

Rules and Regulations

Effective July 2019



THE SUGAR
ASSOCIATION
OF LONDON

Section 1: Constitution Rules



THE SUGAR
ASSOCIATION
OF LONDON

THE SUGAR ASSOCIATION OF LONDON

RULES RELATING TO THE CONSTITUTION OF THE ASSOCIATION

GENERAL

1. The Association shall be called THE SUGAR ASSOCIATION OF LONDON, and is hereinafter referred to as “the Association”. Its objectives shall be to provide:-
 - (a) For the proper conduct of the Raw Sugar Trade.
 - (b) The Support and protection of the interests of the Raw Sugar Trade in general.
 - (c) Rules and conditions for contracts connected therewith.
 - (d) Rules for the landing, weighing, taring, sampling and polarising of raw sugar.
 - (e) For settlement by commercial arbitration of disputes referred to the Association.
 - (f) For the assessment of contract losses when requested by Members and their Insurers to do so.

MEMBERSHIP

2. Membership of the Association shall consist of the following categories:

FULL MEMBERSHIP which shall be open to Organisations recognised as having a continuing interest in trading in Raw Sugar.

AFFILIATE MEMBERSHIP which shall be open to Organisations recognised as providing a service to the Raw Sugar Trade. In this and the following Rules the expression “Organisation” means a firm, company or other organisation.

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3. The membership year shall be for the period of 12 months from 1 June in any year expiring on 31 May in the following year.
4. Membership shall be for the current membership year only but Members admitted to membership in any one membership year shall be automatically admitted to membership in succeeding membership years without re-election subject to payment of the Annual Subscription as provided in Rule 7 below and unless otherwise directed by the Council of the Association as described in Rule 14 below ("the Council"). All Members who have not given formal written notice of their wish to resign from membership prior to the end of any membership year shall be deemed to have applied for renewal of their membership for the following membership year and shall become automatically liable for the Annual Subscription for that membership year.
5. Candidates for membership of the Association shall be proposed and seconded by two existing Full Members who are independent of the applicant. Applications shall be made by completing the Application Form and the Proposer and Secunder forms from time to time published by the Council, which Forms shall be submitted to the Secretary of the Association at least 10 days prior to the date upon which the application for membership is to be considered. The Council shall at its discretion but subject to the right of appeal provided in Rule 12 below decide whether or not to approve the election of a Full Member or an Affiliate Member having regard to the nature of the applicant's business, its experience in the raw sugar trade and its financial soundness.
6. A new Member of the Association shall be elected at a meeting of the Council by a simple majority of the Council members present. Such election may be held by a postal ballot of Council members if any Council member so requests. In the event of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Membership of the Association shall only become effective upon payment of the initial joining fee as provided in Rule 7 below and the Annual Subscription fee in respect of the membership year in which the new member is elected.
7. Each Member shall be required to pay an Annual Subscription, payable on 1 June in each year, the amount of which shall be fixed by the Council not later than the last Council meeting before the end of each membership year. A newly elected Member shall also be required

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to pay an initial joining fee, the amount of which shall be fixed by the Council from time to time.

8. Upon payment of their Annual Subscription and in the case of a newly elected member the initial joining fee, each Member shall be given a certificate acknowledging its Membership of the Association for the then current year only. Any Member who shall fail to pay the Annual Subscription within 30 days after receipt of Notice to pay from the Secretary shall cease to be a Member of the Association but may be re-elected by Council Members who may in their absolute discretion ask such member to re-apply for Membership and invoke the terms of Rule 6 above.

9. The Secretary shall keep a register of Full Members and Affiliate Members. Each Organisation registered as a Full Member shall have one vote as provided in Rule 32 below. An Authorised Representative of a Full Member may vote at a meeting, but should personal representation be impossible the Member shall be permitted to vote by proxy. Proxies shall be lodged with the Chairman of the Meeting or the Secretary, and shall be available only for the Meeting specifically referred to. An Organisation registered as an Affiliate Member shall have no vote.

10. Any change in the Authorised Representatives, Title, Status, Ownership or Control of a Member shall be notified by that Member to the Secretary and a fresh election shall be held should Members of the Council consider it necessary. In such case full particulars shall be notified to the Members of the Council at least 10 days before the proposed re-election. In the event of such Member not being re-elected his Membership shall thereupon cease, subject to the right to appeal in Rule 12 below.

11. The Council may, at any time, in its absolute discretion subject to the right of appeal in Rule 12 below suspend or revoke any Full or Affiliate Membership of the Association by giving not less than 21 days notice of its intention to do so and setting out its reasons for such action. The Member concerned shall have the right to be heard by the Council before any suspension or revocation of membership becomes effective. In the event that a member fails to respond to the Council's 21 day notice, the Council shall have the right to decide whether its membership is suspended or revoked.

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12. An applicant for membership of the Association whose application is refused pursuant to Rule 5 or a Member whose membership of the Association is suspended or revoked under Rules 10 and 11 shall have the right to appeal against such decision to an independent person appointed by agreement between the applicant/Member concerned and the Council. In the absence of agreement between the parties the independent person shall be appointed by the President for the time being of the Law Society of England and Wales. The person so appointed shall act as expert and make his or her determination as he or she sees fit and shall be entitled to award costs at his or her discretion. The expert's determination shall be final and binding upon the parties. An applicant/Member seeking to appeal under this Rule shall notify the Secretary of the Association in writing of their wish to do so within 14 days following the Council's decision refusing the application for membership or suspending or revoking membership. Time shall be of the essence.

13. In the event of a Member having its Membership suspended or revoked the Council may, in its absolute discretion, and in such manner as it thinks fit, notify Members of the Association.

COUNCIL

14. The affairs of the Association shall be managed by a Council of Authorised Representatives of Full Members or such other person/s as the Council may, in its absolute discretion decide. They shall be elected by the Association in General Meeting or by such other means and in accordance with such other procedures as the Council may determine. Five Members of the Council shall form a quorum. The Members of the Council shall elect a Chairman and Vice-Chairman, on whom shall devolve (but not to the exclusion of the Council's own authority) authority to give necessary orders for the conduct of the meetings and other matters connected with the Council and the Association. When neither the Chairman nor the Vice-Chairman is present at the meeting, a Chairman shall be elected to preside.

15. Two Members of the Council shall retire annually in rotation but shall be eligible for re-election. The election of Two Members of the Council to fill the places of those retiring shall be held at the Annual General Meeting. The Members of the Council to retire by rotation shall be those who have been longest in office since their last election or re-election, but as between persons who became or were last re-

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elected Members of the Council on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

16. The Council shall, as soon as possible after the Annual General Meeting of the Association, appoint a Panel of Arbitrators from any Authorised Representative's of the Members. Their appointment shall be effective until the next appointment of arbitrators is made in accordance with these rules. The Secretary shall publish a list of these arbitrators. The Council may from time to time at its discretion add or remove any names to or from the Panel of Arbitrators as it may so direct. In the event of an Arbitrator leaving the employment of a Member that Member shall notify the Secretary in writing. An Arbitrator who has retired from business may be re-appointed, by the Council, to the Panel of Arbitrators. The Council may, in its absolute discretion appoint any other person it thinks fit to act as an Arbitrator and such person so appointed shall be deemed to be an arbitrator authorised to act on behalf of the Council. Any Arbitrator whose appointment has expired may, at the discretion of the Council, continue to act in a dispute referred to him/her prior to the expiry of his/her membership of the Panel of Arbitrators.

17. A Member of the Council may with the Council's approval appoint a person who is an Authorised Representative of such Council Member's Organisation to represent him/her on the Council during any period for which he/she is unable to act. During such period the alternate representative as aforesaid shall be entitled to attend and vote at meetings of the Council.

18. The Council may delegate any of its powers to sub-committees consisting of such Member or Members of the Council as it thinks fit, and any sub committee so formed shall conform to any regulations imposed on it by the Council. The meetings and proceedings of any such sub-committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Council so far as applicable and so far as the same shall not be superseded by any regulations made by the Council as aforesaid.

19. All acts bona fide done by any Meeting of the Council or any sub-committee of the Council, or by any person acting as a Member

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of the Council, shall notwithstanding it be afterwards discovered that there was some defect in the appointment of any such person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Member of the Council.

20. Any vacancy on the Council which may occur from resignation or other cause during the year may be filled up by the Members of the Council, the new Member being elected by a majority of votes, and the new Member so elected shall retire when the Member of the Council in whose place he/she is appointed would have retired by rotation, but the continuing Members of the Council may act notwithstanding such vacancy has not been filled.

21. The Members of the Council may meet for the despatch of business, adjourn and otherwise regulate their meetings. They may elect a Chairman and determine the period for which he/she is to hold office, but if no such Chairman is elected or, if at any Meeting the Chairman is not present at the time appointed for holding the Meeting, the other Members of the Council present shall choose someone of their number to be Chairman of such Meeting. The Secretary of the Association shall summon a Meeting on the requisition of any Member of the Council

22. Questions arising at any Meeting of the Council shall be decided by a majority of votes, each Member of the Council having one vote, but in the case of an equality of votes the Chairman shall have a second or casting vote.

23. The Rules of the Association may be altered or added to by the Association at its Annual General Meeting; they may also be altered or added to by the Council, subject to twenty-one days' notice of any proposed alteration or addition being given in writing to every Full Member of the Association. Any such proposed amendment shall become operative on the date nominated by the Council unless the Secretary shall receive, before expiry of the twenty-one days' notice, written protests from not less than one-fourth of the Full Members of the Association. In such event the Chairman shall be bound to call an Extraordinary General Meeting which shall have powers by simple majority to confirm, amend or reject the Council's proposals.

24. No resolution to wind up the Association nor for the alteration of this Rule shall be effective unless passed by a majority of not less than

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three-fourths of the Full Members of the Association at two General Meetings of the Association convened in accordance with these Rules and held at an interval of not less than fifteen days. For the purpose of this Rule only, Authorised Representatives of Affiliate Members may attend such General Meetings but shall not vote on any resolution.

25. Any notice under these Rules may be given personally or by post in a prepaid letter to a person at his/her last known address.

GENERAL MEETINGS

26. An Annual General Meeting of the Full Members of the Association shall be held once in every calendar year to receive and consider the Annual Report and Accounts of the Association, to elect Authorised Representatives of Full Members to the Council in place of those retiring by rotation, the election of Chartered Accountants and for other matters which must be advised to the Secretary, prior to the Meeting, for inclusion in the Agenda.

27. The Council may, whenever it thinks fit, convene an Extraordinary General Meeting of the Full Members of the Association, and the Secretary shall, if requested by a written notice addressed to him signed by ten Full Members of the Association, convene such a Meeting within twenty-one days.

28. Subject as hereinafter provided, not less than twenty-one days' notice specifying the place, day and the hour of Meeting, and in the case of special business the general nature of such business, shall be given of every General Meeting of the Association, but the accidental omission to give notice to, or the non-receipt of such notice by, any Full Member shall not invalidate the proceedings at any General Meeting. With the consent in writing of all Full Members, a General Meeting may be convened on a shorter notice than twenty-one days and in any manner the Council may think fit. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Ordinary General Meeting with the exception of the consideration of the Annual Report and Accounts, the election of Members of the Council in place of those retiring by rotation and the election of Chartered Accountants.

29. No business shall be transacted at any General Meeting unless a quorum of Full Members is present at the time when the Meeting

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proceeds to business, and five Full Members of the Association personally present by their Authorised Representatives shall be a quorum.

30. If within a quarter of an hour from the time appointed for the General Meeting of the Association a quorum is not present, the Meeting, if convened upon the requisition of Full Members of the Association, shall be dissolved. In any other case it shall stand adjourned to such time and place as the Meeting shall decide and, if at such adjourned Meeting a quorum is not present within a quarter of an hour from the time appointed for the Meeting, the Full Members personally present by their Authorised Representatives shall be a quorum.

31. The Chairman of the Council shall preside as Chairman at every General Meeting of the Association, but if there is no such Chairman, or if at any Meeting he is not present at the time appointed for holding the Meeting, or is unwilling to act as Chairman, the Authorised Representatives of Full Members present shall choose someone of their number to be Chairman.

32. Every Full Member of the Association shall have one vote. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands and, in the case of an equality of votes, the Chairman of the Meeting shall be entitled to a second or casting vote.

33. Full Members of the Association shall be permitted to vote by proxy at any General Meeting, and the instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, but such proxy (unless a Full Member) shall not have the right to speak without consent of the Meeting. Proxies shall be available for such Meeting or an adjournment thereof.

34. The Accounts of the Association shall be audited by a Firm of Chartered Accountants, eligible for appointment as a company auditor under the Companies Act in force at the time of election, who shall be elected at the Annual General Meeting. The Accounts shall be printed together with a report, and sent to each Full Member of the Association not less than twenty-one days before the Annual General Meeting of the Association.

CONSTITUTION RULES

TRUSTEES

35. The Council may appoint Trustees from among the Members of the Council and may transfer to them such of the assets of the Association as the Council may think fit to hold in trust for the Association. The Council shall have power from time to time to remove any Trustee for the time being and to appoint new Trustees either in place of Trustees who shall die or retire or be removed as aforesaid or as additional Trustees.

36. The Trustees for the time being shall have power:-

- (a) to act by a majority vote;
- (b) to delegate to any committee appointed by them such of their duties, authorities and discretions as they may deem necessary or desirable; and
- (c) to make such arrangements generally for the administration of the assets transferred to them and in particular to employ and remunerate agents and staff, as they may think fit;

and shall otherwise deal with such assets in accordance with any general or particular directions or powers which the Council may give to or confer upon them in writing.

37. The Council shall be empowered to authorise the Secretary to execute any necessary deed or other instrument in the name of and on behalf of the Council to give effect to any exercise by the Council of its above powers; and any such deed or instrument executed by the Secretary shall be sufficient evidence thereof for third parties.

SUPERVISION

38. The Association shall supervise the landing, weighing, taring and sampling of sugar in the United Kingdom when either the Buyer or Seller is registered as a Full Member of the Association and, in order to defray the expenses of such supervision, the Council or any sub-Committee appointed by the Council shall impose a tonnage rate to be paid by the Seller (but in the event of one party to the Contract only being a Full Member of the Association the amount due shall be

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paid by such party) and one half thereof shall be recoverable from the other party. The Association may also undertake supervision at a fee to be arranged when neither the Buyer nor the Seller is a Member of the Association.

FINANCE

39. The Council shall annually elect a minimum of two of its Members to form a Finance Committee on whom shall devolve (but not to the exclusion of the Council's own powers) the powers necessary for the conduct of the Association's financial affairs. The Chairman of the Council for the time being shall, unless otherwise decided by the Council, be elected Chairman of the Finance Committee. All cheques shall be signed by the Secretary of the Association and countersigned by a Member of the Council or in the absence of the Secretary, signed by two members of the Council.

ARBITRATION

40. Any dispute referred to the Council shall be settled in accordance with the Rules Relating to Arbitration of The Sugar Association of London, as detailed in section 8 of these Rules.

41. The Council shall from time to time appoint a sub-committee of not less than three Members of the Panel of Arbitrators, to assess the quantum of Claims under Political risk or similar types of Insurance Policies.

