

Effective 1st July 2003.

**The International General Produce Association Limited, GAFTA House,
6, Chapel Place, Rivington Street, London EC2A 3SH**

SHIPMENT CONTRACT

Form of contract for General Produce on Cost, Insurance and Freight (CIF), Cost and Freight (C&F), Cost and Insurance (C&I) and Free-on-Board (FOB) terms

* An asterisk denotes alternative wording and that which is not applicable should be deleted.

Seller Ref

Buyer Ref

Broker Ref

Dated Brokerage.....

Seller has agreed to sell and Buyer has agreed to buy on the following terms & conditions, including Contract Clauses Groups 1 & 2:-

Quantity(say) *kilograms/metric tons

Description

Price(say) per *kilogram/metric ton

*Nett/Gross for Nett, *cost, insurance & freight/cost and freight/cost and insurance/free on board

from..... to.....

during the month(s) of

Packed in suitable & legal for the whole voyage or flight.

Payment in (currency)in (place)..... Subject to the provisions of the Loss of Carrier clause, payment shall be made by Buyer in the above named place for the full invoice amount by cash against complete set of shipping documents:-

*(a) on presentation,

*(b)

*(c) on arrival of the Ocean Ship or Ships or Aircraft at the port or airport of discharge but in no case later than 60 days from the date of the bill(s) of lading or airwaybill.

Special conditions.....

MICROBIOLOGY: Unless the effect is such as to visibly affect the goods or it is otherwise agreed, the microbiological status of the goods is not guaranteed.

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Contract Clause Group 1

For inclusion in all contracts

PRECEDENCE: If any term or terms in the issued form of a contract agreed on the basis of this form of contract are at variance with or in contradiction to the standard terms herein, those variant or contradictory terms shall apply absolutely.

TOLERANCE: Unless specific quantities of stated packing of known size or magnitude are contracted, seller shall declare &/or tender &/or deliver a weight or quantity not more than 5% greater or less than that contracted.

(a) Where Seller declares, and/or tenders and/or delivers to the Buyer a quantity of goods greater than that contracted, the Buyer shall not reject the whole. Where the weight or quantity of goods is found to be in excess of 5% over the contract weight or quantity, the Buyer shall have the option of rejecting any excess weight or quantity, or may accept all the goods so declared, tendered or delivered. If the whole is accepted, the Buyer shall pay for the goods included in the contract at the contract price and shall pay for any excess weight or quantity over the said 5% at the contract price or at the price ruling on the date that the weight or quantity is declared, tendered or known, whichever is the lower price. If no agreement is reached on the price, Buyer shall only take the 5% excess.

(b) Where the Seller declares, and/or tenders and/or delivers to the Buyer in fulfilment of contract a weight or quantity of goods less than that contracted to sell, the Buyer shall not reject the whole, but where the deficiency is found to be in excess of 5% of the contract weight or quantity the Buyer shall have the option of treating the weight or quantity declared, tendered or delivered as being in completion of the contract weight or quantity, or they may claim default by the Seller in respect of such deficiency in excess of the said 5%. This clause shall not be effective in the case of a total default.

QUALITY AND/OR CONDITION AND/OR DESCRIPTION:

The goods are warranted to be shipped/supplied in good condition and to be of satisfactory quality of their description. If the quality is inferior on delivery a fair allowance shall be made provided the goods conform to the contract description, but should Buyer consider the quality to be grossly inferior to the contract description, rejection and default may be claimed.

If the condition is inferior on delivery, the Buyer shall be responsible for preserving and pursuing all rights of recovery against the ship owner, carrier(s) or other body(ies) interested in the vessel or other mode of transport, and the insurer(s). If it is found that the cause of the damage occurs outside the scope of the contractual insurance requirements, or that the damage is not covered by any extra-contractual insurance provided, cost of reconditioning the goods to be for Seller's account. In this case Buyer shall make claim to the Association in the prescribed manner, the arbitration to be suspended pending outcome of said insurance claim.

In the event of a shipment being made or delivery being delivered of goods at more than one point of delivery, Buyer shall not be precluded from making claim for quality, provided that customary samples are furnished, and the claim made, covering the whole of the shipment. Any dispute regarding quality and/or condition, (failing an amicable settlement), shall be decided by arbitration in accordance with the Rules of Arbitration and Appeal of the Association.

Seller admits no knowledge, implied or otherwise of intended purpose.

