



Rules and Regulations

December 2023



THE SUGAR
ASSOCIATION
OF LONDON

Section 1 Constitution Rules



THE SUGAR ASSOCIATION OF LONDON

RULES RELATING TO THE CONSTITUTION OF THE ASSOCIATION GENERAL

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

AFFILIATE MEMBERSHIP 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.

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

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following membership year and shall become automatically liable for the Annual Subscription for that membership year.

5. Applications for Full or Affiliate Membership of the Association shall be made by completing the relevant Application Form published by the Council from time to time. In addition, an application for Full Membership shall be proposed and seconded by two existing Full Members who are independent of the applicant and who shall complete the Proposer and Secunder forms published by the Council from time to time. An application for Affiliate Membership shall be accompanied by written references from two existing Full Members who are independent of the applicant. All completed and signed Application forms and Proposer and Secunder forms or written references as applicable shall be submitted to the Secretary of the Association at least 10 days prior to the date on 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 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 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.

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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 its 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.

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.

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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-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 Representatives 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 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

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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 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 to be served under these Constitution Rules should be delivered by courier to the usual or last known address or place of business of the relevant party or transmitted by electronic mail to the last known email address for the relevant party.

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.

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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 or her 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 proceeds to business, and five Full Members of the Association 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 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/she 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/her 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.

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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.

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;

(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.

FINANCE

38. 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.

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ARBITRATION

39. 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 these Rules.

40. The Council may 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

41. 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 42 -100 NOT YET IN USE

Section 2

Application of the Rules & Definitions



APPLICATION OF THE RULES AND DEFINITIONS

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In the case of contracts which incorporate the Rules and Regulations of the Association, unless otherwise agreed between the parties:

(i) the Definitions in this section, the Cane and Beet Bulk Raw Sugar Contract Rules: CIFFO and C&FFO (Rule 101 and following), the Cane and Beet Bulk Raw Sugar Contract Rules: FOB & Stowed (Rule 201 and following), the Cane and Beet Bulk Raw Sugar: Supervision Rules (Rule 301 and following) and the Rules Relating to Arbitration of the Association (Rule 501 and following) shall apply to all contracts for the shipment of raw sugar in bulk.

(ii) the Cane and Beet Raw Sugar Contract Rules: Bagged and Containerised (Rule 401 and following) and the Rules Relating to Arbitration of the Association (Rule 501 and following) shall apply to contracts for the shipment of bagged and/or containerised raw sugar, whether for direct consumption or for processing/refining.

The following Definitions shall apply to contracts for the shipment of raw sugar in bulk which incorporate the Rules and Regulations of the Association.

INTERNATIONALLY RECOGNISED SUPERINTENDENCE COMPANY

Reference to an internationally recognised superintendence company means a firm or organisation of international 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.

APPLICATION OF THE RULES AND DEFINITIONS

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.

TEL QUEL

The expression “tel quel” means that no allowance is to be made for variations in polarisation and accordingly Rules 105 and 205 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 packing it shall mean two per cent more or less.

COST AND FREIGHT (CFR, or C&F)

Cost and Freight means that the Seller must pay the costs and freight necessary to bring the sugar to the named port of destination. The risk of loss of or damage to the sugar, as well as any additional costs due to events occurring after the time of delivery, are transferred from the Seller to the Buyer when the sugar passes the ship’s rail in the port of shipment.

COST INSURANCE AND FREIGHT (CIF)

“Cost Insurance and Freight” means the same as Cost and Freight, except that the Seller also has to procure marine insurance against the Buyer’s risk of loss of or damage to the sugar during carriage.

FREE OUT

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

FREE ON BOARD AND STOWED (FOBS)

“Free on Board and Stowed” means that the Seller delivers, and risk passes from the Seller to the Buyer once the sugar has been loaded and stowed in the vessel’s hold(s) at the named port of shipment. All costs incurred in the loading and stowing of sugar in the vessel’s

APPLICATION OF THE RULES AND DEFINITIONS

hold(s) shall be for the Seller's account. The Buyer has to bear all costs and risks of loss of or damage to the sugar from that point.

FREE ALONGSIDE SHIP (FAS)

"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.

INTERNATIONAL TRANSPORT

Unless otherwise agreed, in the case of international transport, whether on FOB and Stowed, CFR Free Out, CIF Free Out or other terms, the Seller must clear the sugar for export and the Buyer shall provide any information reasonably required for such clearance.

LIST OF DESTINATIONS AND RECEIVERS IN EUROPE, ASIA, MIDDLE EAST, AUSTRALASIA, THE AMERICAS AND AFRICA

EUROPE

Finland - Kantvik	Finnsugar Ltd	Refinery Jetty
France - Marseille	Saint Louis Sucre S.N.C.	Quay 20, Sugar silo area
Portugal Leixoes Reunidas	RAR–Refinarias de Acucar	Leixoes North Quay/ South
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

APPLICATION OF THE RULES AND DEFINITIONS

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)	Kasai Sugar	Refinery Dolphin
Japan – Hososhima	Dai-Ichi Togyo	Refinery Dolphin
Japan - Kinuura	Itochu Sugar Co	Private Dolphin
Japan – Kobe	Taito Co Ltd	Kohnan wharf Dolphin
Japan – Moji	Kanmon Sugar Mfg.	Municipal 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
Japan – Yokohama	Pacific Sugar	Dolphin or Pacific Sugar
Malaysia – Prai	Malayan Sugar Manufacturing	Prai anchorage
Malaysia – Port Klang	CSRs	Berth no. 3 west port General berth

MIDDLE EAST

Dubai – Jebel Ali Free Port	Al Khaleej Sugar Co LLC	Refinery jetty
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APPLICATION OF THE RULES AND DEFINITIONS

AUSTRALASIA

New Zealand – Auckland	Chelsea Sugar Refinery	Refinery berth
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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

APPLICATION OF THE RULES AND DEFINITIONS

AFRICA

Morocco – Casablanca	COSUMAR	Lightening berth T3, then official berths 30 to 55
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Section 3

Contract Rules, CIF Free Out & C&F Free Out



**RULES TO REGULATE CANE AND BEET BULK RAW SUGAR CONTRACTS CIF FREE
OUT AND COST & FREIGHT FREE OUT**

QUANTITY, DESCRIPTION AND CROP

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

102. When the crop is not stated in the contract it shall be the crop or season current at the time of shipment.

PACKING

103. The Sugar shall be shipped in bulk.

PRICE

104. The price shall be expressed in the contract.

SETTLEMENT

105. 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.