INDEMNITY

42. The Members of the Council, the Secretary and other officers for the time being of the Association, and the Trustees (if any) for the time being of the Association shall be entitled to be indemnified by the Association against all costs, damages, losses, expenses and liabilities incurred by them in the lawful execution and discharge of their duties undertaken on behalf of the Association save to the extent that same arises from their own wilful neglect or default.

RULES 43 -100 NOT YET IN USE

Section 2: Definitions



THE SUGAR
ASSOCIATION
OF LONDON

DEFINITIONS

The following shall apply throughout the Rules and Regulations of the Association and to contracts which incorporate such Rules and Regulations:-

INTERNATIONALLY RECOGNISED SUPERINTENDENCE COMPANY

Reference to an internationally recognised superintendence company means a firm or organisation of international or national repute mutually approved by the Seller and the Buyer, competent to supervise, as instructed, the loading and/or landing, weighing, taring and sampling of sugar shipments.

CONTRACT PRICE

The term “contract price” means the price defined in, or in accordance with, the contract.

DAYS

Where the word “days” is used it shall, unless otherwise specifically stated, mean calendar days.

MONTH

The term “first half” of the month means the first to the fifteenth day inclusive of that month. The term “second half” of the month means the sixteenth to the last day inclusive of that month. The terms “beginning”, “middle” or “end” of a month shall be construed respectively as from the 1st to the 10th, the 11th to the 20th and the 21st to the last day of each month inclusive.

SAFE BERTH

The term “safe berth” means a berth which, during the relevant period of time, the ship can reach, remain at and depart from without, in the absence of some abnormal occurrence, being exposed to danger which cannot be avoided by good navigation and seamanship.

DEFINITIONS

TEL QUEL

The expression “tel quel” means that no allowance is to be made for variations in polarisation and accordingly Rules 106 and 206 shall not apply.

WEIGHT

For the purpose of calculation 1,016.05 kilograms (kg) equals a long ton of 2,240 English pounds (lbs). The word “tonne” means a metric ton of 1,000 kilograms or 2,204.6 English pounds (lbs). When the word “about” is used in the contract with reference to the contract quantity and or packing it shall mean two per cent more or less. In the case of bagged sugar where the packing clause specifies “net” or “net each” then the weight of the sugar in each bag shall not be less than the weight stipulated in the contract.

CFR – COST AND FREIGHT

In these rules the term CFR shall mean the same as Cost & Freight. “Cost and Freight” means that the Seller delivers when the goods pass the ship’s rail in the port of shipment. The Seller must pay the costs and freight necessary to bring the goods to the named port of destination BUT the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time of delivery, are transferred from the Seller to the Buyer. The CFR term requires the Seller to clear the goods for export.

CIF – COST INSURANCE AND FREIGHT

“Cost Insurance and Freight” means that the Seller delivers when the goods pass the ship’s rail in the port of shipment. The Seller must pay the costs and freight necessary to bring the goods to the named port of destination BUT the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time of delivery, are transferred from the Seller to the Buyer. However, in CIF the Seller also has to procure marine insurance against the Buyer’s risk of loss of or damage to the goods during carriage. The CIF term requires the Seller to clear the goods for export.

DEFINITIONS

FREE OUT

All costs incurred in the discharge from the vessel's hold shall be for the Buyer's account.

FOB – FREE ON BOARD

“Free on Board” means that the Seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the Buyer has to bear all costs and risks of loss of or damage to the goods from that point. The FOB term requires the Seller to clear the goods for export.

FOBS – FREE ON BOARD AND STOWED

“Free on Board and Stowed” includes the terms under FOB above and in addition all costs incurred in the loading, stowing and trimming of sugar in the vessel's hold shall be for the Seller's account.

FAS – FREE ALONGSIDE SHIP

“Free Alongside Ship” means that the Seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the Buyer has to bear all costs and risks of loss of or damage to the goods from that moment. The FAS term requires the Seller to clear the goods for export. However, if the parties wish the Buyer to clear the goods for export, this should be made clear by adding explicit wording to this effect in the contract.

Section 3:
Contract Rules –
CIF Free Out & C & F Free Out



THE SUGAR
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THE SUGAR ASSOCIATION OF LONDON
RULES TO REGULATE
CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

GENERAL

101. Specimen copies of contract forms are set out in section 6 of these Rules.

QUANTITY AND DESCRIPTION

102. The contract shall state the quantity and a general description of the sugar contracted for, as agreed between the Buyer and the Seller.

103. When the crop is not stated in the contract it shall be the current crop at the time of shipment and the sugar shall be a fair average quality of such crop.

PACKING

104. When shipment is made in bags the Seller shall ensure that the sugar is packed in sound bags suitable for export. Bag marks, if any, shall not be contrary to the terms of the contract.

PRICE

105. The price shall be expressed in the contract.

SETTLEMENT

106. Settlement of degrees above and below 96 degrees mean shipping/outturn polarisation shall be calculated on the contract price on the appropriate scale as follows:-

(a) **UNITED KINGDOM SCALE**

For every full degree:-

above 96° to and including 97° add	1.40%
above 97° to and including 98° add an additional	1.40%
above 98° to and including 99° add an additional	1.40%
below 96° to and including 95° deduct	1.50%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.00%

Fractions of a degree shall be calculated in the same proportion.

For all vessels presenting for loading up to and including 29 February 2016 shall unless stated otherwise in the contract be on the International Scale (b) (i).

CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

(b) (i) INTERNATIONAL SCALE

For every full degree:-

above 96° to and including 97° add	1.50%
above 97° to and including 98° add an additional	1.25%
above 98° to and including 99° add an additional	1.00%
above 99° to and including 99.3° add an additional	0.30%
below 96° to and including 95° deduct	1.60%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.50%

Fractions of a degree shall be calculated in the same proportion.

For all vessels presenting for loading from and including 1 March 2016 shall unless stated otherwise in the contract be on the International Scale (b) (ii).

(b) (ii) INTERNATIONAL SCALE

For every full degree:-

At 97° add	1.00%
From 97° to 98° add	1.25%
From 98° to 99° add	1.50%

For each full 1/10th of a degree from 99.0° to 99.3° add an additional 0.15% of the contract price.

For the full degree from 96° to 95° deduct 5.50% of the contract price.

Fractions of a degree shall be calculated in the same proportions.

107. Where the destination and Receiver declared under the contract is listed below, final settlement, unless specified in the contract or agreed otherwise between the Buyer and the Seller, shall be settled on the basis of landed weights and outturn polarisations: –

CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

EUROPE

Finland - Kantvik	Finnsugar Ltd	Refinery Jetty
France - Marseille	Saint Louis Sucre S.N.C.	Quay 20, Sugar silo area
France - Nantes	Tereos Refinery	Wilson quay
Portugal - Leixoes Reunidas	RAR–Refinarias de Acucar Quay	Leixoes North Quay/ South Quay
Portugal - Lisbon	Tate & Lyle Açúcares, Portugal S.A.	Alcantara and/or T.M. Beato piers
United Kingdom - London	Tate & Lyle Sugars, Europe	Thames Refinery, London River and/or Docks

ASIA

Japan – Chiba	Shin Higashi Nihon Seito	Refinery Dolphin
Japan – Chiba	Wada Seito	Yanan Yawata wharf
Japan – Chiba	Shin Mitsui Seito	Yanan Yawata wharf
Japan – Hakata	K.S. Co	Hakozaki pier
Japan Hannan (Izumisano)	Kansei Sugar	Refinery Dolphin
Japan – Hososhima	Dai-Ichi Togyo	Refinery Dolphin
Japan - Kinuura	Itochu Sugar Co	Private Dolphin

**CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT**

ASIA CONTINUED

Japan – Kobe	Taito Co Ltd	Kohnan wharf Dolphin
Japan – Moji	Kanmon Sugar Mfg.	Municipal wharf
Japan – Nagoya	Naka-Nippon	Public wharf
Japan – Uno Port (Okayama)	Shin Mitsui Sugar Co	Municipal wharf
Japan – Osaka	Shinko Seito	Municipal wharf
Japan – Tokyo	Wada Seito	Chiba Yanan Yawata wharf
Japan – Tokyo	Daito Seito Co Ltd	Chiba or Hannan
Japan – Yokohama	Pacific Sugar	Dolphin or Pacific Sugar
Malaysia – Prai	Malayan Sugar Manufacturing	Prai anchorage
Malaysia – Port Klang	CSRsb	1) Berth no. 3 west port 2) General berth
Dubai – Jebel Ali Free Port	Al Khaleej Sugar Co LLC	Refinery jetty

AUSTRALASIA

New Zealand – Auckland	Chelsea Sugar Refinery	Refinery berth
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**CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT**

THE AMERICAS

Canada – Montreal	Lantic Sugar	Refinery berth (#46 South east)
Canada – Toronto	Redpath Sugar	Refinery berth (#275 slip east)
Canada – Vancouver	Rogers Sugar	Refinery berth
United States of America – New Orleans	American Sugar Refining Co	Refinery berth
United States of America – Baltimore	American Sugar Refining Co	1) Refinery berth 2) Sparrows Point
United States of America – Crockett	California & Hawaiian Sugar Co	Refinery berth
United States of America – Savannah	Savannah Foods & Industries	Refinery berth
United States of America – Yonkers	American Sugar Refining Co	Refinery berth

AFRICA

Morocco – Casablanca	COSUMAR	Lightening berth T3, then official berths 30 to 55
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CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

LICENCES

108. The Buyer shall be responsible for obtaining and maintaining in force any necessary import licence(s) and the Seller shall be responsible for obtaining and maintaining in force any necessary export licence(s). The failure to obtain and or to maintain in force such licence(s) shall not be sufficient grounds for a claim of force majeure if the regulations in force, at the time when the contract was made, called for such licence(s) to be obtained.

SHIPMENT

109. (a) The Contract shall clearly state the period within which shipment is to be effected.
- (b) Subject to any express terms in the contract itself, shipment(s) shall be effected by a vessel, or vessels, which:
- (i) must comply with the requirements of the International Ship and Port Facility Security (ISPS) code; and
 - (ii) must comply with the requirements of the International Safety Management (ISM) code; and
 - (iii) must be classified as 100 A1 at Lloyds or as of equal class in another recognised register; which register is a full member and/or associated member of the International Association of Classification Societies (IACS). Any additional insurance premium payable on the cargo by reason of age, flag or classification of the vessel declared shall be for the Seller's account. In C&F/CFR contracts the additional premium payable by the Seller shall not exceed that currently quoted by Lloyd's and/or first class insurance companies in London.
- (c) Subject to any express terms in the contract itself, every port at which any part of the contract quantity is loaded or discharged must comply with the requirements of the International Ship and Port Facility Security (ISPS) code.

CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

110. The contract quantity may be shipped on one or more vessels and any shipment may be made either as a full cargo or a part cargo.

111. If the contract clearly states that the tonnage is subject to a latitude for chartering purposes only on the quantity shipped by chartered vessels then, unless otherwise agreed, the following provisions shall apply:-

- (i) where the contract quantity is shipped on one vessel as a full cargo, unless otherwise stated in the contract, the quantity specified in the contract shall be subject to a latitude of five per cent more or less.
- (ii) where the contract quantity is shipped on more than one vessel, the quantity shipped on the last vessel to load shall, unless otherwise stated in the contract, be subject to a latitude of five per cent more or less if that shipment constitutes a full cargo but not if it is a part cargo.
- (iii) where the contract quantity is shipped on one vessel as a part cargo, the quantity shall not be subject to any latitude.
- (iv) where the quantity loaded on one vessel includes sugar shipped under more than one contract, no latitude shall be allowed even if the total quantity loaded constitutes a full cargo.
- (v) where the quantity loaded on one vessel includes sugar shipped under more than one contract by one or more Sellers to one or more Buyers, no latitude shall be allowed.

112. (a) When a contract stipulates for a delivery period, then the contract quantity must be shipped within the contract delivery period and the Bill of Lading date must conform to the contract, and:

CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

- (i) in the case of shipments in one or more specially chartered vessels, such vessel or (in the case of more than one vessel) each of such vessels must complete loading all the sugar within the time stipulated by the contract.
- (ii) in the case of shipments by liners or in part cargoes, the sugar shall be loaded on board within the stipulated time.

(b) Where the contract stipulates a period for arrival at the port of discharge the contract quantity must be shipped to ensure that, in the ordinary course of events, the sugar will arrive at the port of discharge within the contract period.

113. The Buyer shall have the benefit of and responsibility for exercising any options under the Charter-party and/or Freight Booking Note and/or Bills of Lading which are related to the destination and port of discharge stated in the contract.

114. All extra costs resulting from overtime including Supervisor's overtime when incurred shall be for account of the party ordering the overtime work. In cases where overtime is ordered by the Port Authority all extra costs resulting therefrom shall be for account of the Seller at loading port and the Buyer at discharge port.

115. Where a contract provides for shipment by instalments, each instalment shall be deemed a separate contract. In case of delay or failure in delivery of any one or more instalments the Buyer shall not be entitled to cancel the entire contract or any outstanding instalment in respect of which there is no such delay or failure. However, should the Buyer fail to make payment for any instalment in accordance with the contract, the Seller shall be entitled to withhold further deliveries without prejudice to his rights under the contract.

116. Unless otherwise stated in the contract laytime at discharge shall commence in accordance with the Sugar Charter-party 1999.

CANE AND BEET RAW SUGAR CONTRACTS
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INSURANCE

117. (a) For CIF contracts Marine, Strikes and War Risk Insurance shall be effected by the Seller from warehouse to warehouse at the contract price plus five per cent on the full shipping weight with Lloyd's and/or first class insurance companies on:-

Institute Commodity Trades Clauses (A) - CL 275 (7 pages)
Institute Strikes Clauses (Commodity Trades) - CL 279 (6 pages)
Institute War Clauses (Commodity Trades) - CL 278 (7 pages)

as set out in Section 5. of these Rules and

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause – CL 370 (1 page).

Institute Cyber Attack Exclusion Clause – CL 380 (1 page).

Termination of Transit Clause (Terrorism) – (1 page).

as set out as specimen clauses in Section 5. of these Rules.

- (b) The Seller shall be liable for the Marine, Strikes and War Risk Insurance surcharge, if any, combined up to one-half per cent and any rate at which this insurance is effected in excess of one-half per cent shall be for account of the Buyer and in such case the Seller shall immediately inform the Buyer.
- (c) For C&F/CFR contracts Marine, Strikes and War Risk Insurance shall be effected by the Buyer fully in accordance with (a) above. The policy shall be for the Seller's as well as the Buyer's protection until payment is made in full, pending which the Buyer shall, as regards the Seller's interest, hold the Policy and the proceeds of any claims in trust for the Seller. The Buyer shall furnish documentary evidence of compliance with the above if requested by the Seller. Should the Buyer fail to comply with such request the Buyer shall be responsible for the Seller's proven costs if the Seller arranges for equivalent insurance protection.
- (d) Any claims under the policy shall be payable in the currency of the contract.

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CIF FREE OUT AND COST & FREIGHT FREE OUT

118. In case of total loss of a consignment where the contract provides for settlement on landed weights and outturn polarisations, the Buyer shall be invoiced at the contract price for the full shipped weight of that consignment plus five per cent.