SPOT DELIVERY OPTION: Where this contract contains Spot Delivery option Seller shall have the option to deliver from the Spot during the calendar month following the shipment period.

Should Seller exercise this option the terms of the Spot Contract shall apply, together with the following terms:

- (a) Seller shall declare intention to exercise the option not later than the 7th calendar day following the period of shipment.
- (a) Seller shall supply copy documents evidencing shipment from origin.
- (b) Any reference to origin certificates of quality or weight being final shall be void and superseded by the terms of the Spot Contract.
- (c) All normal landing charges over CIF to be for Seller's account
Seller shall make a tender in the form required in the Spot Contract.

BROKERAGE: Brokerage (if any) due, contract fulfilled or unfulfilled.

NOTICES: Where the terms of the contract require a notice to be given, such notice shall be despatched by any means of rapid written communication. All notices shall (1) be under reserve for errors in transmission (2) be passed on with due despatch by intermediate Buyer and Seller. Those passed by electronic means shall be acknowledged with due despatch. Any notice received after 17.00 hours on a business day shall be deemed to have been received on the following business day. A notice from a Broker shall be a valid notice under this contract. Due despatch, in the context of giving notice, means that intermediate Sellers and their Buyers shall pass on such notice without delay of receipt during business hours (as defined herein).

BUSINESS DAYS & HOURS: Business days & hours are defined as Monday to Friday, 10.00 to 17.00 hrs local time. 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 on any day which the Association shall declare to be a non-business day, the time so limited shall be extended until the first business day thereafter. The contract shipment period is not to be affected by this clause.

FORCE MAJEURE: Should Seller be prevented from making physical delivery of the material sold, or Buyer from taking delivery by reason of Act of God or any other cause comprehended in the London Trade 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 within 5 business days of the occurrence or the first business day of the delivery period whichever is the later and shall furnish proof of prevention if requested. 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.

PROHIBITION: In the event of prohibition of export or any other executive or legislative act by or on behalf of the country of origin or of the territory where the port(s) of shipment named herein is/are situated or are subject to blockade or hostilities (war being declared or not) restricting export whether partially or otherwise during the contract shipment period such shipping period shall automatically be extended by 30 days. In the event of fulfilment of this contract continuing to suffer this impediment for the full length of the said extended period this contract or any unfulfilled part thereof shall be void. A Seller wishing to invoke this clause shall advise Buyer with due despatch. If requested, Seller must produce proof to justify the claim under this clause.

BANKRUPTCY/INSOLVENCY: If before the fulfilment of this contract, either party shall suspend payment, notify any creditor(s) of inability to meet debts or that payment has been suspended about to be so, convene, call or hold a meeting of 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 the party concerned 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 actual or estimated market price or the repurchase or re-sale price, the matter shall be referred to arbitration. If under this contract no re-sale or re-purchase takes place, the closing-out price shall be referred to arbitration.

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.

DEFAULT: Whenever it is admitted by the party in default or decided by arbitration that one party to the contract has failed to fulfil the terms of the contract and is consequently in default, the contract (failing an amicable settlement) shall be closed forthwith as awarded by Arbitrator(s), provided always that a defaulting party shall not gain financially as a consequence of a default.

a) The monies awarded by the Arbitrator(s) shall be paid in cash within fourteen days following the date of the publication of the Award, and this payment shall constitute a final and complete settlement of all claims by either party in respect of the said contract.

b) In the event of default on the contract, the weight or quantity to be used for the purpose of settlement shall be the contract weight or quantity notwithstanding any qualification of it by such words as "about" or "more or less", as defined in the Tolerance Clause unless for such purposes an alternative weight or quantity is stated on the contract. If two figures are used to indicate a weight or quantity the weight or quantity to be used shall be the mean of the two figures.

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

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 International General Produce Association Limited, in force at the date of this contract and of which both parties hereto shall be deemed to be cognisant. Neither party hereto, nor any person claiming under either of them, shall bring any action or other legal proceedings against any other of them in respect of any such dispute until such dispute shall first have been heard and determined by the Arbitrator(s) or Appeal Board (as the case may be), in accordance with the Rules of Arbitration and Appeal of the Association, and it is hereby expressly agreed and declared that the obtaining of an award from the Arbitrator(s) or Appeal Board (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. Furthermore all parties to this contract expressly undertake not to bring any legal action against the Association, its Board of Management, Servants, Arbitrators & Appeal Boards arising out of this contract, and jointly and severally hold the Association and others detailed herein harmless against any third party undertaking like action arising out of this contract.