(b) INTERNATIONAL SCALE

For every full degree:

- at 97°, add 1.00%
- from 97° – 98°, add 1.25%
- from 98° – 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.

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

106. Where the Destination and Receiver declared under the contract is listed in the List of Destinations and Receivers in Europe, Asia, Middle East, Australasia, the Americas and Africa set out in the definitions section above, final settlement, unless specified in the contract or agreed otherwise between the Buyer and the Seller, shall be made on the basis of landed weights and outturn polarisations.

LICENCES

107. 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

108. Subject to any express terms in the contract itself:

(a) The Seller has the option of shipping the contract quantity in one or more lots on one or more vessels during the contract delivery period. Any shipment may be made either as a full cargo or a part cargo.

(b) Shipment(s) shall be effected by a vessel, or vessels, which:

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(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. 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) 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.

109. The Contract shall clearly state the period within which shipment is to be effected or the sugar is to arrive at the discharge port.

110. Where the contract for shipment stipulates:

(a) a delivery or shipment period, then the contract quantity (whether a full or part cargo) must be shipped within the contract delivery or shipment period and the Bill of Lading date must conform to the contract. 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;

(b) 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.

111. 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.

112. 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.

113. 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 instalment(s) 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

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fail to make payment for any instalment in accordance with the contract, the Seller shall be entitled to withhold further deliveries without prejudice to its rights under the contract.

114. Unless otherwise stated in the contract, laytime at discharge shall commence in accordance with the unamended Sugar Charterparty 1999.

INSURANCE

115. (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 whichever versions of the following term are in force at the time the contract is made:

Institute Commodity Trades Clauses (A);

Institute Strikes Clauses (Commodity Trades);

Institute War Clauses (Commodity Trades);

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause;

Institute Cyber Attack Exclusion Clause, and;

Termination of Transit Clause (Terrorism)

(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.

116. 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 the shipped polarisation.

117. Where part of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, 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. Insurance proceeds in respect of loss of weight shall be for the Seller's account. Insurance proceeds in respect of depreciation in value shall be for the Buyer's account.

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118. (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) 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.

DESTINATION AND DISCHARGE

119. 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

120. The following basic documents are to be presented by the Seller for payment:

C&FFO

- (i) A complete set of original signed clean "on board" Bills of Lading which shall, except as provided for in Rule 122(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.

CIFFO

- (v) As for C&FFO above, with the addition of Certificate or Policy of Insurance in compliance with Rule 115.

In the case of international transportation where the contract specifies a destination, in addition to the documents stipulated above 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 in accordance with Rule 120 other documents issued by the Seller and/or by a third party and 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

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be supplied by the Seller as soon as possible but absence of such additional documents due to short notice shall not preclude payment.

If requested by the Buyer, the Seller shall have any such additional documents legalised or otherwise authenticated by a competent authority in accordance with the requirements of the country of destination. Any legalisation or authentication charges thereby incurred shall be for the Buyer's account.

The Seller shall not be responsible, and the Buyer shall not be entitled to withhold payment if, for reasons beyond the Seller's control, such additional documents are unobtainable or cannot be legalised or authenticated.

PRESENTATION OF DOCUMENTS AND PAYMENT

121. (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 a business day at the intended place of presentation of such documents.

(c) Documents for payment shall be presented to the Buyer not later than 14.00 hours local time at the place of presentation of documents on the same business day on which the notice of intention to present documents is given. The seller shall not be liable for charges incurred as a result of the sugar arriving at the port of discharge prior to the receipt of documents, provided the documents have been passed on by the Seller without delay.

122. (a) Documents evidencing proper fulfilment of the terms of a contract and tendered for payment in accordance with Rule 121(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.

Outturn Weights and Tests to Destinations excluding United Kingdom

(b) (i) Payment shall be made 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.

(b) (ii) When settlement is on the basis of shipping weight and polarisation, unless otherwise stated in the contract, payment shall be made 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

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(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.

Outturn Weights and Tests to Destinations in the 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 arrives 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 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

123. Title to the sugar shall not pass until Seller has received payment in accordance with Seller's instructions. However, if the Buyer does not make payment of the price in accordance with the terms of the contract, the Seller may maintain an action against the Buyer for the price of the sugar, even if title/property in the sugar has not passed to the Buyer, notwithstanding the terms of Sale of Goods Act 1979 section 49(1).

FORCE MAJEURE

124. 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:

Should ice in the shipping port or elsewhere, 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:

(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 all or part of the sugar allocated by the Seller against the contract and should the Seller or its agent be unable to procure other tonnage of similar character to enable the Seller, where the contract delivery period is a period of shipment, to effect shipment within the contract delivery period or where the contract delivery period is a period of arrival, to effect shipment to ensure that in the ordinary course of events the sugar will arrive at the port of discharge within the contract delivery period.

The Seller shall immediately notify the Buyer of such fact and the quantity so affected. If the Seller is prevented from notifying the Buyer immediately through circumstances beyond its control, it shall notify the Buyer as soon as possible.

Upon giving such notice, the contract delivery period shall be extended without extra charge to the Seller as follows:

(i) where the force majeure event(s) prevent(s) performance for up to 3 days, the contract delivery period shall be extended by 7 days.

(ii) where such event(s) prevent(s) 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. This provision shall apply notwithstanding the occurrence of events which would otherwise frustrate the contract.

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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

125. (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

126. 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

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

EXCLUSIONS

128. 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.