119. Where part of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, then:-

- (a) in the case of bulk shipments, the Buyer shall be invoiced for the damaged sugar on the basis of the actual landed weight of the damaged sugar and the average polarisation of the sound sugar.
- (b) in the case of bagged shipments, the Buyer shall be invoiced for the damaged bags at the average landed weight and outturn polarisation of the sound bags.

Insurance proceeds in respect of loss of weight shall be for the Seller's account in the case of bulk shipments and for the Buyer's account in the case of bagged shipments. Insurance proceeds in respect of depreciation in value shall be for the Buyer's account in either case.

120. (a) Where the whole of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, payment shall be made against a provisional invoice based on the net landed weight at the contract price and tel quel. Insurance proceeds in respect of loss of weight shall be for the Seller's account and insurance proceeds in respect of depreciation of value shall be apportioned between the Seller and the Buyer having regard to the outturn polarisation which could reasonably have been expected if such damage had not occurred.

- (b) In the case of bulk shipments, loss in weight or shortage arising from an insured peril shall be subject to the deduction of an ordinary or normal loss based on the previous outturns of a representative number of previous sound shipments. In the event that there is no representative number of sound shipments then the

CANE AND BEET RAW SUGAR CONTRACTS
CIF FREE OUT AND COST & FREIGHT FREE OUT

deduction of one-half per cent of the total Bill of Lading weight or other amount as agreed between the Buyer and the Seller in the contract shall be applied.

DESTINATION AND DISCHARGE

121. In the case of shipments by chartered vessel(s), the Buyer may order the vessel(s) to any usual and safe berth at port of discharge where the vessel may always lie safely afloat. Discharge terms shall be clearly stated in the contract and shall conform to the custom of the port.

DOCUMENTS

122. (a) The following basic documents are to be presented by the Seller:-
- i) A complete set of signed clean "on board" Bills of Lading which shall, except as provided for in Rule 124(c), evidence freight as having been paid.
 - ii) Certificate of Origin or, in the case of shipments of Preferential Sugars to EU, an EUR 1 Form.
 - iii) Certificate of Weight and Quality (for contracts where shipping weights and tests apply).
 - iv) Signed Commercial Invoice.
 - v) Certificate or Policy of Insurance (for CIF contracts).
- (b) In addition to the above documents the Seller shall, if requested not later than seven days prior to the commencement of loading of the vessel, include in the presentation for payment other documents customarily required by, and acceptable to, the Authorities in the country of destination. Any such additional documents requested with less than the above notice shall be supplied by the Seller as soon as possible but absence of such additional documents due to short notice shall not preclude payment.

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- (c) If requested by the Buyer, the Seller shall have any documents referred to in (a) (ii), (iii) or (iv) or in (b) above visaed in accordance with the requirements of the country of destination. Any costs incurred in obtaining additional documents in accordance with (b) above and any visa charges shall be for the Buyer's account. The Seller shall not be responsible if, for reasons, beyond his control, any additional documents referred to in (b) above or any visas are unobtainable and inability by the Seller to obtain such documents or visas shall not preclude payment.

PRESENTATION OF DOCUMENTS AND PAYMENT

123. (a) The terms and conditions of payment as agreed between the Seller and the Buyer shall be clearly stated in the contract.
- (b) Notice of intention to present documents for payment must be given to the Buyer not later than 12.00 hours local time on business days at the place of presentation of documents.
- (c) Documents for payment on the same business day as the notice at (b) above shall be presented to the Buyer not later than 14.00 hours local time at the place of presentation of documents. The Seller shall not be liable for charges incurred as a result of the goods arriving at the port of discharge prior to the receipt of documents provided the documents have been passed on by the Seller without delay.
124. (a) Documents evidencing proper fulfilment of the terms of a contract and tendered for payment in accordance with Rule 123(b) and (c) above shall be paid for on presentation. In all cases, unless otherwise stated in the contract, payment shall be made without any deduction and/or set-off whatsoever and such payment shall not prejudice any claim or dispute to be referred to arbitration. Should the Buyer fail to pay on presentation of documents the Seller may resell the sugar for account of whom it may concern.

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International

- (b)
 - i) Payment shall be made in accordance with Rule 123 above for ninety-eight per cent of the provisional invoice amount made out on the net Bill of Lading weight at the price stated in the contract. The balance shall be settled promptly against final invoice.
 - ii) When settlement is on the basis of shipping weight and polarisation, unless otherwise stated in the contract, payment shall be made in accordance with Rule 123 above for one hundred per cent of the invoice amount made out on the net Bill of Lading weight at the price stated in the contract.
- (c) In the case of shipment by a chartered vessel where only part of the freight has been paid in advance or where freight is payable on discharge the amount of the provisional invoice shall be subject to a reduction of ninety-eight per cent of the freight remaining unpaid.

United Kingdom

- (d) For shipments to the United Kingdom payment shall be made by cash in London against documents.
 - i) on arrival of the vessel in discharge berth at port of discharge, or
 - ii) seven days after the vessel has arrived in discharge port whether in berth or not,whichever is the earlier.
- (e) For the purpose of (d) (ii) above, a vessel shall be deemed to have arrived in the discharge port when she gets within that part of the port in which vessels customarily lie whilst waiting to go to a discharge berth.
- (f) In the case of shipment by a chartered vessel where only part of the freight has been paid in advance or where freight is payable on discharge the amount of the provisional invoice shall be subject to a reduction of

CANE AND BEET RAW SUGAR CONTRACTS
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ninety-eight per cent of the freight remaining unpaid.

- (g) The foregoing paragraphs (d) and (f) of this Rule shall apply subject to the following provisions:-
- i) where a vessel has arrived at the discharge port and delay in berthing and/or commencement of discharge is caused by strikes in the port of discharge then payment shall be made immediately the strike is over for vessel(s) already lying at their discharge berth. For vessels awaiting discharge berth payment shall be made as soon as the vessel goes on her discharge berth or seven days after the strike ends, whichever is earlier.
 - ii) in the case of a total loss of a cargo of sugar, payment shall be made within seven days after the time when the vessel would have arrived at its destination as estimated by the shipowner, less freight (unless freight has been paid in advance or is due to be paid under the terms of the governing Charter-party) and less the collecting commission.

TITLE

125. Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

FORCE MAJEURE

Where the contract specifies the place of origin of the sugar and, in the case of any other contract, once the Seller has declared an origin, the following Rules shall apply:-

126. Should war, strikes, rebellion, insurrection, political or labour disturbances, civil commotion, fire, stress of weather, act of God or any cause of force majeure (whether or not of like kind to those before mentioned) beyond the Seller's control prevent directly or indirectly within the contract delivery period specified in the contract as defined in Rule 112

CANE AND BEET RAW SUGAR CONTRACTS
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- (a) the supply to or delivery at shipping port in whole or in part of the sugar allocated by the Seller against the contract and/or
- (b) the vessel(s) declared from loading the sugar and should the Seller or his agent be unable to supply other tonnage of similar character to enable him to effect shipment or to ensure arrival at the port of discharge within the contract delivery period

the Seller shall immediately notify the Buyer (in accordance with Rule 131) of such fact and the quantity so affected. If the Seller is prevented from notifying the Buyer immediately through circumstances beyond his control, he shall notify the Buyer as soon as possible. Upon giving such notice, the contract delivery period shall be extended as follows:

- i) where the force majeure event(s) prevents performance for up to 3 days, the contract delivery period shall be extended by 7 days.
- ii) where such event(s) prevents performance for more than 3 days, the contract delivery period shall be extended by 45 days.

The Seller shall notify the Buyer immediately that the force majeure event(s) terminates.

If delivery is still prevented at the end of the 45 day extended contract delivery period, the contractual rights and obligations of the parties shall be cancelled, save only that the sugar shall be invoiced back at the prevailing market price at the end of the extended period or at such price as an arbitration tribunal in its absolute discretion decides.

If the invoicing back price is higher than the contract price, the difference shall be paid by the Seller to the Buyer. If the invoicing back price is lower than the contract price, the difference shall be paid by the Buyer to the Seller. The provision shall apply notwithstanding the occurrence of events which would otherwise frustrate the contract.

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CIF FREE OUT AND COST & FREIGHT FREE OUT

If performance of the contract is prevented by a force majeure event more than once during the contract delivery period (as extended in accordance with these Rules) the provisions of these Rules shall apply to each such event. However, in no circumstances shall that contract delivery period be extended for more than 45 days.

The party claiming force majeure shall within fourteen days from the initial notification of the facts relied upon deliver to the other party evidence of the existence of those facts. If evidence is not delivered in accordance with this provision, the right to invoke force majeure shall be forfeited unless an arbitration tribunal in its absolute discretion decides otherwise.

TAXES AND LEVIES

127. (a) Any existing or future taxes, or levies in the nature of taxes, whether on sugar, freight or shipping imposed by the country of origin shall be for the account of the Seller.
- (b) Any existing or future taxes, or levies in the nature of taxes, whether on sugar, freight or shipping imposed by the country of destination shall be for the account of the Buyer.

ARBITRATION

128. Any dispute arising out of or in connection with a contract which is subject to these Rules shall be referred to arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such arbitration shall be conducted in accordance with English Law. The Contract Rules of the Association in force at the time the Contract was made shall apply to any reference to arbitration.

GOVERNING LAW

129. The Contract and these Contract Rules shall be governed by and construed in accordance with English Law.

CANE AND BEET RAW SUGAR CONTRACTS
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EXCLUSIONS

130. Unless the contract contains any statement expressly to the contrary, the provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply thereto. Unless the contract contains any statement expressly to the contrary, a person who is not a party to the contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

NOTICES

131. Any notice to be served by the Seller or the Buyer under these Contract Rules shall be delivered by courier or transmitted by telex, facsimile or electronic mail.

GENERAL

132. Where any Clause in the contract is at variance with a Rule of the Association such Clause shall prevail.

RULES 133-200 NOT YET IN USE

Section 4:
Contract Rules –
FOB & Stowed
FAS



THE SUGAR
ASSOCIATION
OF LONDON

THE SUGAR ASSOCIATION OF LONDON
RULES TO REGULATE
CANE AND BEET RAW SUGAR CONTRACTS
FOB & STOWED AND FAS

GENERAL

201. Specimen copies of contract forms are set out in Section 6 of these Rules.

QUANTITY AND DESCRIPTION

202. The contract shall state the quantity and a general description of the sugar contracted for, as agreed between the Buyer and the Seller.

203. When the crop is not stated in the contract it shall be the current crop at the time of delivery and the sugar shall be a fair average quality of such crop.

PACKING

204. When shipment is made in bags the Seller shall ensure that the sugar is packed in sound bags suitable for export. Bag marks, if any, shall not be contrary to the terms of the contract.

PRICE

205. The price shall be expressed in the contract.

SETTLEMENT

206. Settlement of degrees above and below 96 degrees mean shipping/outurn polarisation shall be calculated on the contract price on the appropriate scale as follows:-

(a) UNITED KINGDOM SCALE

For every full degree:-

above 96° to and including 97° add	1.40%
above 97° to and including 98° add an additional	1.40%
above 98° to and including 99° add an additional	1.40%
below 96° to and including 95° deduct	1.50%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.00%

Fractions of a degree shall be calculated in the same proportion.

For all vessels presenting for loading up to and including 29 February 2016 shall unless stated otherwise in the contract be on the International Scale (b) (i).

CANE AND BEET RAW SUGAR CONTRACTS
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(b) (i) INTERNATIONAL SCALE

For every full degree:-

above 96° to and including 97° add	1.50%
above 97° to and including 98° add an additional	1.25%
above 98° to and including 99° add an additional	1.00%
above 99° to and including 99.3° add an additional	0.30%
below 96° to and including 95° deduct	1.60%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.50%

Fractions of a degree shall be calculated in the same proportion.

For all vessels presenting for loading from and including 1 March 2016 shall unless stated otherwise in the contract be on the International Scale (b) (ii).

(b) (ii) INTERNATIONAL SCALE

For every full degree:-

At 97° add	1.00%
From 97° to 98° add	1.25%
From 98° to 99° add	1.50%

For each full 1/10th of a degree from 99.0° to 99.3° add an additional 0.15% of the contract price.

For the full degree from 96° to 95° deduct 5.50% of the contract price.

Fractions of a degree shall be calculated in the same proportions.

207. Where the destination and Receiver declared under the contract is listed below, final settlement, unless specified in the contract or agreed otherwise between the Buyer and the Seller, shall be settled on the basis of landed weights and outturn polarisations:-

**CANE AND BEET RAW SUGAR CONTRACTS
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EUROPE

Finland - Kantvik	Finnsugar Ltd	Refinery Jetty
France - Marseille	Saint Louis Sucre S.N.C.	Quay 20, Sugar silo area
France - Nantes	Tereos Refinery	Wilson quai
Portugal - Leixoes	RAR – Refinarias de Acucar Reunidas	Leixoes North Quay/ South Quay
Portugal - Lisbon	Tate & Lyle Açúcares, Portugal S.A.	Alcantara and/or T.M. Beato piers
United Kingdom - London	Tate & Lyle Sugars, Europe	Thames Refinery, London River and/or Docks

ASIA

Japan – Chiba	Shin Higashi Nihon Seito	Refinery Dolphin
Japan – Chiba	Wada Seito	Yanan Yawata wharf
Japan – Chiba	Shin Mitsui Seito	Yanan Yawata wharf
Japan – Hakata	K.S. Co	Hakozaki pier
Japan Hannan (Izumisano)	Kansei Sugar	Refinery Dolphin
Japan – Hososhima	Dai-ichi Togyo	Refinery Dolphin
Japan - Kinuura	Itochu Sugar Co	Private Dolphin

**CANE AND BEET RAW SUGAR CONTRACTS
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ASIA CONTINUED

Japan – Kobe	Taito Co Ltd	Kohnan wharf Dolphin
Japan – Moji	Kanmon Sugar Mfg.	Municipal wharf
Japan – Nagoya	Naka-Nippon	Public wharf
Japan – Uno Port (Okayama)	Shin Mitsui Sugar Co	Municipal wharf
Japan – Osaka	Shinko Seito	Municipal wharf
Japan – Tokyo	Wada Seito	Chiba Yanan Yawata wharf
Japan – Tokyo	Daito Seito Co Ltd	Chiba or Hannan
Japan – Yokohama	Pacific Sugar	Dolphin or Pacific Sugar
Malaysia – Prai	Malayan Sugar Manufacturing	Prai anchorage
Malaysia – Port Klang	CSRsb	1) Berth no. 3 west port 2) General berth
Dubai – Jebel Ali Free Port	Al Khaleej Sugar Co LLC	Refinery jetty

AUSTRALASIA

New Zealand – Auckland	Chelsea Sugar Refinery	Refinery berth
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**CANE AND BEET RAW SUGAR CONTRACTS
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THE AMERICAS

Canada – Montreal	Lantic Sugar	Refinery berth (#46 South east)
Canada – Toronto	Redpath Sugar	Refinery berth (#275 slip east)
Canada – Vancouver	Rogers Sugar	Refinery berth
United States of America – New Orleans	American Sugar Refining Co	Refinery berth
United States of America – Baltimore	American Sugar Refining Co	1) Refinery berth 2) Sparrows Point
United States of America – Crockett	California & Hawaiian Sugar Co	Refinery berth
United States of America – Savannah	Savannah Foods & Industries	Refinery berth
United States of America – Yonkers	American Sugar Refining Co	Refinery berth

AFRICA

Morocco – Casablanca	COSUMAR	Lightening berth T3, then official berths 30 to 55
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CANE AND BEET RAW SUGAR CONTRACTS
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LICENCES

208. The Buyer shall be responsible for obtaining and maintaining in force any necessary import licence(s) and the Seller shall be responsible for obtaining and maintaining in force any necessary export licence(s). The failure to obtain and or to maintain in force such licence(s) shall not be sufficient grounds for a claim of force majeure if the regulations in force, at the time when the contract was made, called for such licence(s) to be obtained.