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 of Prescription (Limitation) in the International Sale of Goods of 1974 and the amending Protocol of 1980 (d) Incoterms

CANCELLATION: This contract may not be cancelled except by the consent of all parties nominated above.

CONSTRUCTION: In all references to the Buyer, Seller and Broker and other bodies corporate or personal in this contract, where appropriate the male gender shall be read and construed to include the female gender and vice versa and the singular shall be read and construed to include the plural and vice versa. All references to Arbitrator in this contract shall be read and construed to include Arbitrator(s), and Board of Appeal (as appropriate).

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Contract Clause Group 2

For inclusion in the "Shipment" & "EO&AC" contracts.

FREIGHT: In the case of CIF & C&F contracts the price of this contract is based on the rate of freight ruling (including surcharges, if any) at date of contract. Any variation in the rate of freight from date of contract to time of shipment to be for Seller's account. Any variation in surcharges, from date of contract to time of shipment, to be Buyer's account.

In the case of C&I and FOB contracts, Seller/Buyer* to arrange suitable freight for buyer's cost & account.

CONTAINERS: Shipment in container(s) shall be permitted provided always that they are of a type suitable for the transport of the commodity named herein and shall be made on the basis of LCL/LCL conditions. FCL/FCL or FCL/LCL container(s) shall not be excluded, but in this case risk of short count shall be for Seller's account. Buyer shall be at liberty to arrange with the shipping company to alter the arrival status of a shipment in container(s) from LCL to FCL and also to arrange for on-carriage of the container(s) to an inland destination other than the port of discharge named in the contract &/or Bill of Lading, provided always that additional costs, if any, shall be for Buyer's account. In such an event, the weights established and the samples drawn and sealed at the inland destination shall be accepted provided that: -

- (a) notice is given by Buyer to Seller not later than 24 hours prior to the date of arrival at the port of destination named in the contract and by intermediate parties with due despatch;
- (b) the container(s) are on-carried and stripped as quickly as practical;
- (c) the Buyer is responsible for all costs beyond those paid under the contract of affreightment
- (d) the goods are at Buyer's risk after expiry of the marine insurance cover.

DECLARATION OF SHIPMENT: Notice giving name of ship and/or ships and/or ocean going ships or aircraft and Bill(s) of Lading date(s) or Airwaybill date(s) and number(s) including all necessary information to identify the goods (leading marks and/or container number(s)) shall be advised by Seller as soon as possible after shipment and by intermediate parties with due despatch.

The time for making a declaration under this contract shall expire 72 hours before arrival of ship at port of discharge, unless duration of voyage is less than seven days.

Thereafter a declaration shall be deemed to be out of time. However, if the contract forms part of a string and the first or any subsequent Seller has made a declaration or tender within the time specified, then provided each subsequent Seller has passed it on without delay of receipt by means of rapid written communication, unacknowledged facsimiles excluded, each of them shall be deemed to have done so within the time allowed under the contract, notwithstanding that they may in fact have done so after the time specified in their contract.

Unless expressly prohibited elsewhere Seller may declare, tender or deliver a weight or quantity in part fulfilment of the contract weight or quantity. A contract for "x container(s) = (each) x metric tons" or similar shall be regarded as a prohibition to declare less than one container containing contractual weight of goods or multiples thereof in part fulfilment. Each declaration, tender, mark, submark, countermark or Bill of Lading made in part fulfilment shall be treated as a separate contract.

A declaration or tender shall be deemed to be good under a contract (but without prejudice to any question arising on points other than those concerning the declaration or tender) unless objection is made in writing by the Buyer to Seller concerned within three business days following the receipt of such declaration or tender, such objection to be passed on by intermediaries with due despatch. Buyer

will accept a declaration if prima facie in order but, should subsequently the information provided prove to be inaccurate whether by accident or otherwise to the extent of causing Seller to be in default of contract, Buyer shall be entitled to make a claim notwithstanding this time limit.

PREVENTION OF SHIPMENT; If shipment of the whole or any part of the goods within contract time is prevented by hostilities, Acts of Government, political or civil disturbances, strikes, lock-outs, stoppage or restraint of labour, unforeseen absence or withdrawal of freight facilities or Act of God or any other causes beyond the control of the Shipper, this contract shall be void without penalty to either party for any portion not shipped, provided always that notification of the cause of prevention shall be given to the First Buyer within ten days after the last day of shipment specified in this contract, such notification to be passed on by intermediaries with due despatch. If requested, Seller shall furnish with due despatch satisfactory proof in justification of their claim.