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NOTICES

129. Any notice to be served under these Contract Rules shall be delivered by courier to the usual or last known address or place of business, or transmitted by electronic mail to the last known email address, of the relevant party.

GENERAL

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

RULES 131-200 NOT YET IN USE

Section 4

Contract Rules: FOB & Stowed FAS



RULES TO REGULATE CANE AND BEET BULK RAW SUGAR CONTRACTS: FOB & STOWED

QUANTITY, DESCRIPTION AND CROP

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

202. When the crop is not stated in the contract it shall be the crop or season current at the time of delivery.

PACKING

203. The Sugar shall be delivered in bulk.

PRICE

204. The price shall be expressed in the contract.

SETTLEMENT

205. 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

or 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.

CONTRACT RULES, BULK FOB & FOB STOWED

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(b) 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.

206. Where the Destination and Receiver declared under the contract is listed in the List of Destinations and Receivers in Europe, Asia, Middle East, Australasia, the Americas and Africa set out in the definitions section above, final settlement, unless specified in the contract or agreed otherwise between the Buyer and the Seller, shall be made on the basis of landed weights and outturn polarisations.

LICENCES

207. 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

PERIOD OF DELIVERY

208 (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 Rule 209(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.

(c) If the vessel(s) has presented in readiness to load within the contract delivery period, and loading (whether or not it has commenced) has not been completed by the last day of the contract delivery period, the Seller shall be bound to deliver and the Buyer

CONTRACT RULES. BULK FOB & FOB STOWED

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bound to accept delivery of the entire contract quantity or whatever balance of the contract quantity remains to be delivered.

PORTS, VESSEL NOTICE, SUBSTITUTION AND LAYTIME

- 209 (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.
- (b) The Buyer must give notice 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. If requested by the Seller, the Buyer will provide details of vessel(s) characteristics, flag and vessel demurrage and 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 209(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.
- (d) The Seller must give notice 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, unamended version.

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- (f) The Seller shall not be obliged to commence loading until the expiry of the notice period in Rule 209(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.

POINT OF DELIVERY

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

211. 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.

212. 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.

213. 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 its rights under the contract.

214. (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 whichever versions of the following terms are in force at the time the contract is made:

Institute Commodity Trades Clauses (A)
 Institute Strikes Clauses (Commodity Trades)
 Institute War Clauses (Commodity Trades)
 Institute Radioactive Contamination, Chemical, Biological,
 Bio-Chemical and Electromagnetic Weapons Exclusion Clause
 Institute Cyber Attack Exclusion Clause
 Termination of Transit Clause (Terrorism)

(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 210, 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

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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.

215. 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 the shipped polarisation.

216. Where part of a consignment is landed in damaged condition and the contract provides for settlement on landed weights and outturn polarisations, then 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. Insurance proceeds in respect of loss of weight shall be for the Seller's account. Insurance proceeds in respect of depreciation in value shall be for the Buyer's account.

217. (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) 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

218. The following basic documents are to be presented by the Seller:

- (i) a complete set of original clean signed "on board" Bills of Lading.
- (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.

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PRESENTATION OF DOCUMENTS AND PAYMENT

219. (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 sugar arriving at the port of discharge prior to the receipt of documents provided they have been passed on without delay.

220. (a) Documents evidencing proper fulfilment of the terms of a contract and tendered for payment in accordance with Rule 219 (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 219 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

221. Title to sugar shall not pass until Seller has received payment for sugar in accordance with Seller's instructions. However, if the Buyer does not make payment of the price in accordance with the terms of the contract, the Seller may maintain an action against the Buyer for the price of the sugar, even if title/property in the sugar has not passed to the Buyer, notwithstanding the terms of Sale of Goods Act 1979 section 49(1).

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: -

222. (a) Should ice in the shipping port or elsewhere, 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

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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 of such fact and the quantity so affected. If the seller is prevented from advising the Buyer immediately through circumstances beyond its control, it 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 ice in the shipping port or elsewhere, 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 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. If the Buyer is prevented from notifying the Seller immediately through circumstances beyond its control, it 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

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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/FCA 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 222 (a) (ii) and 222 (b) ii).

(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

223. (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

224. 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

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

EXCLUSIONS

226. 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

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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

227. Any notice to be served under these Contract Rules shall be delivered by courier to the usual or last known address or place of business, or transmitted by electronic mail to the last known email address, of the relevant party.

GENERAL

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

RULES 229 -300 NOT YET IN USE

Section 5: Supervision Rules



RULES TO REGULATE CANE AND BEET RAW SUGAR: BULK SUPERVISION, WEIGHING, TARING & SAMPLING

SUPERVISION

301.

United Kingdom

- (a) 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.

International

- (b) Supervision in ports of loading/discharge outside the United Kingdom is not obligatory but the Seller and the Buyer shall each have the option at loading where sugar is contracted for settlement on shipping weight and polarisation, and at discharge, where sugar is contracted for settlement on outturn weight and polarisation, of appointing for its own account and expense a representative to supervise the weighing, taring and sampling of the sugar. Such supervision where required, shall be effected by an internationally recognised superintendence company. Supervision at loadport shall be carried out at the time of loading of vessel. Should the Seller and Buyer both elect to appoint a supervisor, such supervision shall be carried out conjointly.

At all Ports

- (c) 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 of discharge with a quantity of sugar still on board the Supervisor shall so advise the ship's officer and the Receiver's 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 equipment, labour and 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 (0.1%). Check-weighing shall be at random, and the Supervisor shall satisfy himself as to the accuracy of the weighing equipment, by ensuring that the weighing

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equipment is tested by means of certified check weights at least once in every twenty four hours.

304. (a) Sugar shall be weighed in lots of two thousand tonnes or as near as reasonably possible.
- (b) 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. Unless stated otherwise in the contract, check weighing shall be carried out on not less than 1 per cent.
- (c) Sugar shall be treated on arrival as if the vessel carried sugar of one origin 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.
- (d) 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 two thousand tonnes shall be adhered to when applicable.
- (e) In the event of bulk sugar loaded without separation being delivered to more than one Buyer, the weight of the total cargo shall be invoiced on a pro rata basis.
- (f) Where the quantity exceeds two thousand tonnes the balance remaining over after dividing into lots of two thousand tonnes shall be treated as one lot.