DELIVERY

209. PERIOD OF DELIVERY

- (a) The contract shall clearly state the period within which delivery is to be effected. The Seller shall have the contracted sugar ready to be delivered to the Buyer at any time within the contract delivery period.
- (b) The Buyer having given notice in accordance with the terms of Rule 210 (b) below shall be entitled to call for delivery of the sugar between the first and last working day inclusive of the contract delivery period. If the vessel(s) has presented in readiness to load within the contract delivery period, and loading has not been completed by the last day of the period, the Seller shall be bound to deliver and the Buyer bound to accept delivery of the balance of the cargo or part cargo up to the contract quantity.

210. PORTS

- (a) The Seller shall have the option of delivering at one or two berths, one safe port, in the country of origin of the sugar or the country from which sugar of that origin is normally shipped unless otherwise agreed between the Seller and the Buyer. The berth(s) nominated by the Seller shall be customary safe berth(s) at which vessels can load sugar always afloat.

CANE AND BEET RAW SUGAR CONTRACTS
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- (b) The Buyer must give notice (see contract Rule 229) to the Seller of the name(s) of the vessel(s) on which the sugar is to be shipped, the vessel(s) expected time of arrival at the loadport or off the contracted range of loadports and the tonnage to be loaded. All vessel(s) specified in the Buyer's notice must comply with the requirements of the International Ship and Port Facility Security (ISPS) code and the International Safety Management (ISM) code. Such notice shall be given by 17.00 hours on a business day at the Seller's place of business, and unless otherwise stated in the contract, not less than ten days before the vessel(s) expected time of arrival at loadport or off the contracted range of loadports. The Buyer shall forward to the Seller a copy of the Charter-party or, if the sugar is to be shipped under liner terms, the Buyer shall so inform the Seller. If requested by the Seller, the Buyer will provide details of vessel(s) characteristics, flag and Charter-party, demurrage despatch rates prior to the tendering of the vessel's notice of readiness to load.
- (c) The Buyer shall have the right to substitute the vessel declared in accordance with Rule 210 (b) and such substitution shall not be considered as a new declaration provided that the substitute vessel arrives before or no later than 5 days after the expected time of arrival of the originally declared vessel. Should the substitute vessel arrive before the expected time of arrival of the originally declared vessel the notice period effective from the original declaration shall apply. Should the substitute vessel arrive more than 5 days after the expected time of arrival of the originally declared vessel it shall be considered as a new declaration made on the date of the declared substitution. Should the Buyer call for a greater tonnage to be loaded on the substitute vessel than the originally declared vessel the additional tonnage shall be considered a new declaration made on the date of the declared substitution.

CANE AND BEET RAW SUGAR CONTRACTS
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- (d) The Seller must give notice (see contract Rule 229) to the Buyer of the port(s) of loading and such notice shall be given by 17.00 hours on a business day at the Buyer's place of business, and unless otherwise stated in the contract, not less than seven days before the date stated in the notice of the vessel(s) expected time of arrival off the contracted range of loadports and shall advise the Buyer accordingly. All ports of loading specified in the Seller's notice must comply with the requirements of the International Ship and Port Facility Security (ISPS) code.
- (e) Unless otherwise stated in the contract laytime shall commence in accordance with the Sugar Charter-party 1999.
- (f) The Seller shall not be obliged to commence loading until the expiry of the notice period in 210 (b) or as otherwise agreed in the contract. However, should the Seller choose to commence loading prior to expiry of this notice period then laytime shall count from the next regular working period after the commencement of loading.

211. POINT OF DELIVERY

(a) FOB & Stowed

The Seller shall deliver the sugar on board stowed and trimmed in the vessel's hold, free of charge, risk and expense to the Buyer, in accordance with the terms of the contract.

(b) FAS

The Seller shall deliver the sugar alongside the vessel(s), free of charge, risk and expense to the Buyer, to within reach of the vessel's tackle and in accordance with the terms of the contract. Unless otherwise agreed in the Contract, the Seller shall be responsible for clearing the sugar for export and the Buyer shall provide any information for such clearance.

212. The contract quantity may be shipped on one or more vessels and any shipment may be made either as a full cargo or a part cargo.

CANE AND BEET RAW SUGAR CONTRACTS
FOB & STOWED AND FAS

213. If the contract clearly states that the tonnage is subject to a latitude for chartering purposes only on the quantity shipped by chartered vessels then, unless otherwise agreed, the following provisions shall apply:-

- i) where the contract quantity is shipped on one vessel as a full cargo, unless otherwise stated in the contract, the quantity shall be subject to a latitude of five per cent more or less.
- ii) where the contract quantity is shipped on more than one vessel, the quantity shipped on the last vessel to load shall, unless otherwise stated in the contract, be subject to a latitude of five per cent more or less if that shipment constitutes a full cargo but not if it is a part cargo.
- iii) where the contract quantity is shipped on one vessel as a part cargo, the quantity shall not be subject to any latitude.
- iv) where the quantity loaded on one vessel includes sugar shipped under more than one contract, no latitude shall be allowed even if the total quantity loaded constitutes a full cargo.
- v) where the quantity loaded on one vessel includes sugar shipped under more than one contract by one or more Sellers to one or more Buyers, no latitude shall be allowed.

214. All extra costs resulting from overtime, including Supervisor's overtime when incurred, shall be for account of the party ordering the overtime work. In cases where overtime is ordered by the Port Authority all extra costs resulting therefrom shall be for account of the Seller at loading port and the Buyer at discharge port.

215. Where a contract provides for shipment by instalments, each instalment shall be deemed a separate contract. In case of delay or failure in delivery of any one or more instalments the Buyer shall not be entitled to cancel the entire contract or any outstanding instalments in respect of which there is no such delay or failure. However, should the Buyer fail to make payment for any instalment in accordance with the contract, the Seller shall be entitled to withhold further deliveries without prejudice to his rights under the contract.

CANE AND BEET RAW SUGAR CONTRACTS
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216. (a) Marine, Strikes and War Risks Insurance shall be effected by the Buyer at the contract price plus five per cent with Lloyd's and/or first class insurance companies on:-

Institute Commodity Trades Clauses (A) - CL 275 (7 pages).
Institute Strikes Clauses (Commodity Trades) - CL 279 (6 pages).
Institute War Clauses (Commodity Trades) - CL 278 (7 pages).

as set out in Section 5 of these Rules and

Institute Radioactive Contamination, Chemical, Biological,
Bio-Chemical and Electromagnetic Weapons Exclusion
Clause – CL 370 (1 page).

Institute Cyber Attack Exclusion Clause - CL 380 (1 page).

Termination of Transit Clause (Terrorism) – (1 page).

as set out as specimen clauses in Section 5. of these Rules.

- (b) The Buyer shall be responsible for covering insurance from warehouse to warehouse upon declaration of vessel(s). The policy shall be for the Seller's as well as the Buyer's protection from point of delivery, as defined in Rule 211 (a) and (b), until payment is made in full, pending which the Buyer shall, as regards the Seller's interest, hold the Policy and the proceeds of any claims in trust for the Seller. The Buyer shall furnish documentary evidence of compliance with the above if requested by the Seller. Should the Buyer fail to comply with such request the Buyer shall be responsible for the Seller's proven costs if the Seller arranges for equivalent insurance protection.
- (c) Any claims under the Policy shall be payable in the currency of the contract.

217. In case of total loss of a consignment where the contract provides for settlement on landed weights and outturn polarisations, the Buyer shall be invoiced at the contract price for the full shipped weight of that consignment plus five per cent.

218. Where part of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, then:-

CANE AND BEET RAW SUGAR CONTRACTS
FOB & STOWED AND FAS

- (a) in the case of bulk shipments, the Buyer shall be invoiced for the damaged sugar on the basis of the actual landed weight of the damaged sugar and the average polarisation of the sound sugar
- (b) in the case of bagged shipments, the Buyer shall be invoiced for the damaged bags at the average landed weight and outturn polarisation of the sound bags.

Insurance proceeds in respect of loss of weight shall be for the Seller's account in the case of bulk shipments and for the Buyer's account in the case of bagged shipments. Insurance proceeds in respect of depreciation in value shall be for the Buyer's account in either case.

219. (a) Where the whole of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, payment shall be made against a provisional invoice based on the net landed weight at the contract price and tel quel. Insurance proceeds in respect of loss of weight shall be for the Seller's account and insurance proceeds in respect of depreciation of value shall be apportioned between the Seller and the Buyer having regard to the outturn polarisation which could reasonably have been expected if such damage had not occurred.

(b) In the case of bulk shipments, loss in weight or shortage arising from an insured peril shall be subject to the deduction of an ordinary or normal loss based on the previous outturns of a representative number of previous sound shipments. In the event that there is no representative number of sound shipments then the deduction of one-half per cent of the total Bill of Lading weight or other amount as agreed between the Buyer and the Seller in the contract shall be applied.

DOCUMENTS

220. (a) The following basic documents are to be presented by the Seller:-
- i) a complete set of clean "on board" Bills of Lading

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- ii) Certificate of Origin or, in the case of shipments of Preferential Sugars to the EU, an EUR 1 Form.
 - iii) Certificate of Weight and Quality (for contracts where shipping weights and tests apply).
 - iv) Signed Commercial Invoice.
- (b) Under FAS contracts, the following basic documents are to be presented by the Seller:-
- (i) Certificate of Origin or, in the case of shipments of Preferential Sugars to the EU, an EUR 1 Form.
 - (ii) Certificate of Weight and Quality (for contracts where shipping weights and tests apply).
 - (iii) Signed Commercial Invoice.
 - (iv) A Forwarders Certificate of Receipt.
- (c) In addition to the above documents the Seller shall, if requested not later than seven days prior to the commencement of loading of the vessel, include in the presentation for payment other documents customarily required by, and acceptable to, the Authorities in the country of destination. Any such additional documents requested with less than the above notice shall be supplied by the Seller as soon as possible but absence of such additional documents due to short notice shall not preclude payment.
- (d) If requested by the Buyer, the Seller shall have any documents referred to in (a) (ii), (iii) or (iv) or in (b) (i), (ii), or (iii), or in (c) above visaed in accordance with the requirements of the country of destination. Any costs incurred in obtaining additional documents in accordance with (c) above and any visa charges shall be for the Buyer's account. The Seller shall not be responsible if, for reasons beyond his control, any additional documents referred to in (c) above or any visas are unobtainable and inability by the Seller to obtain such documents or visas shall not preclude payment.

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PRESENTATION OF DOCUMENTS AND PAYMENT

221. (a) The terms and conditions of payment as agreed between the Seller and the Buyer shall be clearly stated in the contract.
- (b) Notice of intention to present documents for payment must be given to the Buyer not later than 12.00 hours local time on business days at the place of presentation of documents.
- (c) Documents for payment on the same business day as the notice at (b) above shall be presented to the Buyer not later than 14.00 hours local time at the place of presentation of documents.
The Seller shall not be liable for charges incurred as a result of the goods arriving at the port of discharge prior to the receipt of documents provided they have been passed on without delay.
222. (a) Documents evidencing proper fulfilment of the terms of a contract and tendered for payment in accordance with Rule 221 (b) and (c) above shall be paid for on presentation. In all cases, unless otherwise stated in the contract, payment shall be made without any deduction and/or set-off whatsoever and such payment shall not prejudice any claim or dispute to be referred to arbitration. Should the Buyer fail to pay on presentation of documents the Seller may resell the sugar for account of whom it may concern.
- (b) For shipments to the United Kingdom payment shall be made in accordance with Rule 221 above by cash on first presentation of documents to the Buyer for ninety-eight per cent of the provisional invoice amount made out on the net Bill of Lading weight at the contract price stated in the contract. The balance shall be settled promptly against the final invoice.

TITLE

223. Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

FORCE MAJEURE

Where the contract specifies the place of origin of the sugar and, in the case of any other contract, once the Seller has declared an origin, the following Rules shall apply:-

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224. (a) Should war, strikes, rebellion, insurrection, political or labour disturbances, civil commotion, fire, stress of weather, act of God or any cause of force majeure (whether or not of like kind to those before mentioned) beyond the Seller's control prevent directly or indirectly within the Contract delivery period specified in the contract the supply to or delivery at shipping port in whole or in part of the sugar allocated by the Seller against the contract, the Seller shall immediately notify the Buyer (in accordance with Rule 229) of such fact and the quantity so affected. If the Seller is prevented from advising the Buyer immediately through circumstances beyond his control, he shall notify the Buyer as soon as possible. Upon giving such notice, the contract delivery period shall be extended as follows:
- i) where the force majeure event(s) prevents performance for up to 3 days, the contract delivery period shall be extended by 7 days.
 - ii) where such event(s) prevents performance for more than 3 days, the contract delivery period shall be extended by 45 days.

The Seller shall notify the Buyer immediately that the force majeure event(s) terminates. If delivery is still prevented at the end of the 45 day extended contract delivery period, the contractual rights and obligations of the parties shall be cancelled, save only that the sugar shall be invoiced back at the prevailing market price at the end of the extended period or at such price as an arbitration tribunal in its absolute discretion decides. If the invoicing back price is higher than the contract price, the difference shall be paid by the Seller to the Buyer. If the invoicing back price is lower than the contract price, the difference shall be paid by the Buyer to the Seller

The provision shall apply notwithstanding the occurrence of events which would otherwise frustrate the contract.

- (b) Should the Buyer be prevented from accepting delivery of the whole or part of the sugar within the contract delivery period by reason of loss or delay of the vessel(s) declared due to war, strikes, rebellion, insurrection, political or labour disturbances, civil commotion, fire, stress of weather, act

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of God or any cause of force majeure (whether or not of like kind to those before mentioned) beyond the Buyer's control the Buyer shall immediately notify the Seller (in accordance with Rule 229). If the Buyer is prevented from notifying the Seller immediately through circumstances beyond his control, he shall notify the Seller as soon as possible. Upon giving such notice, the contract delivery period for the affected quantity shall be extended, without extra charge to the Buyer, as follows:

- i) where the force majeure event(s) prevents the Buyer from accepting delivery for up to 3 days, the contract delivery period shall be extended by 7 days.
- ii) where such event(s) prevents the Buyer from accepting delivery for more than 3 days, the contract delivery period shall be extended by 21 days.

