the country where the act has to be done or the notice has to be received or on any day which the Federation shall declare to be a non-business day the time so limited shall be extended until the first business day thereafter. All business days shall be deemed to end at 16.00 hours Mondays to Fridays inclusive. The contract shipment period not be affected by this clause.	92 93 94 95
17. ODD DAYS: In any month containing an odd number of days the middle day shall be reckoned as belonging to both halves of the month.	96
18. CIRCLE: Where a Seller repurchases from his Buyer, or from any subsequent Buyer, the same goods or part thereof, a circle shall be considered to exist as regards the particular goods so repurchased, and the provisions of the Default Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the same description, of the same country of origin, of the same quality and, where applicable, of the same analysis warranty for shipment to the same port/s of destination during the same period of shipment.) Different currencies shall not invalidate the circle. If the goods are not declared or, having been declared, documents are not presented as a result of a circle having been established, invoices based on the mean contract quantity shall be settled between each Buyer and his Seller in the circle by payment by each Buyer to his Seller of the excess of the Seller's invoice amount over the lowest invoice amount in the circle. Where the circle includes contract/s expressed in different currencies, the lowest invoice amount shall be replaced by the market price on the first business day for contractual shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the difference between the market price and the relevant contract price in the currency of the contract. Failing amicable agreement the market price shall be that declared by a Price Settlement Committee of the Federation appointed for that purpose on application of either party. Such settlement shall be due for payment not later than 15 consecutive days after the last day for declaration or, should the circle not be established before the expiry of this time, then settlement to be due for payment not later than 7 days after the circle is established. No circle shall be considered to exist if its existence is not established within 45 days after the last day of shipment. All Sellers and Buyers shall give every assistance to the establishment of the circle and where a circle shall have been established same shall be binding on all parties to the circle. Should any party in the circle commit prior to the due date for payment any act comprehended in the Bankruptcy/Insolvency Clause, the invoice amount for the goods calculated at the closing-out price as provided for in the Bankruptcy/Insolvency Clause, shall be taken as the basis for settlement instead of the lowest invoice amount in the circle, and in this event each Buyer shall make payment to his Seller or each Seller shall make payment to his Buyer of the difference between the closing-out price and the contract price, as the case may be. In the event of a claim under the Prohibition Clause the date for settlement shall be deferred until the expiry date of the extended shipment period. Thereafter, if the contract is cancelled under the terms of the Prohibition Clause, this clause is not applicable.	97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117
19. DEFAULT: In default of fulfilment of this contract by either party, the other party at his discretion shall, after giving notice, have the right either to cancel the contract, or the right to sell or purchase, as the case may be, against the defaulter who shall on demand make good the loss, if any, on such sale or purchase. If the party liable to pay shall be dissatisfied with the price of such sale or purchase, or if neither of the above rights is exercised, the damages, if any, shall, failing amicable settlement, be determined by arbitration. The damages awarded against the defaulter shall be limited to the difference between the contract price and the actual or estimated market price on the day of default. Damages to be computed on the mean contract quantity. If the arbitrators consider the circumstances of the default justify it they may, at their absolute discretion, award damages on a different quantity and/or award additional damages.	118 119 120 121 122 123
20. DOMICILE: This contract shall be deemed to have been made in England and the construction, validity and performance thereof shall be governed in all respects by English Law. Any dispute arising out of or in connection therewith shall be submitted to arbitration in accordance with the Rules of the Federation. The serving of proceedings upon any party by sending same to their last known address together with leaving a copy of such proceedings at the offices of the Federation shall be deemed good service, rule of law or equity to the contrary notwithstanding.	124 125 126 127
21. 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 Sales of Goods of 1980; (c) the United Nations Convention on the Limitation Period in the International Sale of Goods of 1974 and the amending Protocol of 1980.	128 129 130 131
22. ARBITRATION: Any dispute arising out of this contract, including any question of law arising in connection therewith, shall be referred to arbitration in London (or elsewhere if so agreed) in accordance with the Rules of Arbitration and Appeal of the Federation of Oils, Seeds and Fats Associations Limited, in force at the date of this contract and of which both parties hereto shall be deemed to be cognizant. 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 arbitrators, umpire or Board of Appeal (as the case may be), in accordance with the Rules of Arbitration and Appeal of the Federation, and it is hereby expressly agreed and declared that the obtaining of an Award from the arbitrators, umpire or Board of Appeal (as the case may be), shall be a condition precedent to the right of either party hereto or of any person claiming under either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute.	132 133 134 135 136 137 138 139