TARING

305. (a) AT LOADING

Where bags are emptied into the hold(s) of the ocean vessel, the empty bags shall be collected and weighed direct from the vessel without being cleaned or brushed. Road truck or rail wagons of bulk sugar shall be weighed before and after emptying to arrive at the weight of sugar shipped.

(b) AT DISCHARGE

(i) Containers of bulk sugar (including hoppers, road trucks or rail wagons) shall be weighed before and after emptying to arrive at the weight of sugar delivered.

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SAMPLING

306. (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. Unless stated otherwise in the contract sampling shall be carried out on not less than one per cent of each two thousand tonnes or part thereof of the sugar delivered from each seller.

(b) Samples shall be drawn at random in such a way that a sample shall fairly represent the contents of each lot of two thousand tonnes or part thereof.

(c) During the progress of the sampling the sugar drawn shall be kept in sampling receptacles approved by the Supervisor and shall be under the control of the Supervisor.

(d) Composite samples representing each lot of two thousand tonnes of the sound portion of each shipment or Seller, or part thereof, drawn for analysis shall be carefully mixed by the Supervisor so as to represent as true an average as possible and a sufficient quantity placed into at least four new, clean, suitable airtight sampling receptacles and sealed in a manner to ensure that the sampling receptacles remain airtight until opened.

(e) One sealed sampling receptacle 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.

(f) These samples shall be analysed by an internationally recognised analytical chemist in accordance with the methods laid down by the International Commission for Uniform Methods of Sugar Analysis (ICUMSA) or another internationally recognised method for sugar analysis.

(g) 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).

(h) In the event that the Buyer's supervisor objects to the condition and/or quality of the sugar, such objection or discrepancy shall immediately be notified to the Seller's supervisor/representative, prior to the sugar being stowed on board the vessel.

(i) If the Buyer elects to appoint a supervisor but the supervisor is prevented from effecting the supervision for reasons beyond their control, the Buyer shall retain its rights under Rule 308.

DAMAGED SUGAR AT DISCHARGE

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

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

- (i) "Country Damaged" if the Supervisor decides it was damaged prior to shipment;
- (ii) "Sea Damaged" if the Supervisor decides the damage took place after shipment and was caused by ingress of sea water;
- (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.

CLAIMS

308. In order for claims to be made in respect of weight, condition and/or quality the following shall apply:

- (i) The Buyer shall give notice to the Seller of claims not later than 7 days after the completion of discharge at the port of destination.
- (ii) In the event of a claim, samples shall be obtained by the Buyer in triplicate. These shall be sealed average samples, drawn at the Buyer's expense, by an internationally recognised superintendence company. The samples shall be drawn from not less than 5 per cent. of the quantity of sugar involved, packed into new clean suitable sampling receptacles, marked accordingly and sealed in a manner to ensure that the sampling receptacles remain airtight until opened.
- (iii) A sealed average sample drawn as specified in (ii) above shall be sent to the Seller without delay to support a claim respecting condition and/or quality. One sample shall be held by the Buyer for its own inspection and the other shall be retained for Arbitration purposes in case of need.

POLARISATION

309. (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 its sample polarised at its own expense and shall have the polarisation certificate forwarded to the Supervisor. If the Seller is a producer

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or if the Buyer is a refiner either may employ its own chemist, otherwise an independent internationally 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 (0.15) 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 (0.15) of a degree or more, a third sample shall be polarised by an independent internationally recognised chemist as appointed by the Supervisor, the cost of which polarisation shall be shared equally between the Seller and the Buyer.

(d) 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.

RULES 310-400 NOT YET IN USE

Section 6

Contract Rules – Bagged & Containerised



RULES TO REGULATE CANE AND BEET RAW SUGAR: BAGGED & CONTAINERISED CONTRACTS

QUANTITY

401. In a contract in which the quantity is subject to a franchise stated to be “for chartering purposes” the party arranging the freight shall when shipment is effected in more than one vessel be restricted to exercising the franchise option on the last vessel to commence loading. The quantity on which the franchise shall be exercised shall be the difference between the contract quantity and the total quantity shipped by vessels other than the last to commence loading.

PACKING

402. Unless otherwise stated in the contract, the Sugar shall be packed in new sound bags suitable for domestic or international transport by inland waterway and/or sea and/or road and/or rail, as applicable. Bag marks, if any, shall not be contrary to the terms of the contract. For container deliveries, unless stated otherwise in the contract, the empty containers presented for stuffing shall be International Standards Organization ("ISO") containers, measuring twenty (20) feet long, eight (8) feet wide and eight and a half (8½) feet high, which must be suitable for sugar, heavy-duty, clean, dry and odour-free, with no nails and no holes, and of which the interior and exterior must not exhibit significant rust.

WEIGHT

403. 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 packing it shall mean two per cent. more or less. When the word “about” is omitted, the weight of the sugar in each bag shall not be less than the weight stipulated in the contract and the net total weight of all bags combined shall not be less than the minimum weight stipulated in the contract.

QUALITY

404. (i) All sugars shipped or delivered shall conform to the contractual specifications and unless stated otherwise in the contract shall be free flowing and of the crop or season current at the time of shipment or delivery designated in the contract.

(ii) All sugars bought and sold for direct human consumption shall be fit for human consumption and shall conform to the Public Health regulations in force in the country of origin. Unless stated otherwise in the contract, all sugars shall be free from impurities other than trace elements inherent in sugar.

SUPERVISION

405. The Seller and the Buyer shall have the option of appointing supervisors at their own expense. Supervision, where required, shall be effected by an internationally recognised superintendence company.