The Buyer shall notify the Seller immediately that the force majeure event(s) terminates. If the Buyer is still prevented from taking delivery at the end of the 21 day extended contract delivery period then the Seller shall deliver and the Buyer shall accept delivery in a suitable warehouse(s) or, by mutual agreement at some other convenient point. The Seller shall insure the sugar in store against fire, lightning, strikes, riots and civil commotion at the Buyer's expense for a minimum period of fifteen days and the Buyer shall reimburse the Seller for the whole of the proven cost of holding over the sugar during the extended period of twenty-one days, but transfer of the sugar from a suitable warehouse(s) to the Buyer's vessel FOBS/FAS shall be undertaken by the Seller without extra charge.

- (c) If performance of the contract is prevented by a force majeure event more than once during the contract delivery period (as extended in accordance with these Rules) the provisions of these Rules shall apply to each such event. However, in no circumstances shall that contract delivery period be extended for more than the periods allowed under Rules 224 (a) ii) and 224 (b) ii).

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- (d) The party claiming force majeure shall within fourteen days from the initial notification of the facts relied upon deliver to the other party evidence of the existence of those facts. If evidence is not delivered in accordance with this provision, the right to invoke force majeure shall be forfeited unless an arbitration tribunal in its absolute discretion decides otherwise.

TAXES AND LEVIES

225. (a) Any existing or future taxes, or levies in the nature of taxes, whether on sugar, freight or shipping imposed by the country of origin shall be for the account of the Seller.
- (b) Any existing or future taxes, or levies in the nature of taxes, whether on sugar, freight or shipping imposed by the country of destination shall be for the account of the Buyer

ARBITRATION

226. Any dispute arising out of or in connection with a contract which is subject to these Rules shall be referred to arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such arbitration shall be conducted in accordance with English Law. The Contract Rules of the Association in force at the time the Contract was made shall apply to any reference to arbitration.

GOVERNING LAW

227. The Contract and these Contract Rules shall be governed by and construed in accordance with English Law.

EXCLUSIONS

228. Unless the contract contains any statement expressly to the contrary, the provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply thereto. Unless the contract contains any statement expressly to the contrary, a person who is not a party to the contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

CANE AND BEET RAW SUGAR CONTRACTS
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NOTICES

229. Any notice to be served by the Seller or the Buyer under these Contract Rules shall be delivered by courier or transmitted by telex, facsimile or electronic mail.

GENERAL

230. Where any Clause in the contract is at variance with a Rule of the Association such Clause shall prevail.

RULES 231 -300 NOT YET IN USE.

Section 5: Institute Commodity Trade Clauses



THE SUGAR
ASSOCIATION
OF LONDON

APPENDIX 1

INSTITUTE COMMODITY TRADES CLAUSES (A)

Agreed with the Federation of Commodity Associations for the insurance of shipments of Cocoa, Coffee, Cotton, Fats and Oils not in bulk, Hides and Skins, Metals, Oil Seeds, Sugar (Raw and Refined) and Tea.

Risks Covered

- | | | |
|----|--|---|
| 1 | This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 4,5,6 and 7 below | Risks
Clause |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4,5,6 and 7 or elsewhere in this insurance | General
Average
Clause |
| 3 | This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as in respect of a loss recoverable hereunder. In the event | "Both to
Blame
Collision"
Clause |
| of | any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim. | |

Exclusions

- | | | |
|-----|--|------------------------------|
| 4 | In no case shall this insurance cover | |
| 4.1 | loss damage or expense attributable to wilful misconduct of the Assured | General Exclusions
Clause |
| 4.2 | ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured | |
| 4.3 | loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured (for the purpose of this Clause 4.3. "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants) | |
| 4.4 | loss damage or expense caused by inherent vice or nature of the subject-matter insured | |

- 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage
- This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 4.7 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.
- 5** 5.1 In no case shall this insurance cover loss damage or expense arising from
- Unseaworthiness and Unfitness Exclusion clause
- 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein
- 5.1.2 unfitness of container liftvan or land conveyance for the safe carriage of the subject-matter insured, where loading therein is carried out prior to the attachment of this insurance or by the Assured or their servants.
- 5.2 Where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract, exclusion 5.1.1 above shall not apply.
- 5.3 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination
- 6** In no case shall this insurance cover loss damage or expense caused by
- War Exclusion Clause

- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 6.2. capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- 6.3. derelict mines torpedoes bombs or other derelict weapons of war.

7 In no case shall this insurance cover loss damage or expense Strikes Exclusion Clause

- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 7.2. resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 7.3 caused by any terrorist or any person acting from a political motive,

Duration

8 8.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either Transit Clause

- 8.1.1 On delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,
- 8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
 - 8.1.2.1 for storage other than in the ordinary course of transit or
 - 8.1.2.2 for allocation or distribution,
- 8.1.3 on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge,

whichever shall first occur.

- 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 8.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.
- 9 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters either*
- 9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,
- or
- 9.2. if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.
- 10 Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.
- Termination of Contract of Carriage Clause.
- Change of Voyage Clause

Claims

- 11.11.1** In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. Insurable Interest Clause
- 11.2** subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 12** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject matter to the destination to which it is insured hereunder. Forwarding Charges Clause
- This Clause 12 which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4,5,6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.
- 13** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter to the destination to which it is insured would exceed its value on arrival. Constructive Total Loss Clause
- 14.14.1** If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. Increased Value Clause
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

14.2 **Where this insurance is on Increased Value the following clause shall apply:**

The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Benefit of Insurance

- | | | |
|----|---|---------------------|
| 15 | This insurance shall not inure to the benefit of the carrier or other bailee. | Not to Inure Clause |
|----|---|---------------------|

Minimising Losses

- | | | |
|----|--|------------------------|
| 16 | It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder | Duty of Assured Clause |
|----|--|------------------------|

16.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,

And

16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

- | | | |
|----|--|---------------|
| 17 | Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party. | Waiver Clause |
|----|--|---------------|

Avoidance of Delay

- | | | |
|----|--|----------------------------|
| 18 | It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control. | Reasonable Despatch Clause |
|----|--|----------------------------|

Law and Practice

- 19 This insurance is subject to English Law and practice English Law and Practice Clause

NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

CL 275 - Sold by Witherby & Co. Ltd., London.

INSTITUTE STRIKES CLAUSES (COMMODITY TRADES)

Agreed with The Federation of Commodity Associations

Risks Covered

- | | | |
|----------|---|------------------------|
| 1 | This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured clause by | Risks Clause |
| 1.1. | strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions | |
| 1.2. | any terrorists or any person acting from a political motive. | |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract

of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses. | General Average Clause |

Exclusions

- | | | |
|----------|---|---------------------------|
| 3 | In no case shall this insurance cover | General Exclusions Clause |
| 3.1 | loss damage or expense attributable to wilful misconduct of the Assured | |
| 3.2 | ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured. | |
| 3.3. | loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants) | |
| 3.4 | loss damage or expense caused by inherent vice or nature of the subject-matter insured | |
| 3.5 | loss damage or expense proximately caused by delay, even though the delay be caused by a risks insured against (except expenses payable under Clause 2 above) | |

- 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage.
- this exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract
- 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbances, riot or civil commotion
- 3.8 any claim based upon loss of or frustration of the voyage or adventure
- 3.9 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.
- 3.10 loss damage or expense caused by war civil war revolutionrebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
- 4 4.1** In no case shall this insurance cover loss damage or expense arising from
- 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein
- 4.1.2 unfitness of container liftvan or land conveyance for the safe carriage of the subject-matter insured, where loading therein is carried out prior to attachment of this insurance or by the Assured or their servants.
- 4.2 Where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under the binding contract, exclusion 4.1.1 above shall not apply.
- Unseaworthiness and Unfitness Exclusion Clause

- 4.3 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

Duration

- 5 5.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either Transit Clause
- 5.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,
- 5.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the assured elect to use either,
- 5.1.2.1 for storage other than in the ordinary course of transit or
- 5.1.2.2 for allocation or distribution,
- or
- 5.1.3 on the expiry of 60 days after the completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge,
- whichever shall first occur.
- 5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment of transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.

6 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters,*

Termination of
Contract of Carriage
Clause

either

6.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,

Or

6.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

7 Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on condition to be arranged subject to prompt notice being given to the Underwriters.*

Change of Voyage
Clause

Claims

8. 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject matter insured at the time of loss.

Insurable Interest
Clause

8.2. Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

9. 9.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances. Increased Value Clause

9.2 **Where this insurance is on Increased Value the following clause shall apply:**

The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and the Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances

Benefit of Insurance

10 This insurance shall not inure to the benefit of the carrier or other bailee. Not to Inure Clause

Minimising Losses

11 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder Duty of Assured Clause

11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,

and

11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

12	Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	Waiver Clause
Avoidance of Delay		
13	It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.	Reasonable Despatch Clause
Law and Practice		
14	This insurance is subject to English Law and practice.	English Law and Practice Clause

NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

CL 279 - Sold by Witherby & Co. Ltd., London.

INSTITUTE WAR CLAUSES (COMMODITY TRADES)

Agreed with The Federation of Commodity Associations

Risks Covered

- | | | |
|----------|--|------------------------|
| 1 | This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured clause by | Risks Clause |
| 1.1 | war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power | |
| 1.2 | capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat | |
| 1.3 | derelict mines torpedoes bombs or other derelict weapons of war. | |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses. | General Average Clause |

Exclusions

- | | | |
|----------|---|---------------------------|
| 3 | In no case shall this insurance cover | General Exclusions Clause |
| 3.1 | loss damage or expense attributable to wilful misconduct of the Assured | |
| 3.2 | ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject -matter insured | |
| 3.3 | loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants) | |
| 3.4 | loss damage or expense caused by inherent vice or nature of the subject-matter insured | |
| 3.5 | loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above) | |

3.6	loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage.	
	This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract	
3.7	any claim based upon loss or frustration of the voyage or adventure	
3.8	loss damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction of radioactive force or matter.	
4 4.1	In no case shall this insurance cover loss damage or expense arising from	Unseaworthiness and Unfitness Exclusion Clause
4.1.1	unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein	
4.1.2	unfitness of container liftvan or land conveyance for the safe carriage of the subject-matter insured, where loading therein is carried out prior to attachment of this attachment of this insurance or by the Assured or their servants.	
4.2	Where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under the binding contract, exclusion 4.1.1 above shall not apply.	
4.3	The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.	
Duration		
5 5.1	This insurance	Transit Clause
5.1.1	attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel	

and

- 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge,

or

on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,

whichever shall first occur;

nevertheless,

subject to prompt notice to the Underwriters and to an additional premium, such insurance

- 5.1.3 reattaches when, without having discharged the subject matter insured at the final port or place of discharge, the vessel sails therefrom,

and

- 5.1.4 terminates, subject to 5.2 and 5.3. below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge,

or

on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge,

whichever shall first occur.

- 5.2 If during the insured voyage the overseas vessel arrives at an intermediate port or place to discharge the subject matter insured for on-carriage by overseas vessel or by aircraft, or the goods are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying overseas vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the goods are on carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by overseas vessel this insurance continues subject to the terms of these clauses,
- or
- 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and such insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then provided *notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium*, such insurance reattaches
- 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge;
- thereafter such insurance terminates in accordance with 5.1.4.

- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Underwriters.
- 5.5 *Subject to prompt notice to Underwriters, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.*

(For the purpose of Clause 5

“arrival” shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge

“Oversea vessel” shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage includes a sea passage by that vessel).

- 6 Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters. Change of Voyage Clause
- 7 **Anything contained in this contract which is inconsistent with Clauses 3.7, 3.8 or 5 shall, to the extent of such inconsistency, be null and void.**

Claims

- 8 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss Insurable Interest Clause
- 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

9 9.1. If any increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

Increased Value Clause

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

9.2 **Where this insurance is on Increased Value the following clause shall apply:**

The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of Claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Benefit of Insurance

10 This insurance shall not inure to the benefit of the carrier or other bailee Not to Inure Clause

Minimising Losses

11 It is the duty the Assured and their servants and agents in respect of loss recoverable hereunder Duty of Assured Clause

11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,

and

11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

- 12 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party Waiver Clause

Avoidance of Delay

- 13 It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control Reasonable Despatch Clause

Law and Practice

- 14 This insurance is subject to English law and practice English Law and Practice Clause

NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

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INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

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INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

1. Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
 - 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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TERMINATION OF TRANSIT CLAUSE (TERRORISM) 2009

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

- 1 Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by

any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or

any person acting from a political, ideological or religious motive,

such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

either

- 1.1 as per the transit clauses contained within the contract of insurance,

or

- 1.2 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,

- 1.3 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

- 1.4 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit,

or

- 1.5 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge,

- 1.6 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

- 2 If the contract of insurance or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

Section 6: Specimen Contract Forms



THE SUGAR
ASSOCIATION
OF LONDON

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out SAOL/1

Contract No..... Date

To.....

1. I/We have this day

QUANTITY:

ORIGIN:

SHIPMENT TO ONE PORT IN THE UNITED KINGDOM:

SHIPMENT DURING:

QUALITY: The sugar shall be cane/beet sugar of a fair average quality of the
..... crop.

PACKING: The sugar shall be shipped in bulk unless otherwise agreed.
When shipment is made in bags the Seller shall ensure that the sugar is packed
in sound bags suitable for export and the Buyer shall pay the Seller a premium
of

2. **PRICE:** At the price of.....

in bulk basis 96° mean outturn polarisation, net landed weights. Cost, Insurance and Freight
Free Out. All costs incurred in discharge from vessel's holds shall be for the Buyer's account.

3. **POLARISATION:** Settlement of degrees above and below 96° mean outturn polarisation shall
be calculated on the contract price as follows:-

For every full degree:-

above 96° to and including 97° add	1.40%
above 97° to and including 98° add an additional	1.40%
above 98° to and including 99° add an additional	1.40%
below 96° to and including 95° deduct	1.50%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.00%

Fractions of a degree shall be calculated in the same proportion, but nothing shall be paid for
any fraction of a degree above ° mean outturn polarisation. No sugar below 93° mean
outturn polarisation shall be deliverable except on discount terms mutually agreed between the
Seller and the Buyer.

4. **INSURANCE:** Marine, Strikes and War Risk Insurance from warehouse to warehouse shall
be effected by the Seller with Lloyd's and/or first class insurance companies as per Rule 117.

5. **DISCHARGE:** The sugar shall be delivered free of freight and insurance as above to the
Buyer over vessel's rail/in vessel's hold at a usual place of discharge at the port of destination as
customary, the Buyer paying all charges incurred in discharging, landing, weighing, taring and
sampling.

6. **DOCUMENTS:** Documents shall be tendered in accordance with Rule 122.

7. **PAYMENT:** Payment shall be made in London in accordance with Rule 124.

8. **TAXATION:** Taxes and Levies in accordance with Rule 127 (a) and (b).

9. **SUPERVISION:** Landing, weighing, taring and sampling shall be supervised in accordance
with the Rules, the Seller and the Buyer each paying one-half the fees.

10. **SETTLEMENT:** The final invoice shall be made out on the mean outturn polarisation in
accordance with Clause 3 and on net landed weight and in accordance with the Rules.