INSURANCE:

(a) To be insured with due dispatch for (in the case of CIF & C&I contracts) gross invoice amount plus 10% by Seller or (in the case of C&F & FOB contracts) at least the gross invoice value by Buyer on following terms & clauses or better:

(i) Marine Insurance coverage in accordance with the Institute Commodity Trades Clauses (A), 5th September 1983 to be effected with Lloyd's and/or first-class companies. Claims payable in London or country of destination. When the goods relating to this contract are sold on delivered weights, Buyer to hold policy(ies) at the disposal of Seller for claims for shortage.

(ii) War Risks in accordance with the Institute War Clauses (Commodity Trades) 5th September 1983; Strikes Risks in accordance with the Institute Strikes Clauses (Commodity Trades) 5th September 1983; War/Strikes Risks premium in excess of 0.50% to be for Buyer's account and cost. For CIF or C&I contracts Buyer's proportion of War/Strikes Risk premium to be insured by Seller for Buyer's account and cost.

(iii) Increased Value. Where such additional Marine War/Strikes Risk Insurance is necessary, a Seller shall effect same with Lloyd's and/or first-class companies, premium over 0.50% being payable by Buyer for War/Strikes Risk only.

(iv) Insurance to be in the same currency as the contract.

(b) It is hereby understood and agreed that the goods are at Buyer's risk from the expiry of Marine Cover as in (A)(i) above. If for any reason Buyer have not paid for the goods at the date of expiry of such cover they shall furnish proof to the holders of the documents that they have duly effected the necessary supplementary cover and have also effected insurance against fire.

(c) In cost and & freight and free on board contracts, if so requested by Seller, Buyer shall forward full particulars of such insurances to the Seller immediately advice of shipment has been received and shall also produce valid certificates.

(d) W.P.A Insurance shall not be deemed valid under this contract.

SHIPMENT AND CLASSIFICATION: To be shipped on first class ship(s) classed not lower than 100 AI in the Lloyds Register or equivalent classification in any register which is a member of the International Association of Classification Societies, & which will proceed directly or indirectly, with or without transshipment on a geographically normal, commercially acceptable route from the port of shipment to the port(s) of destination.

Each shipment, if by more than one ship, shall be treated as a separate contract.

Where goods are shipped on a local vessel, lighter or barge not in compliance with the above classification or not otherwise suitable for the transport of the goods or unit of freight contracted, or are not an insurable risk within the terms of this contract, a shipment shall be deemed not to have been made unless and until the contract goods are shipped on board an overseas ship of the correct classification.

Where "through" bill(s) of lading has been procured for a prior vessel, such bill(s) of lading shall be accepted as valid under the contract as soon as the goods are shipped on board the overseas ship. The name of the overseas ship must be declared to the Buyer with due despatch, and if the name of the overseas ship and the date of shipment are not inserted on the bill(s) of lading, a Ship Company's Certificate must be provided as evidence of the date of shipment on the overseas ship. The contract of

affreightment and policies of insurance, entered into as customary for the contract goods, must cover the whole transit from first shipment to final destination(s).

If a "Combined Transport" bill of lading is procured, the date of the bill of lading shall be regarded as the date goods were "Shipped on Board" the first marine vessel, certified on the Bill of Lading.

Destination terminal handling charges for Buyer's account.

LOSS OF CARRIER: Should the ship or ships or aircraft and the goods thereon which apply to this contract be lost, whether before or after declaration, Seller shall tender complete set of shipping documents to Buyer as soon as practicable after the loss is ascertained. Buyer shall pay cash, in exchange for such documents, in order, within 14 days after presentation. A banker's guarantee must be given for any missing copies of the bill(s) of lading or airwaybill(s) and insurance policies. Buyer shall pay on documented shipping weights; if these are not available, payment shall be made on Shippers' Invoice Weights.

WEIGHING: (This clause shall not apply to the EO&AC contract except as stated therein). Goods shall be independently weighed as expeditiously as possible. The expense of weighing (and/or taring) is to be borne by Buyer who shall pass on the properly certified copy of the landing (delivered) weights and tare(s) not later than 21 days after the final date of weighing, these to be passed on by intermediaries with due despatch. If Buyer fails to comply with these conditions, Seller shall have the right to invoice on documented shipping weights (and/or tare(s)) or failing these on Shipper's invoice weights. Original tare(s) may be used if Buyer wishes. Each mark or countermark to be treated separately.