Should the Seller and the Buyer both elect to appoint a supervisor, such supervision shall be carried out conjointly at the time of loading of vessel or stuffing of containers and in any event the following shall apply:

- (i) Prior to loading of the vessel or stuffing of containers, the supervisor/s shall inspect the holds of the vessel and/or the containers and ensure that they are clean, dry, odour free, suitable and fit to receive sugar and in the case of containers that they meet the requirements of Rule 402.
- (ii) The supervisor/s shall report on the condition of the packing and shall be satisfied that the sugar is packed in accordance with Rule 402 or as otherwise stated in the contract.
- (iii) At loading, or at the time of stuffing containers, the Seller shall provide satisfactory equipment, labour and facilities for weighing. Check-weighing shall be at random, and the supervisor/s shall be satisfied as to the accuracy of the weighing equipment. Unless stated otherwise in the contract, check-weighing shall be carried out on not less than 1 per cent. of each one thousand tonnes or part thereof of the sugar delivered from each supplier. Unless mutually agreed between the Seller and the Buyer, net individual bag weights shall not be derived from weighbridge results.
- (iv) Unless stated otherwise in the contract sampling shall be carried out on not less than 1 per cent. of each one thousand tonnes or part thereof of the sugar delivered from each supplier. Samples shall be drawn at random and be representative of each lot of one thousand tonnes or part thereof.
- (v) In the event that a supervisor objects to the condition and/or quality of the sugar and/or packing or finds a discrepancy in the weight of the bags, such objection or discrepancy shall immediately be notified to the other party's representative, prior to the sugar being stowed on board the vessel. In the case of container loading, any objection to the condition and/or quality of the sugar and/or packing and/or to the weight of the bags and/or number of bags being stuffed into the container must be notified to the Seller or Seller's representative prior to the sealing of the container.
- (vi) Composite samples representing each lot of one thousand tonnes, or part thereof, drawn for analysis in accordance with (iv) above shall be placed in new clean suitable containers and sealed in a manner to ensure that the containers remain airtight until opened. These samples shall be analysed by a recognised analytical chemist in accordance with the methods laid down by the International Commission for Uniform Methods of Sugar Analysis (ICUMSA) or another

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internationally recognised method for sugar analysis. The analysis results of each sample must comply with the quality specification stipulated in the contract. 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).

(vii) If the Buyer elects to appoint a supervisor but the supervisor is prevented from effecting the supervision for reasons beyond their control, the Buyer shall retain their rights under Rule 406.

406. In order for claims to be made in respect of packing, weight, shortfall in the number of bags, condition and/or quality the following shall apply:

(i) The Buyer shall give notice to the Seller of claims not later than 7 days after the completion of discharge at the port of destination. For shipment in containers, completion of discharge is the date on which the seal is broken, or at the time of delivery to final receiver, or 40 days after discharge onto quay, whichever is the sooner.

(ii) In the event of a claim, samples shall be obtained by the Buyer in triplicate. These shall be sealed average samples, drawn at the Buyer's expense, by an internationally recognised superintendence company. The samples shall be drawn from not less than 5 per cent of the quantity of sugar involved, packed into new clean suitable containers, marked accordingly and sealed in a manner to ensure that the containers remain airtight until opened.

(iii) A sealed average sample drawn as specified in (ii) above shall be sent to the Seller without delay to support a claim respecting condition and/or quality. One sample shall be held by the Buyer for their own inspection and the other shall be retained for Arbitration purposes in case of need.

DELIVERY

CONTRACTS FOR SHIPMENT IN BAGS: FAS, FOB AND FOB AND STOWED

407. (i) In all FAS, FOB and FOB and Stowed contracts for shipment in bags:

The Seller shall have the sugar ready to be delivered to the Buyer at any time within the contract delivery period.

The Buyer, having given reasonable notice, shall be entitled to call for delivery of the sugar between the first and last day inclusive of the contract delivery period. The Buyer shall give notice 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 and the tonnage to be loaded.

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The Buyer has the option of taking delivery of the contract quantity in one or more lots during the contract delivery period.

Unless otherwise agreed, in the case of international transport, the seller shall be responsible for clearing the sugar for export and the buyer shall provide any information reasonably required for such clearance.

The Buyer shall have the right to substitute the vessel declared and such substitution shall not be considered as a new declaration provided that the substitute vessel is suitable for the loading at the port of loading and for the carriage of sugar and always providing the substitution is for the same cargo quantity. The Buyer shall be responsible for any proven costs incurred by the Seller by reason of any substitution. 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.

If the vessel/s has presented in readiness to load within the contract delivery period, and loading (whether or not it has commenced) has not been completed by the last day of the contract delivery period, the Seller shall be bound to deliver and the Buyer bound to accept delivery of the entire contract quantity or lot, or of whatever balance of the contract quantity or lot remains to be delivered.

If the vessel/s has presented in readiness to load within the contract delivery period but has failed to be presented within 5 days of the date contained in the notice above calling for delivery of the sugar the Buyer shall be responsible for any proven costs incurred by the Seller by reason of such delay exceeding the 5 days commencing on the day following the 5th day.

Risk in the sugar shall pass from the Seller to the Buyer:

- (a) in the case of FAS contracts, when the Seller delivers the sugar alongside the vessel/s, free of charge, risk and expense to the Buyer, to within reach of the vessel's tackle;
- (b) in the case of FOB contracts, when the sugar passes the ship's rail; and
- (c) in the case of FOB and Stowed contracts, when the sugar has been stowed.

If requested by the Seller, the Buyer must provide details of vessel/s demurrage/despatch rates prior to the tendering of the vessel's notice of readiness to load.

CONTRACTS FOR SHIPMENT IN BAGS: C&F/CFR AND CIF CONTRACTS

407. (ii) In all C&F/CFR and CIF contracts for shipment in bags:

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The Seller must provide freight and shall not plead that no freight is available except when Rules 412 and 413, or 414, apply.

The Seller has the option of delivering the contract quantity in one or more lots during the contract delivery period.

The Seller shall without undue delay declare the quantity shipped and the name/s of the vessel/s by which shipment has been effected.