11. **TITLE:** Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

12. **FORCE MAJEURE:** The performance of this Contract is subject to Force Majeure in accordance with Rule 126.

13. **ARBITRATION:** Any dispute arising out of or in connection with this Contract shall be referred to Arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such Arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law.

14. **RULES:** This Contract is subject to the Rules of The Sugar Association of London as fully as if the same had been expressly inserted herein, whether or not either or both of the parties to it are Members or are represented by a Member or Members of the Association. Where any clause in this Contract is at variance with a Rule of the Association such clause shall prevail.

15. **GOVERNING LAW:** This Contract and the Contract Rules of the Association shall be governed by and construed in accordance with English Law.

16. **EXCLUSION OF CONVENTIONS:** The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to this contract. Unless this contract contains any statement expressly to the contrary, a person who is not a party to this contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

Brokerage

.....

SAOL/1

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out

I/We hereby acknowledge and confirm your Contract No.

dated for Tonnes..... SUGAR

@.....you.

Please sign and return this slip.....

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out and C& F Free Out SAOL/2

Contract No. Date

To

3. I/We have this day

QUANTITY:

ORIGIN:

SHIPMENT FROM:

SHIPMENT TO:

SHIPMENT DURING:

QUALITY: The sugar shall be cane/beet sugar of a fair average quality of the crop.

PACKING: The sugar shall be shipped in bulk unless otherwise agreed. When shipment is made in bags the Seller shall ensure that the sugar is packed in sound bags suitable for export and the Buyer shall pay the Seller a premium of

2. **PRICE:** At the price of in bulk basis 96° mean shipping/outturn polarisation, net shipping/landed weights. Cost, Insurance and Freight & Free Out.

3. **SETTLEMENT:** The final invoice shall be made up on the mean shipping/outturn polarisation in accordance with the polarisation scale specified below and on the net shipping/landed weight and in accordance with the Rules.

The settlement shall be based on the shipping weight and polarisation and the Seller shall be responsible for the weighing, taring and sampling of the sugar at his expense at port/s of loading. The Buyer shall have the option of appointing for his own account and at his expense a representative to supervise the weighing, taring and sampling of the sugar.

The settlement shall be based on the outturn weight and polarisation and the Buyer shall be responsible for the weighing, taring and sampling of the sugar at his expense at port/s of destination. The Seller shall have the option of appointing for his own account and at his expense a representative to supervise the weighing, taring and sampling of the sugar.

Settlement of degrees above and below 96° mean shipping/outturn polarisation shall be calculated on the price of

For every full degree:-

	UK Scale	International Scale
above 96° to and including 97° add	1.40%	1.50%
above 97° to and including 98° add an additional	1.40%	1.25%
above 98° to and including 99° add an additional	1.40%	1.00%
above 99° to and including 99.3° add an additional		0.30%
below 96° to and including 95° deduct	1.50%	1.60%
below 95° to and including 94° deduct an additional	2.00%	2.00%
below 94° to and including 93° deduct an additional	2.00%	2.50%

Fractions of a degree shall be calculated in the same proportion, but nothing shall be paid for any fraction of a degree above ° mean shipping/outturn polarisation. No sugar below ° mean shipping/outturn polarisation shall be deliverable except on discount terms mutually agreed between the Seller and the Buyer.

No sugar above ° mean shipping polarisation is deliverable except by mutual agreement.

If sugar above ° mean outturn polarisation is delivered the Seller shall pay to the Buyer

4. **INSURANCE:** Marine, Strikes and War Risk Insurance from warehouse to warehouse shall be effected by the Seller/Buyer with Lloyd's and/or first class insurance companies as per Rule 117.

5. **DISCHARGE:** The sugar shall be delivered free of freight in vessel's hold/over vessel's rail to the Buyer at a safe place of discharge at port of destination, the Buyer paying all charges incurred in discharging, landing, weighing, taring and sampling. The Sugar shall be discharged attonnes per weather working day.

Despatch/Demurrage at port/s of discharge shall be for account of the Buyer at charter party rate/ per day.

6. **DOCUMENTS:** Documents shall be tendered in accordance with Rule 122.

7. **PAYMENT:**

8. **TAXATION:** Taxes and Levies in accordance with Rule 127 (a) and (b).

9. **ISA FEE:** The Stock Financing Fund Fee levied under the terms of the International Sugar Agreement shall be for the account of

10. **TITLE** Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

11. **FORCE MAJEURE:** The performance of this contract is subject to Force Majeure in accordance with Rule 126.

12. **ARBITRATION:** Any dispute arising out of or in connection with this Contract shall be referred to Arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such Arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law.

13. **RULES:** This contract is subject to the Rules of The Sugar Association of London as fully as if the same had been expressly inserted herein, whether or not either or both of the parties to it are Members or are represented by a Member or Members of the Association. Where any clause in this Contract is at variance with a Rule of the Association such clause shall prevail.

14. **GOVERNING LAW:** This Contract and the Contract Rules of the Association shall be governed by and construed in accordance with English Law.

15. **EXCLUSION OF CONVENTIONS:** The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to this contract. Unless this contract contains any statement expressly to the contrary, a person who is not a party to this contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

Brokerage

.....

SAOL/2

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out and C&F Free

Out

I/We hereby acknowledge and confirm your contract No.

dated for Tonnes SUGAR

@ you.

Please sign and return this slip.....

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. FOBS/FAS SAOL/3

Contract No..... Date
 To.....

1. I/We have this day

QUANTITY:

ORIGIN:

DELIVERY AT

FOR SHIPMENT TO

DELIVERY DURING:

QUALITY:The sugar shall be cane/beet sugar of a fair average quality of the
 crop.

PACKING: When shipment is made in bags the Seller shall ensure that the sugar is packed in sound bags suitable for export. For sugar shipped in sound bags the Buyer shall pay the Seller a premium of

2. **PRICE:** At the price of

in bulk basis 96° mean shipping/outurn polarisation, net shipping/landed weights. FOBS/FAS.

3. **SETTLEMENT:** The final invoice shall be made up on the mean shipping/outurn polarisation in accordance with the polarisation scale specified below and on the net shipping/landed weight and in accordance with the Rules.

The settlement shall be based on the shipping weight and polarisation and the Seller shall be responsible for the weighing, taring and sampling of the sugar at his expense at port/s of loading. The Buyer shall have the option of appointing for his own account and at his expense a representative to supervise the weighing, taring and sampling of the sugar.

The settlement shall be based on the outturn weight and polarisation and the Buyer shall be responsible for the weighing, taring and sampling of the sugar at his expense at port/s of destination. The Seller shall have the option of appointing for his own account and at his expense a representative to supervise the weighing, taring and sampling of the sugar except in the United Kingdom, where supervision will be effected by The Sugar Association of London and the cost shall be borne equally between the Seller and the Buyer.

Settlement of degrees above and below 96° mean shipping/outurn polarisation shall be calculated on the contract price as follows:-

For every full degree:-

	UK Scale	International Scale
above 96° to and including 97° add	1.40%	1.50%
above 97° to and including 98° add an additional	1.40%	1.25%
above 98° to and including 99° add an additional	1.40%	1.00%
above 99° to and including 99.3° add an additional		0.30%
below 96° to and including 95° deduct	1.50%	1.60%
below 95° to and including 94° deduct an additional	2.00%	2.00%
below 94° to and including 93° deduct an additional	2.00%	2.50%

Fractions of a degree shall be calculated in the same proportion, but nothing shall be paid for any fraction of a degree above ° mean shipping/outurn polarisation.

No sugar below° mean shipping/outurn polarisation shall be deliverable except on discount terms mutually agreed between the Seller and the Buyer.

No sugar above ° mean shipping polarisation is deliverable except by mutual agreement.
If sugar above ° mean outturn polarisation is delivered the Seller shall pay to the Buyer

4. **INSURANCE:** Marine, Strikes and War Risk Insurance from warehouse to warehouse shall be effected by the Buyer with Lloyd's and/or first class insurance companies as per Rule 216.

5. **SHIPMENT:** The Buyer must give notice of the vessel(s) on which the sugar is to be shipped in accordance with Rule 210(b). The Seller shall declare the loading port/s in accordance with the Rule 210 (d).

Sugar shall be loaded at tonnes per weather working per day.

Despatch/Demurrage at port/s of loading shall be for account of the Seller at charter party rate/.. per day.

6. **DELIVERY:** Delivery in accordance with rules 209-215 inclusive.

7. **DOCUMENTS:** Documents shall be tendered in accordance with Rule 220.

8. **PAYMENT:**

9. **TAXATION:** Taxes and Levies in accordance with Rule 225 (a) and (b).

10. **ISA FEE:** The Stock Financing Fund Fee levied under the terms of the International Sugar Agreement shall be for the account of

11. **TITLE** Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

12. **FORCE MAJEURE:** The performance of this contract is subject to Force Majeure in accordance with Rule 224.

13. **ARBITRATION:** Any dispute arising out of or in connection with this Contract shall be referred to Arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such Arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law.

14. **RULES:** This contract is subject to the Rules of The Sugar Association of London as fully as if the same had been expressly inserted herein, whether or not either or both of the parties to it are Members or are represented by a Member or Members of the Association. Where any clause in this Contract is at variance with a Rule of the Association such clause shall prevail.

15. **GOVERNING LAW:** This Contract and the Contract Rules of the Association shall be governed by and construed in accordance with English Law.

16. **EXCLUSION OF CONVENTIONS:** The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to this contract. Unless this contract contains any statement expressly to the contrary, a person who is not a party to this contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

Brokerage

SAOL/3

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. FOBS/FAS

I/We hereby acknowledge and confirm your contract No.

dated for Tonnes..... SUGAR

@..... you.

Please sign and return this slip

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out SAOL/4

Contract No..... Date.....

To.....

1. I/We have this day

QUANTITY:

ORIGIN:.....

SHIPMENT TO ONE PORT IN THE UNITED KINGDOM:

DELIVERY PERIOD:.....

In accordance with the provisional monthly shipping programme as follows:-

PROVISIONAL SHIPPING PROGRAMME:

YEAR:		YEAR:
.....	during June.	during January.
.....	during July.	during February.
.....	during August.	during March.
.....	during September.	during April.
.....	during October.	during May.
.....	during November.	during June.
.....	during December.	

QUALITY:The sugar shall be cane sugar of a fair average quality of the current or immediately preceding crop at time of shipment.

PACKING:..... The sugar shall be shipped in bulk.

2. **PRICE:**..... The price in Sterling per in bulk basis 96° mean outturn polarisation, landed weights, Cost, Insurance and Freight Free Out, shall comprise:-

3. **MONETARY COMPENSATORY AMOUNTS:** The Monetary Compensatory Amount, whether paid as a refund or charged as a levy, shall be for account of the Seller. In the case of a refund the MCA shall be applied for by the Buyer on behalf of the Seller and shall be paid to the Seller immediately payment is received from the U.K. Intervention Board. In the case of a levy the Seller shall reimburse the Buyer immediately on advice of the amount of the levy demanded by the Authorities.

4. **POLARISATION:** Settlement of degrees above and below 96° mean outturn polarisation shall be calculated on the contract price as follows:-

For every full degree:-

above 96° to and including 97° add	1.40%
above 97° to and including 98° add an additional	1.40%
above 98° to and including 99° add an additional	1.40%
below 96° to and including 95° deduct	1.50%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.00%

Fractions of a degree shall be calculated in the same proportion, but nothing shall be paid for any fraction of a degree above 99° mean outturn polarisation. No sugar below 93° mean outturn polarisation shall be deliverable except on discount terms mutually agreed between the Buyer and the Seller.

5. **INSURANCE:** Marine, Strikes and War Risk Insurance from warehouse to warehouse shall be effected by the Seller with Lloyd's and/or first class insurance companies as per Rule 117.

6. **DISCHARGE:** The sugar shall be delivered free of freight and insurance as above to the Buyer in vessel's hold at a usual place of discharge at the port of destination as customary, the Buyer paying all charges incurred in discharging, landing, weighing, taring and sampling.

7. **DOCUMENTS:** Documents shall be tendered in accordance with Rule 122.

8. **PAYMENT:** Payment shall be made in London in accordance with Rule 124.
9. **MOVEMENT CERTIFICATE:** To comply with EU Regulations the Seller shall supply a Movement Certificate (form EUR 1) to cover each cargo shipped against this contract.
10. **DESTINATION:** All sugar covered by this contract shall be for importation into the United Kingdom under the ACP/EU preferential quota system.
11. **TAXATION:** Taxes and Levies in accordance with Rule 127 (a) and (b).
12. **SUPERVISION:** Landing, weighing, taring and sampling shall be supervised in accordance with the Rules, the Seller and the Buyer each paying one-half the fees.
13. **SETTLEMENT:** The final invoice shall be made out on the mean outturn polarisation in accordance with clause 4 and on landed weight and in accordance with the Rules.
14. **TITLE** Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.
15. **FORCE MAJEURE:** The performance of this contract is subject to Force Majeure in accordance with Rule 126.
16. **ARBITRATION:** Any dispute arising out of or in connection with this Contract shall be referred to Arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such Arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law.
17. **RULES:** This contract is subject to the Rules of The Sugar Association of London as fully as if the same had been expressly inserted herein, whether or not either or both of the parties to it are Members or are represented by a Member or Members of the Association. Where any clause in this Contract is at variance with a Rule of the Association such clause shall prevail.
18. **GOVERNING LAW:** This Contract and the Contract Rules of the Association shall be governed by and construed in accordance with English Law.
19. **EXCLUSION OF CONVENTIONS:** The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to this contract. Unless this contract contains any statement expressly to the contrary, a person who is not a party to this contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

Brokerage

SAOL/4

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. CIF Free Out

I/We hereby acknowledge and confirm your contract No.

dated for Tonnes..... SUGAR

@..... you.

Please sign and return this slip.....

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. FOBS SAOL/5

Contract No..... Date.....

To.....

1. I/We have this day.....

QUANTITY:

ORIGIN:

DELIVERY AT:

FOR SHIPMENT TO: The United Kingdom

DELIVERY PERIOD:

In accordance with the provisional monthly shipping programme as follows:-

PROVISIONAL SHIPPING PROGRAMME:

	YEAR:		YEAR:
.....	during June.	.....	during January.
.....	during July.	.....	during February.
.....	during August.	.....	during March.
.....	during September.	.....	during April.
.....	during October.	.....	during May.
.....	during November.	.....	during June.
.....	during December.		

QUALITY: The sugar shall be cane sugar of a fair average quality of the current or immediately preceding crop at time of shipment.

PACKING: The sugar shall be shipped in bulk.

2. **PRICE:** The price in Sterling per in bulk, basis 96° mean outturn polarisation, landed weights, Free on Board and Stowed, shall comprise:-

3. **MONETARY COMPENSATORY AMOUNTS:** The Monetary Compensatory Amount, whether paid as a refund or charged as a levy, shall be for account of the Seller. In the case of a refund the MCA shall be applied for by the Buyer on behalf of the Seller and shall be paid to the Seller immediately payment is received from the U.K. Intervention Board. In the case of a levy the Seller shall reimburse the Buyer immediately on advice of the amount of the levy demanded by the Authorities.