SAMPLING: Samples to be drawn as expeditiously as possible. The goods shall be warehoused and sampled at Public Wharf, Dock or Warehouse in the country of destination accustomed to and suitable for handling goods of the contract description. If warehoused otherwise Seller shall accept samples and weights supervised by recognised independent superintendents appointed by Buyer (superintending charges to be for Buyer's account). Seller may nominate their representative at their own expense to supervise sampling and weighing. Official outturn samples to be drawn as customary in the presence of and sealed by representatives of Buyer and/or Seller if so appointed. Failing Seller naming representative on or before arrival of ocean ship, the Buyer's accredited sealed samples to be accepted. Each mark or countermark to be treated separately.

DOCUMENTS: If documents are presented to Buyer through the intermediary of a bank(s) then the bank charges shall be for Seller's account. If Buyer demands presentation through a bank, those bank charges shall be for Buyer's account. Documents shall consist of:-

- (a) Commercial Invoice
- (b) Full set of clean "on board" Bill(s) of Lading and/or Ship's Delivery Order(s) &/or other Delivery Order(s) &/or Airwaybill(s) in negotiable & transferable form, such other Delivery Order(s) to be guaranteed by a first class bank if required by Buyer.
In case of CIF or C&F contracts, if the Bill(s) of Lading or Airwaybill(s) does/do not evidence that freight has been paid, the amount of freight shall be deducted from the invoice amount and paid by Buyer on Seller's behalf unless Seller guarantees that freight has been paid, such guarantee to be joined by a first class bank if required by Buyer. If the freight is deducted from the invoice amount Buyer to send a copy of the Freight Account to Seller for final invoicing purposes. If the freight is to be paid in a currency other than the currency of the contract the conversion in the final invoice shall be made at the rate of exchange on the day of the payment of freight. If Bill(s) of Lading or Airwaybill(s) refer(s) to a Charter Party and/or any other document(s) relating to the freight booking, Seller shall be responsible for any detrimental consequences from clauses of such documents being contrary to the terms of this contract; if such Bill(s) of Lading is/are signed by parties other than the Master then the Bill(s) of Lading shall be accompanied by a copy of written authority from the Shipowner or Master authorising the signatory to the Bill of Lading. On Board Bill(s) of Lading issued by the ocean going shipping company are required. However if documents include other Bill(s) of Lading, such Bill(s) of Lading to be guaranteed by a first-class bank if required by Buyer.

- (c) (For CIF & C&I contracts) Policy(ies) and/or Certificate(s) of Insurance and/or Letter(s) of Insurance in the currency of the contract. Letter(s) of Insurance shall specify the Insurer(s) details and Policy No(s) and shall be guaranteed by a first-class bank if required by buyer. After payment, policy(ies) and/or certificate(s) on request shall substitute letter(s) of insurance.
- (d) Other documents as called for under this contract.

Buyer agrees to accept Bill(s) of Lading containing the British Chamber of Shipping War Risks Clause and/or any other recognised War Risks Insurance Clause.

Should documents be presented with incomplete set(s) of Bill(s) of Lading payment shall be made provided that delivery of such Bill(s) of Lading is guaranteed, such guarantee to be joined, if required by Buyer by a first class bank. Acceptance of said guarantee shall not prejudice Buyer's rights under this contract.

Should Seller fail to present shipping documents on arrival of the vessel at final destination, Buyer may take delivery of the goods under Buyer's own indemnity and shall pay for the documents when presented. Any reasonable extra costs including the costs of said indemnity or extra handling charges incurred by reason of the failure of Seller to provide said documents shall be deducted from Seller's invoice. In the event that Buyer takes delivery under indemnity and Seller fails to provide shipping documents and if Buyer's guarantee is encashed by the ship, Seller shall be responsible for all damages, costs & consequences arising from the failure to present documents. Buyer shall inform Seller immediately in the case of a claim against the guarantee and Seller shall have the right to be joined in any legal action arising therefrom.

If goods are landed, Seller may tender and Buyer shall accept Delivery Order on the dock or wharf, and policy(ies) and/or Certificate(s) of Insurance and/or Letter(s) of Insurance as appropriate to the contract.

DUTIES & LICENCES: The procurement of export licences and the cost of export duties shall be the sole responsibility of the Seller. The procurement of import licences and the payment of import duties shall be the sole responsibility of the Buyer.