Where the contract delivery period is a period of shipment, the contract quantity must be shipped within the contract delivery period. Where the contract delivery period is a period for arrival, shipment must be effected to ensure that, in the ordinary course of events, the sugar will arrive at the port of discharge within the contract delivery period.

Any proven additional insurance premium paid on the cargo by reason of age, flag or classification of the vessel/s declared shall be for Seller's account. The additional premium shall not exceed that currently quoted by Lloyd's or a first class insurance company/companies in London.

Risk in the sugar shall pass from the Seller to the Buyer when the sugar passes the ship's rail at the port of loading.

CONTRACTS FOR SHIPMENT IN CONTAINERS: FAS, FOB AND FOB AND STOWED

407. (iii) In all cases of FAS, FOB and FOB and Stowed contracts for shipment in containers:

The Buyer shall give notice 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 and the tonnage to be loaded, together with the freight booking reference relating to the vessel/s, clearly indicating the closing date of the vessel/s, the location(s) of the container depot(s) of the shipping line from which empty containers are to be collected by the Seller (which must be customary for the port of loading), the container stack opening and closing dates at the designated loading terminal in respect of the nominated vessel/s and relevant contact details of the shipping line and the loading terminal.

The Buyer shall ensure that sufficient numbers of suitable empty containers are available for collection by the Seller at the designated container depot(s) in sufficient time to enable the Seller to transport them to the stuffing location, stuff them and return them to the container stack at the designated loading terminal by latest the container stack closing date.

The Buyer, having given reasonable notice and having released sufficient empty containers to the Seller in due time, shall be entitled to call for delivery of the stuffed and sealed containers to the designated loading terminal by a container stack closing date falling between the first and last day inclusive of the contract delivery period.

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The Buyer has the option of taking delivery of the contract quantity in one or more lots during the contract delivery period.

The Seller having collected the empty containers from the designated container depot, transported them to the stuffing location and stuffed them shall have the sealed containers (stuffed with the requisite number and weight of bags containing sugar meeting the contractual specification) ready to be delivered to the designated loading terminal by latest the container stack closing date.

Unless otherwise agreed, in the case of international transport, the Seller shall be responsible for clearing the sugar for export and the Buyer shall provide any information reasonably required for such clearance.

The Buyer shall have the right to substitute the vessel declared and such substitution shall not be considered as a new declaration provided the substitution is for the same number of containers and the container stack closing date(s) of the substitute vessel(s) is/are not earlier than that given in the original notice. Should the substitute vessel(s) arrive before the expected time of arrival of the originally declared vessel, the notice period effective from the original declaration shall apply. The Buyer shall be responsible for any proven costs incurred by the Seller by reason of any vessel delays and/or substitution(s), provided always that the Seller has delivered the stuffed containers to the designated terminal by latest the container stack closing date(s).

Where the Seller rejects a container on the grounds that it fails to meet the requirements of Rule 402, the Buyer has the option to declare, in writing, that such container presented for stuffing is suitable for the carriage of sugar, and that the Seller is not entitled to reject the container on those grounds. The Buyer is responsible for all costs and consequences of such a declaration.

Where the Seller rejects a container and the Buyer has not exercised its option to make a declaration in accordance with the preceding paragraph, all costs and consequences incurred in the removal and replacement of the relevant container will be for the account of the Buyer.

The Seller shall be deemed to have delivered the sugar to the Buyer, and risk in the sugar shall pass, when the stuffed containers have been placed at the disposal of the carrier at the designated loading terminal.

CONTRACTS FOR SHIPMENT IN CONTAINERS: C&F/CFR and CIF

407. (iv) In the case of all C&F/CFR and CIF contracts for shipment in containers:

The Seller must provide freight and empty containers and shall not plead that no freight and/or suitable empty containers is/are available except when Rules 410-412 apply.

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The Seller has the option of delivering the contract quantity in one or more lots during the contract delivery period.

The Seller shall without undue delay declare the quantity shipped and the name/s of the vessel/s by which shipment has been effected.

Where the contract delivery period is a period of shipment, the Seller must collect the empty containers from the container depot, transport them to the stuffing location, stuff them with the requisite number and weight of bags containing sugar meeting the contractual specification and ship the sealed containers within the contract delivery period.

Where the contract delivery period is a period for arrival, shipment must be effected to ensure that, in the ordinary course of events, the containerised sugar will arrive at the port of discharge within the contract delivery period.

Risk in the sugar shall pass from the Seller to the Buyer when the stuffed containers pass the ship's rail at the port of loading.

The Buyer shall be liable for container demurrage and quay rent at destination in accordance with carrier's standard terms.

INSTALMENTS AND DIVISIONS OF A MONTH

408. Any contract for delivery by instalments shall not be cancelled on account of delay or failure in the delivery of any instalment(s). Each instalment shall be deemed a separate contract. However, should the Buyer fail to make payment for any instalment according to the contract, the Seller shall be entitled to withhold further deliveries without prejudice to their rights under the contract.

409. The term "First Half" of the month means the 1st to the 15th inclusive of that month. The term "Second Half" means the 16th 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.

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.

410. **FAS, FOB, FOB AND STOWED CONTRACTS FOR CONVENTIONAL SHIPMENT IN BAGS**

- (a) Should ice in the shipping port or elsewhere, war, strikes, rebellion, insurrection, political or labour disturbances, civil commotion, fire, stress of weather, Act of God or

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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, (or in the case of contracts for transport by road and/or rail where the Buyer has an obligation at its own expense to contract or procure a contract for the carriage of the sugar, the supply to or delivery at the agreed place of delivery), in whole or in part, of the sugar allocated by the Seller against the contract, the Seller shall immediately notify the Buyer of such fact and the quantity so affected. If the Seller is prevented from advising the Buyer immediately through circumstances beyond their control, shall notify the Buyer as soon as possible. Upon giving such notice, the contract delivery period for the affected quantity shall be extended, without extra charge to the Seller, 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) prevent(s) performance for more than 3 days, the contract delivery period shall be extended by 45 days.