4. **SETTLEMENT:** The final invoice shall be made up on the mean outturn polarisation in accordance with the polarisation scale specified below and on the landed weight and in accordance with the Rules.

The settlement shall be based on the outturn weight and polarisation and the Buyer shall be responsible for the weighing, taring and sampling of the sugar at his expense at port of destination. Supervision will be effected by The Sugar Association of London and the cost shall be borne equally between the Seller and the Buyer.

Settlement of degrees above and below 96° mean outturn polarisation shall be calculated on the contract price as follows:-

For every full degree:-	
above 96° to and including 97° add	1.40%
above 97° to and including 98° add an additional	1.40%
above 98° to and including 99° add an additional	1.40%
below 96° to and including 95° deduct	1.50%
below 95° to and including 94° deduct an additional	2.00%
below 94° to and including 93° deduct an additional	2.00%

Fractions of a degree shall be calculated in the same proportion, but nothing shall be paid for any fraction of a degree above 99° mean outturn polarisation. No sugar below 93° mean outturn

polarisation shall be deliverable except on discount terms mutually agreed between the Buyer and the Seller.

5. **INSURANCE:** Marine, Strikes and War Risk Insurance from warehouse to warehouse shall be effected by the Buyer with Lloyd's and/or first class insurance companies as per Rule 216.

6. **SHIPMENT:** The Buyer must give notice of the vessel(s) on which the sugar is to be shipped in accordance with Rule 210(b). The Seller shall declare the loading port in accordance with Rule 210 (d).

The loading rate shall be

Despatch/Demurrage at port of loading shall be for account of the Seller.

7. **DELIVERY:** Delivery in accordance with Rules 209-215 inclusive.

8. **MOVEMENT CERTIFICATE:** To comply with EU Regulations the Seller shall supply a Movement Certificate (form EUR 1) to cover each cargo shipped against this contract.

9. **DESTINATION:** All sugar covered by this contract shall be for importation into the United Kingdom under the ACP/EU preferential quota system.

10. **DOCUMENTS:** Documents shall be tendered in accordance with Rule 220.

11. **PAYMENT:** Payment shall be made in London to an approved Bank or Agent on first presentation of documents and for ninety-eight per cent. of provisional invoice value basis 96°. Balance shall be paid as soon as outturn weights and polarisations are ascertained.

12. **TAXATION:** Taxes and Levies in accordance with Rule 225 (a) and (b).

13. **TITLE** Title to goods shall not pass until Seller has received payment for goods in accordance with Seller's instructions.

14. **FORCE MAJEURE:** The performance of this contract is subject to Force Majeure in accordance with Rule 224.

15. **ARBITRATION:** Any dispute arising out of or in connection with this Contract shall be referred to Arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such Arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law.

16. **RULES:** This contract is subject to the Rules of The Sugar Association of London as fully as if the same had been expressly inserted herein, whether or not either or both of the parties to it are Members or are represented by a Member or Members of the Association. Where any clause in this Contract is at variance with a Rule of the Association such clause shall prevail.

17. **GOVERNING LAW:** This Contract and the Contract Rules of the Association shall be governed by and construed in accordance with English Law.

18. **EXCLUSION OF CONVENTIONS:** The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to this contract. Unless this contract contains any statement expressly to the contrary, a person who is not a party to this contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

Brokerage

SAOL/5

THE SUGAR ASSOCIATION OF LONDON
Raw Sugar Basis 96° Pol. FOBS.

I/We hereby acknowledge and confirm your contract No.....

dated for Tonnes..... SUGAR

@ you.

Section 7: Supervision Rules



THE SUGAR
ASSOCIATION
OF LONDON

THE SUGAR ASSOCIATION OF LONDON

RULES TO REGULATE SUPERVISION, WEIGHING, TARING AND SAMPLING, ETC

SUPERVISION

301. (a) United Kingdom

The cost of supervision of the weighing, taring and sampling in the United Kingdom, where required in respect of sugar contracted for final settlement on outturn weights and polarisations, shall be borne equally between the Seller and the Buyer.

(b) International

Supervision in ports of loading/discharge outside the United Kingdom is not obligatory but:-

(i) the Buyer shall have the option at loading, where sugar is contracted for settlement on shipping weight and polarisation, and

(ii) the Seller shall have the option at discharge, where sugar is contracted for settlement on outturn weight and polarisation of appointing for his own account and expense a representative to supervise the weighing, taring and sampling of the sugar.

Such supervision shall be effected by an internationally recognised superintendence company who shall, in the case of bagged sugar, report on the condition of the packing.

(c) At all Ports

The Supervisor who attends at loading or discharge shall see that every care is taken in the handling of the sugar and in its transference to or from the vessel, craft or wharf. If the vessel is ordered to leave the final berth

SUPERVISION, WEIGHING, TARING
AND SAMPLING, ETC

of discharge with a quantity of sugar still on board the Supervisor shall so advise the ship's officer and the Receivers representative and will submit an estimate, if possible, of the quantity of sugar remaining on board.

WEIGHING

302. At loading the Seller and at discharge the Buyer shall provide satisfactory facilities for weighing, which at loading shall be done within a reasonable time before shipment and at discharge shall be done within a reasonable time after the discharge of the sugar.

303. Sugar shall be weighed on weighing machines having a tolerance of no greater than point one per cent (0.10%) and, in the case of all cargoes, the Supervisor shall satisfy himself that the weighing equipment is tested by means of certified check weights at least once in every twenty-four hours. In the case of bulk sugar, weighbridges used for road vehicles shall be tested against a second weighbridge with a loaded vehicle at least once in every twenty-four hours. They shall also be tested with certified check weights at least once in every year.

304. (a) In the case of bulk shipments sugar shall be weighed in suitable containers and brought to account in lots of one thousand tonnes or as near as reasonably possible.
- (b) Sugar shipped in bulk shall be treated on arrival as if the vessel carried sugar of one mark only, even if from different origins, unless by agreement between the Seller and the Buyer physical separation in the vessel has been arranged at loading and separate discharge has been arranged at destination.
- (c) If a shipment is delivered to more than one Buyer the quantity delivered to each individual Buyer shall be treated as if it were a separate shipment, but the division into lots of one thousand tonnes shall be adhered to when applicable
- (d) In the event of a bulk cargo from more than one shipper loaded without separation being delivered to more than one Buyer, the weight of the total cargo shall be invoiced on a pro rata basis.

SUPERVISION, WEIGHING, TARING
AND SAMPLING, ETC

- (e) Where the quantity exceeds one thousand tonnes the balance remaining over after dividing into lots of one thousand tonnes shall be treated as one lot.
305. (a) Sugar in bags shall be weighed in drafts to 0.5 kg. When single bag weighing is necessary the scale shall respond to the nearest 0.1 kg.
- (b) In the case of bagged shipments the sugar shall be weighed and brought to account in lots of five hundred tonnes. Where the quantity of one mark exceeds five hundred tonnes the balance remaining over after dividing into lots of five hundred tonnes shall be treated as one lot. The Buyer or the Seller may require different marks to be kept separate.
- (c) If a shipment is delivered to more than one Buyer the quantity delivered to each individual Buyer shall be treated as if it were a separate shipment, but the division into lots of five hundred tonnes shall be adhered to when applicable.
- (d) In the United Kingdom, in the case of bags, delivered in containers, the supervisor shall carry out random checkweighing on a single bag basis, where possible, and shall satisfy himself as to the accuracy of the weighing equipment.
306. In the United Kingdom where automatic weighing machines are used these shall be tested in the presence of the supervisor at intervals agreed between the Receiver and the Association.

TARING

307. (a) AT LOADING
- (i) Shipments in bags. The average weight of empty bags taken at the factory or mill previous to filling shall be acceptable in calculating the tare for the shipment but where this is not known then one bag in every hundred of each mark or lot shall be taken as a tare. These shall be cleaned by scraping and brushing to remove the maximum possible quantity of sugar and shall be weighed in lots of five, turning the scale at 0.1 kg

SUPERVISION, WEIGHING, TARING
AND SAMPLING, ETC

(ii) Shipments in bulk. Where bags are emptied into the ocean vessel, the empty bags shall be collected and weighed direct from the vessel without being cleaned or brushed. Containers of bulk sugar shall be weighed before and after emptying to arrive at the weight of sugar shipped.

(b) AT DISCHARGE

(i) Shipments in bags. One bag in every five hundred of each mark or lot shall be taken as a tare, with a minimum quantity of five bags for small consignments. These shall be cleaned by scraping and brushing to remove the maximum possible quantity of sugar and shall be weighed in lots of five, turning the scale at 0.1 kg.

(ii) Shipments in bulk. Containers of bulk sugar shall be weighed before and after emptying to arrive at the weight of sugar delivered.

LOOSE COLLECTED AND SWEEPINGS

308. In the case of bagged sugar, the Supervisor shall see that all loose sugar is carefully collected in bags to be provided by the Buyer for the purpose. The Supervisor shall decide how much of this is loose collected and how much is sweepings.

DAMAGE

309. (a) Any sugar which the Supervisor considers to be damaged or any sugar on which a notice of claim is made shall be separated.

(b) Damaged Sugar shall be classified and reported by the Supervisor as follows:-

(i) "Country Damaged" if they decide it was damaged previous to shipment;

(ii) "Sea Damaged" if they decide the damage took place after shipment and was caused by water;

SUPERVISION, WEIGHING, TARING
AND SAMPLING, ETC

- (iii) "Craft Damaged" if they decide the damage was caused in craft;
 - (iv) Any other damage shall be specially reported.
- (c) All damaged sugar shall be carefully weighed, tared and sampled separately, samples being kept for the purpose of having the damage assessed.

SAMPLING

310. (a) At loading the Seller and at discharge the Buyer shall provide satisfactory facilities for sampling which shall be done at the time of weighing. Each container shall be sampled separately in such a way that the sample shall fairly represent the contents of the container as a whole. In the case of bags ten per cent shall be sampled to mark.
- (b) During the progress of the sampling the sugar drawn shall be kept in containers approved by the Supervisor and shall be under the control of the Supervisor.
- (c) The samples representing each lot of two thousand tonnes (five hundred tonnes in the case of sugar in bags) of the sound portion of each shipment, or mark, shall be carefully mixed by the Supervisor so as to represent as true an average as possible and a sufficient quantity filled into at least four suitable airtight containers and sealed. One sealed container shall be handed to the Seller, one to the Buyer, and at least two shall be held by the Supervisor. Samples shall be retained for at least two months after the date of issuing the final weight account.
- (d) Where the contract contains a term as to the colour of the sugar, then unless stated otherwise in the contract the method for the determination of the solution colour of the sugar shall be ICUMSA Method GS9/1/2/3-8 (2011).

SUPERVISION, WEIGHING, TARING
AND SAMPLING, ETC

POLARISATION

311. (a) The “Mean Shipping Polarisation” shall be arrived at on the polarisations of the sealed samples drawn from the sugar to be loaded and the “Mean Outturn Polarisation” shall be arrived at on the polarisations of the sealed samples of the sound portion of the sugar landed.
- (b) The Seller and the Buyer shall each have his sample polarised at his own expense and shall have the polarisation certificate forwarded to the Supervisor. If the Seller is a producer or if the Buyer is a refiner either may employ his own chemist, otherwise a recognised chemist shall be employed.
- (c) Where the polarisations of the Seller and the Buyer for the same lot differ by less than point one five (.15) of a degree then the mean of the two shall be taken as the invoice basis. Where the said polarisations differ by point one five (.15) of a degree or more, a third sample shall be polarised by an independent recognised chemist as appointed by the Supervisor, the cost of which polarisation shall be shared equally between the Seller and the Buyer. The mean of the two nearest polarisations shall be taken as the invoice basis, but where the middle polarisation is equidistant from the other two it shall be taken as the invoice basis.

Section 8: Arbitration Rules



THE SUGAR
ASSOCIATION
OF LONDON

THE SUGAR ASSOCIATION OF LONDON

RULES RELATING TO ARBITRATION

RECOMMENDED ARBITRATION CLAUSE

Parties to a Raw Sugar Contract who wish to have any disputes referred to arbitration under the following Rules are recommended to insert in the Contract an arbitration clause in the following form:

“Any dispute arising out of or in connection with this Contract shall be referred to arbitration before The Sugar Association of London for settlement in accordance with the Rules Relating to Arbitration. Such arbitration shall be conducted in accordance with English Law. This Contract shall be governed by and construed in accordance with English Law”.

The following Rules 401 to 417 shall apply where:

- a) the amount of the claim or counterclaim (if any) exceeds US\$150,000.00 or the equivalent amount in the currency of the claim (excluding interest and costs) and/or
- b) the tribunal is requested by either party to rule on its own substantive jurisdiction as to
 - i) whether there is a valid arbitration agreement,
 - ii) whether the tribunal is properly constituted and
 - iii) what matters have been submitted to arbitration in accordance with the arbitration agreement.

Where the amount of the claim or counterclaim (if any) does not exceed US\$150,000.00 or the equivalent amount in the currency of the claim (excluding interest and costs) then all disputes shall, unless the Council orders otherwise, be determined in accordance with the short form arbitration procedure detailed at Rules 418 to 432 below (the “Short Form Arbitration Procedure”). With the written agreement of the parties, the Short Form Arbitration Procedure may be used where the amount of the claim or the counterclaim (if any) exceeds US\$150,000.00.

RULES

401. Any dispute arising out of or in connection with a Contract which the Parties have agreed (either in the Contract or otherwise) to refer to arbitration by The Sugar Association of London shall be determined in accordance with the following Rules.

RULES RELATING TO ARBITRATION

402. Any party wishing to commence an arbitration concerning a dispute falling within Rule 401 shall give to the other party seven clear days notice of his intention to claim arbitration.

After the expiry of the seven clear days notice period a written request for arbitration shall be sent to the Secretary. The Arbitration Rules of the Association in force at the time such request is received and any subsequent amendments to them will apply to the reference.

The Claimant shall, together with the request for arbitration or within 30 days thereafter, or such extended time as the Council or Secretary shall in its or his absolute discretion allow, forward to the Secretary the following:-

- (a) a clear and concise statement of his case, in duplicate;
- (b) copies of the contractual documents, in duplicate, in which the arbitration clause is contained or under which the arbitration arises;
- (c) all supporting documentary evidence, in duplicate, he thinks proper;
- (d) the names, addresses, telexes, facsimile numbers and electronic mail addresses (if appropriate) of the parties to the arbitration;
- (e) a non-returnable registration fee (see Rule 403);
- (f) if required (and without prejudice to the provisions of the Arbitration Act 1996, relating to security for costs) an advance payment on account of the Association's fees, costs and expenses (see Rule 403).