(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 ice in the shipping port or elsewhere, 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 Buyer's control, the Buyer shall immediately notify the Seller of such fact and the quantity so affected. If the Buyer is prevented from advising the Seller immediately through circumstances beyond their control 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) prevent(s) 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) prevent(s) the Buyer from accepting delivery for more than 3 days, the contract delivery period shall be extended by 45 days.

FAS, FOB, FOB AND STOWED CONTRACTS FOR CONTAINER SHIPMENT

(c) Should ice in the shipping port or elsewhere, 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 in whole or in part the collection by the Seller from the designated container depot of the empty containers released by the Buyer, their transportation to the stuffing location, their stuffing and

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the delivery by the Seller to the designated container terminal within the delivery period specified in the contract of the containers stuffed with the sugar allocated by the Seller against the contract, the Seller shall immediately notify the Buyer of such fact and of the number of containers and quantity of sugar so affected. If the Seller is prevented from advising the Buyer immediately through circumstances beyond their control, shall notify the Buyer as soon as possible. Upon giving such notice:

(i) where the force majeure event(s) prevent(s) performance for up to 3 days, the contract delivery period for the Seller to collect the empty containers from the designated container depot, transport them to the stuffing location, stuff them with the affected quantity of sugar and deliver the stuffed containers to the designated container terminal shall be extended, without extra charge to the Seller, by 7 days.

(ii) where such event(s) prevent(s) performance for more than 3 days, the contract delivery period for the Seller to collect the empty containers from the designated container depot, transport them to the stuffing location, stuff them with the affected quantity of sugar and deliver the stuffed containers to the designated container terminal shall be extended, without extra charge to the Seller, by 45 days.

C&F/CFR, CIF CONTRACTS FOR CONVENTIONAL SHIPMENT IN BAGS

411. (a) Should ice in the shipping port or elsewhere, 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 and/or the vessel/s declared from loading all or part of the sugar allocated by the Seller against the contract and should the Seller or their agent be unable to procure other vessel/s of similar character to enable them, where the contract delivery period is a period of shipment, to effect shipment within the contract delivery period or where the contract delivery period is a period for arrival, to effect shipment to ensure that, in the ordinary course of events, the sugar will arrive at the port of discharge within the contract delivery period and should the Seller or their agent be unable to supply other means of transport of similar character to enable him, where the contract delivery period is a period for delivery at the agreed point of delivery, to load the contract quantity within the contract delivery period; and/or where the contract delivery period is a period for arrival, to effect delivery to ensure that, in the ordinary course of events, the sugar will arrive at the destination within the contract delivery period, the Seller shall immediately notify the Buyer of such fact and the quantity so affected. If the Seller is prevented from advising the Buyer immediately through circumstances beyond their control, they shall notify the Buyer as soon as possible. Upon giving such notice, the contract delivery period for the affected quantity shall be extended, without extra charge to the Seller, as follows:

(i) where the force majeure event(s) prevent(s) performance for up to 3 days, the contract delivery period shall be extended by 7 days; and

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(ii) where such event(s) prevent(s) performance for more than 3 days, the contract delivery period shall be extended by 45 days.

CIF/CFR CONTRACTS FOR CONTAINER SHIPMENT

(b) Should ice in the shipping port or elsewhere, 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 (I) the supply to or delivery at the container stuffing location in whole or in part of the sugar allocated by the Seller against the contract and/or (II) the Seller from collecting the empty containers from the container depot, transporting them to the container stuffing location and stuffing them with the requisite number and weight of bags containing sugar meeting the contractual specification and/or (III) the vessel/s declared from loading the containers and should the Seller or their agent be unable to procure other vessel/s of similar character to enable them where the contract delivery period is a period of shipment, to ship the containers within the contract delivery period and/or where the contract delivery period is a period for arrival, to ship the containers to ensure that, in the ordinary course of events, the containerised sugar will arrive at the port of discharge within the contract delivery period, the Seller shall immediately notify the Buyer of such fact and the quantity so affected. If the Seller is prevented from advising the Buyer immediately through circumstances beyond their control, shall notify the Buyer as soon as possible. Upon giving such notice, the period within which the Seller is to ship the containers (whether the contract delivery period is one for shipment or for arrival) shall be extended, without extra charge to the Seller, as follows:

(i) where the force majeure event(s) prevent(s) performance for up to 3 days, the contract delivery period shall be extended by 7 days; and

(ii) where such event(s) prevent(s) performance for more than 3 days, the contract delivery period shall be extended by 45 days.

412. The party claiming force majeure shall within 14 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.

The party claiming force majeure shall notify the other party immediately that the force majeure event(s) terminates.

If delivery (or acceptance of 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

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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.

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 provisions of Rules 410 or 411 and 412 shall apply notwithstanding the occurrence of events which would otherwise frustrate the contract.

413. Where sugar is due to be shipped, or made available for shipment, and would normally be transported to the shipping port or place of delivery by inland waterway, the following provisions shall apply (instead of those in Rules 410 or 411 and 412) if ice prevents the sugar allocated by the Seller against the contract from reaching the shipping port by that mode of transport within the contract shipment/ delivery period:

(a) If the sugar is in transit, the Seller shall declare the name or number of the barge/s and its/their present whereabouts. At the same time the Seller shall declare their option to fulfil the contract without extra charge to the Buyer by

(i) delivering a separate lot by rail or road, such delivery to be effected within 30 days of the end of the contract shipment delivery period; or

(ii) delivering the original lots within 30 days of the reopening of the inland waterway.

(b) If the sugar is at the factory or storage place, the Seller shall promptly notify the Buyer of their inability to deliver owing to ice and the Buyer shall thereupon declare their option:

(i) to call for the sugar to be despatched promptly and in no case later than 30 days after the inland waterway reopens: or

(ii) to order the sugar to be despatched by rail or road, the extra cost of this to be paid by the Buyer and the shipment or delivery as the case may be then to be effected within the contract shipment/delivery period or within 30 days of receipt of the Buyer's instructions, whichever is the longer.