The Council shall thereupon have power to determine, as hereinafter provided, any such matter in dispute. The Secretary shall have power to make decisions on behalf of the Council on procedural and administrative matters which may arise in the course of a reference, in accordance with the provisions of these Rules. Without prejudice to the provisions of the Arbitration Act 1996 relating to jurisdiction, where both parties to a dispute are members, the Council shall have the jurisdiction to determine whether a contract has been made, whether there is a valid arbitration agreement and what matters have

RULES RELATING TO ARBITRATION

been submitted to arbitration in accordance with such agreement. The Respondent shall, not later than thirty days after dispatch to his last known address by the Secretary of a copy of the Claimant's statement of case and supporting documents, or such extended time as the Council or Secretary shall in its or his absolute discretion allow, submit in duplicate to the Secretary a clear and concise statement of his defence together with a copy of such other documentary evidence in duplicate as he thinks proper. A copy of this statement of defence and supporting documents shall be forwarded by the Secretary to the Claimant.

The Claimant and the Respondent will in turn be permitted a period of twenty-one days, or such extended time as the Council or Secretary shall in its or his absolute discretion allow, within which to submit further written comments and/or documents in reply to the other party's last submission, until the Council or Secretary shall in its or his absolute discretion decide that the Council should proceed to make its award.

All statements, contracts and documentary evidence must be submitted in the English language. Whenever documentary evidence is submitted in a foreign language this must be accompanied by an officially certified English translation.

403. A non-returnable registration fee of such amount as shall be decided by the Council from time to time shall be paid to the Secretary upon any reference to arbitration. The Council or Secretary may if it or he thinks fit at any time order either party to the arbitration to make one or more advance payments on account of the Association's fees, costs and expenses in connection with or arising out of the arbitration. Such power shall be without prejudice to the power of the Council to order security for costs in accordance with the Arbitration Act 1996.

404. Any notice, document or other correspondence to be served on any party in connection with an arbitration under these Rules may be effected either by (a) courier, (b) first class post, (c) post in a registered letter, (d) telex, (e) facsimile or (f) electronic mail in each case to the usual or last known address or place of business of any party. In the case of a facsimile or electronic mail message such notice, document or correspondence shall also be served in accordance with one of the provisions under (a) to (d) above.

RULES RELATING TO ARBITRATION

405. Should a party in dispute with another party refuse to concur in the reference to arbitration as herein provided, the party referring the matter to arbitration may forthwith obtain an Award of the Council on the question in dispute.

The Council may at its discretion refuse to arbitrate on any reference made by a Member who has been suspended from the Association or whose Membership has been revoked.

406. (a) Subject to (b) below, unless the Council shall as herein before provided have refused to arbitrate, neither the Buyer, Seller, Trustee in Bankruptcy, liquidator nor any other person claiming under any of them, shall bring any action against any party to the contract in respect of any dispute arising out of such contract, until such dispute shall have been adjudicated upon in arbitration under these Rules; and the obtaining of an award under these Rules shall be a condition precedent to the right of either contracting party to sue the other in respect of any claim arising out of the contract.

(b) Nothing in this Rule 406 shall prevent a party from seeking interim relief at any time by way of legal proceedings before any competent judicial authority in any jurisdiction (including, but not limited to, an application to the English court under the Arbitration Act 1996 in support of arbitration proceedings), provided however that any such legal proceedings shall be limited to applying for (or ancillary to) and/or obtaining security for any claim or counterclaim, on the basis that the parties have agreed that the substantive merits of any dispute or claim shall be determined solely by arbitration in accordance with these Rules.

407. When the subject matter and terms of contract are identical, except as to date and price, arbitration may in the Council's absolute discretion and subject to the written agreement of all parties be held as between first Seller and last Buyer as though they were contracting parties and the award made in pursuance thereof shall be binding on all intermediate parties, provided that this Rule shall not apply where a question or dispute shall arise between intermediate parties, not affecting both first Seller and last Buyer, and in such case the arbitration may be held as between the two parties affected by the dispute or, subject as aforesaid in the event of there being more than two such

RULES RELATING TO ARBITRATION

parties, as between the first and last of such parties as though they were contracting parties, and the award made in pursuance thereof shall be binding on all parties affected by the dispute.

408. For the purpose of all proceedings in arbitration, the contract shall be deemed to have been made in England, any correspondence in reference to the offer, the acceptance, the place of payment or otherwise, notwithstanding, and England shall be regarded as the place of performance. Disputes shall be settled according to the law of England wherever the domicile, residence or place of business of the parties to the contract may be or become. The seat of the Arbitration shall be England and all proceedings shall take place in England. It shall not be necessary for the award to state expressly the seat of the arbitration. Unless the contract contains any statement expressly to the contrary, the provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply thereto. Unless the contract contains any statement expressly to the contrary, a person who is not a party to the contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

409. For determination of a dispute the Council or Secretary shall appoint not less than three and no more than five persons from the Panel of Arbitrators to act on behalf of the Council. The number of persons appointed to determine a dispute shall be in the absolute discretion of the Council or Secretary. No such person shall act in an arbitration where he is, or becomes, directly or indirectly interested in the subject matter in dispute. In the event of a person becoming so interested, dying or becoming in any other way in the view of the Council or Secretary incapacitated from acting prior to the first meeting, the Council or Secretary may appoint another person from the Panel of Arbitrators to take his place, and the arbitration shall thereupon proceed as if that other person had been originally appointed in lieu of the first person. If subsequently an Arbitrator discovers that he is directly involved in the subject matter in dispute, dies or becomes in any other way in the view of the Council or Secretary incapacitated from acting, then the hearing shall, unless the Council or Secretary in its or his absolute discretion decides otherwise, proceed without the necessity of appointing another person from the Panel of Arbitrators. The decision of the persons so appointed to act on behalf of the Council shall be by a majority and, in

RULES RELATING TO ARBITRATION

the event of an equality of votes, the Chairman, who shall have been previously elected by such persons, shall have a second or casting vote.

The award of such persons shall be signed by the said Chairman (and it shall not be necessary for any of the other persons appointed from the Panel of Arbitrators to sign it) and when so signed shall be deemed to be the award of the Council and shall be final and binding in all cases.

410. The Council may in its discretion decide the case on the written statements and documents submitted to it without an oral hearing (without the attendance of the parties or their representatives and witnesses). The Council may however, call the parties before it, and request the attendance of witnesses, or the provision of further documents, or information in written form.

The Council may order the production of any documents which it considers to be relevant to the case in question.

Should either or both parties require an oral hearing they shall make their request, in writing, to the Secretary. The Council may grant or refuse such request in its absolute discretion and without assigning any reason.

Without prejudice to the provisions of the Arbitration Act 1996 relating to legal representation, in the event of an oral hearing, with or without witnesses, each party shall appear either personally or by any agent duly appointed in writing and may be represented at the oral hearing by counsel or solicitor. One party shall not, however, make an oral statement in the absence of the other, excepting in the case of his opponent failing to appear after notice has been given to him by the Secretary.

The Council or Secretary may also, on its or his own behalf, whether in relation to a case decided on documents or an oral hearing, consult the legal advisers of the Association and unless otherwise agreed by the Council any information, opinion or advice offered by such person/s whether or not in writing shall be for the sole use of the Council and shall not be made available to the parties.

Without prejudice to the provisions of section 34 of the Arbitration Act

RULES RELATING TO ARBITRATION

1996, the Council shall not be bound by the strict rules of evidence and shall be at liberty to admit and consider any material whatsoever notwithstanding that it may not be admissible under the law of evidence.

Unless both parties notify the Secretary in writing, to the contrary, the Council shall issue a Reasoned Award.

The Council shall have the power to make more than one award at different times on different issues in accordance with section 47 of the Arbitration Act 1996, but shall not have the power to make provisional awards pursuant to section 39 of the Arbitration Act 1996.

411. If a party wishes to withdraw a claim or counterclaim, he shall give notice to that effect to the Secretary. On receipt of such a notice, the Secretary shall inform the other party and shall cancel any arrangements for the hearing of that claim or counterclaim (unless any other claim or counterclaim remains to be dealt with at the same hearing). The other party shall be entitled to an award dismissing the withdrawn claim or counterclaim with costs, provided that a written request for such an award is received by the Secretary within 28 days after such other party has been informed by the Secretary of the withdrawal. If no such request is received by the Secretary within the said period of 28 days the arbitration shall be deemed to have been terminated by consent so far as it relates to such claim or counterclaim. Such award or termination shall not affect any other claim or counterclaim which is the subject of the same arbitration proceedings, or the Council's or Secretary's right to recover the Council's and the Association's fees, costs and expenses.

412. Subject to any agreement to the contrary, the Council shall, in addition to the powers under section 49 of the Arbitration Act 1996, have the power if it thinks fit:

(a) to award interest on any sum which becomes due in respect of a contract whether by way of debt or damages and which is paid before the commencement of arbitration proceedings at such rate as it thinks fit and for such period as it thinks fit ending not later than the date of payment;

(b) Where a sum is due in respect of a contract whether by way

RULES RELATING TO ARBITRATION

of debt or damages, to award general damages in respect of the late payment of such sum.

413. The Arbitration fees shall be in the discretion of the Council or Secretary in every case, and shall be paid by whom the Council or Secretary shall determine.

Any expenses incurred by the Association or by the Council, including the expenses incurred in obtaining legal assistance, copies of documents or evidence, shorthand notes, etc., may be added to such fees.

The Council may also make an award or order as to payment of the costs of the parties to the arbitration. In accordance with section 63 of the Arbitration Act 1996, the Council may also determine by award the recoverable costs of the parties on such basis as it thinks fit.

414. A book shall be kept in which all cases shall be noted, together with the award and fees and expenses charged. The Secretary shall notify the parties as soon as the award is signed and it shall be held by the Secretary at the disposal of either party against payment of the fees, costs and expenses incurred by the Association or by the Council. A copy of the Award shall be given to the party who does not take up the original. If the award is not taken up within ten days, the Council or Secretary may order either of the parties to take up the award, and in such case the party so ordered shall take up the award and pay the fees, costs and expenses as directed. The Council or Secretary shall have the right to invoke arbitration Rule 416, if any party neglects or refuses to abide by any such order.

415. The Award must be honoured within twenty-eight days from the date on which it is taken up.

416. In the event of a party to an arbitration neglecting or refusing to carry out or abide by any award or order made under Arbitration Rule 414, the Secretary, on behalf of the Council may circularise to Members of the Association in any way thought fit a notification to that effect. The parties to any such arbitration shall be deemed to have consented to the Council taking such action as aforesaid. The information contained in any such notice shall be issued to a member only on the understanding that neither the member nor any of its employees or any authorised representative of it shall use such information for anything other than the members own commercial knowledge and purposes and that it

RULES RELATING TO ARBITRATION

shall remain privy to that member, its employees or any authorised representative of it at all times. Any member failing to adhere to this Rule shall immediately cease to receive future notices and Constitution Rules 11 and 12 may be invoked by the Council.

417. In the event of both parties consenting in writing to the publication to Members of the Association of an Award or any part thereof or summary of its contents, the Council or Secretary may make available the same to Members of the Association in a form approved by the Parties. The Council or Secretary shall be entitled to charge a fee to Members for the provision of such information.

THE SUGAR ASSOCIATION OF LONDON

SHORT FORM ARBITRATION PROCEDURE

418. Any dispute arising out of or in connection with a Contract which the parties have agreed (either in the Contract or otherwise) to refer to arbitration by The Sugar Association of London and where the amount of the claim or counterclaim (if any) does not exceed US\$150,000.00 or the equivalent amount in the currency of the claim (excluding interest and costs) shall be determined in accordance with the above and following Rules, unless the Council orders otherwise. In the event that a Counterclaim exceeds US\$150,000.00 the Council or Secretary shall have the discretion to decide whether or not the dispute shall be conducted under the Short Form Arbitration Procedure. With the written agreement of both parties, the Short Form Arbitration Procedure may be used for claims exceeding US\$150,000.00.

419. Where a Rule contained within the Short Form Arbitration Procedure Rule is at variance with Rules 401 to 417 above such Short Form Arbitration Rule shall prevail.

420. All arbitrations decided under the Short Form Arbitration Procedure shall be decided on documents alone. All Awards shall be made without reasons and shall be published within five working days of the tribunal's final meeting. By adopting this procedure the parties are deemed to have agreed to waive all rights of appeal.

421. Any party wishing to commence an arbitration concerning a dispute falling within Rule 418 above must give to the other party written notice of his intention to claim arbitration.

422. After written notice has been given to the other party a written request for arbitration must be sent to the Secretary within seven days of the date of such notice. Should a party fail to make a written request for arbitration within this time limit a further notice in accordance with Rule 421 above must be given. The Arbitration Rules of the Association in force at the time such request is received and any subsequent amendments to them will apply to the reference.

423. The Claimant must, together with the request for arbitration or within 14 days thereafter, or such extended time as the Council or Secretary shall in its or his absolute discretion allow, forward to the Secretary the following:-

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- (a) a copy of the written notice of intention to claim arbitration;
- (b) a clear and concise statement of his case, in duplicate;
- (c) copies of the contractual documents, in duplicate, in which the arbitration clause is contained or under which the arbitration arises;
- (d) all supporting documentary evidence, in duplicate, as he thinks proper;
- (e) the names, addresses, telexes, facsimile numbers and electronic mail addresses (if appropriate) of the parties to the arbitration;
- (f) a non-returnable registration fee (see Rule 403);
- (g) if required (and without prejudice to the provisions of the Arbitration Act 1996, relating to security for costs) an advance payment on account of the Association's fees, costs and expenses (see Rule 403).

424. The Secretary shall have power to make decisions on behalf of the Council on procedural and administrative matters and any other matters which may arise in the course of a reference under the Short Form Arbitration Procedure, in accordance with the provisions of these Rules.

425. The Respondent must, not later than fourteen days after dispatch to his last known address by the Secretary of a copy of the Claimant's statement of case and all supporting documents, or such extended time as the Council or Secretary shall in its or his absolute discretion allow, submit in duplicate to the Secretary a clear and concise statement of his defence and counterclaim, if applicable, together with a copy of all documentary evidence, in duplicate, as he thinks proper. A copy of this statement of defence and counterclaim (if applicable) and all supporting documents shall be forwarded by the Secretary to the Claimant

426. In the event of a counterclaim, the Claimant will be permitted a period of fourteen days, or such extended time as the Council or

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Secretary shall in its or his absolute discretion allow, within which to submit a defence to such counterclaim.

427. Following submission of the statement of defence (or defence to counterclaim, if applicable):

(a) Neither party shall be permitted to make any further submissions, or to submit further written comments and/or documents, unless the Council or Secretary shall in its or his absolute discretion allow;
and

(b) The Council will proceed to make its award.

428. If a party requires an extension to any time limit set by the Council or Secretary such extension will not exceed fourteen days.

429. The Council may order the production of any documents which it considers to be relevant to the case in question.

430. Submissions and/or documents received by the Secretary outside of the designated/extended time limit shall not be admissible.

431. For determination of the dispute the Council or Secretary shall appoint no more than three persons from the Panel of Arbitrators to act on behalf of the Council. The number of persons appointed shall be in the absolute discretion of the Council or Secretary.

432. A party may engage legal representatives to advise it and/or to represent it in the written proceedings, but any costs incurred in doing so shall not be recoverable under any circumstances.

433. Without prejudice to the provisions of section 34 of the Arbitration Act 1996, the Council shall not be bound by the strict rules of evidence and shall be at liberty to admit and consider any material whatsoever notwithstanding that such material or documentation may not be admissible under the law of evidence.



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