LICENCES

414. In the case of international transport, the Buyer shall be responsible for obtaining and maintaining in force any necessary import licence and the Seller shall be responsible for obtaining and maintaining in force any necessary export licence. The failure to obtain and/or

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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.

INSURANCE

415. (i) Insurance shall be covered for the invoice value plus 10 per cent. By Lloyd's policy or by a policy with a first class insurance company/ companies under which a claim can be submitted, admitted and settled in London or in any other place agreed between the Seller and the Buyer in the currency of the contract. Insurance shall be effected on whichever versions of the following terms are in force at the time the contract is made:

Institute Commodity Trades Clauses (A)
 Institute Strikes Clauses (Commodity Trades)
 Institute War Clauses (Commodity Trades) Institute Radioactive Contamination, Chemical, Biological, Bio Chemical and Electromagnetic Weapons Exclusion Clause
 Institute Cyber Attack Exclusion Clause
 Termination of Transit Clause (Terrorism)

(ii) In a contract on FAS, FOB or FOB and Stowed terms, risk in the sugar shall pass from the Seller to the Buyer in accordance with Rule 407(i) and 407(iii). Upon giving shipping instructions, the Buyer shall cover insurance in accordance with Rule 415(iii). In a contract on C&F/CFR terms, risk in the sugar shall pass from the Seller to the Buyer in accordance with Rule 407(ii) and 407(iv). The Buyer shall cover insurance in accordance with Rule 415(iii). Unless otherwise expressly agreed, the Buyer shall cover insurance in accordance with Rule 415(iii).

(iii) In all cases covered by Rule 415(ii), the Buyer shall effect insurance on the conditions set out at Rule 415(i), unless the contract provides otherwise. Insurance policies shall be for the Seller's protection until payment is made. 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.

(iv) In a contract on CIF or CIP terms, the Seller shall effect insurance on the conditions set out at Rule 415(i), unless the contract provides otherwise.

DOCUMENTS TO BE PROVIDED BY THE SELLER AND PAYMENT

416. Payment for the sugar shall be made by cash, barge, sea-going vessel, container lost or not lost, if sold

Pursuant to a contract for conventional shipments in bags:

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- (a) FOB and FOB Stowed, against a complete set of original signed clean “On Board” Bills of Lading, Certificate of Origin, Certificate of Weight, Quality and Packing and a signed commercial invoice.
- (b) FAS, against a Certificate of Origin, Certificate of Weight, Quality and Packing, a Forwarder’s Certificate of Receipt and a signed commercial invoice.
- (c) C&F/CFR, against a complete set of original signed clean “On Board” Bills of Lading evidencing freight having been paid, Certificate of Origin, Certificate of Weight, Quality and Packing and a signed commercial invoice.
- (d) CIF, against a complete set of original signed clean “On Board” Bills of Lading evidencing freight having been paid, Certificate of Origin, Certificate of Weight, Quality and Packing, a signed commercial invoice and a Policy, Certificate or Letter of Insurance in compliance with Rule 415. The Letter of Insurance to be accompanied by a Banker’s Guarantee if required by the Buyer.

Pursuant to a contract for container shipment:

- (e) FAS, FOB and FOB and Stowed, against a Certificate of Origin, Certificate of Weight, Quality and Packing, signed commercial invoice and a Forwarder’s Certificate of Receipt or other document evidencing timely placing of the stuffed containers at the disposal of the carrier at the designated loading terminal. (The Seller shall not be required to provide the Buyer with a bill of lading as a pre-condition of payment unless the parties have expressly agreed this).
- (f) C&F/CFR, against a complete set of original signed clean “On Board” Bills of Lading evidencing freight having been paid, Certificate of Origin, Certificate of Weight, Quality and Packing and a signed commercial invoice.
- (g) CIF, against a complete set of original signed clean “On Board” Bills of Lading evidencing freight having been paid, Certificate of Origin, Certificate of Weight, Quality and Packing, a signed commercial invoice and a Policy, Certificate or Letter of Insurance in compliance with Rule 415. The Letter of Insurance to be accompanied by a Banker’s Guarantee if required by the Buyer.

In the case of international transportation by barge, sea-going vessel or container where the contract specifies a destination:

In addition to the documents stipulated in (a) to (g) above , as applicable, the Seller shall, if requested by the Buyer not later than 7 days prior to the stuffing of containers or the commencement of loading, include in the presentation for payment in accordance with Rule 417 other documents issued by the Seller and/or by a third party and customarily required by and acceptable to the authorities in the country of destination. Any such additional

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documents requested with less than the above notice shall be supplied by the Seller as soon as possible.

The Seller shall have any such additional documents legalised or otherwise authenticated by a competent authority in accordance with the requirements of the country of destination and any legalisation or authentication charges thereby incurred shall be for Buyer's account.

The Seller shall not be responsible if, for reasons beyond their control, such additional documents are unobtainable or cannot be legalised or authenticated.

417. Notice of intention to present documents for payment must be given by the Seller to the Buyer not later than 15.00 hours local time on a business day at the place of intended presentation of such documents. Documents shall be presented to the Buyer not later than 11.00 hours local time at the place of presentation of documents on the next following business day. The Seller shall not be liable for charges incurred as a result of the sugar arriving at the port of discharge or agreed point of delivery at destination prior to the receipt of documents, provided the documents have been passed on by the Seller without delay.

418. Documents evidencing proper fulfilment of the terms of a contract and tendered for payment in accordance with Rules 416 and 417 shall be paid for on presentation without any deduction and/or setoff 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.

TITLE

419. Title to sugar shall not pass until Seller has received payment for sugar in accordance with Seller's instructions. However, if the Buyer does not make payment of the price in accordance with the terms of the contract, the Seller may maintain an action against the Buyer for the price of the sugar, even if title/property in the sugar has not passed to the Buyer, notwithstanding the terms of Sale of Goods Act 1979 section 49(1).

DOCUMENTS TO BE PROVIDED BY THE BUYER

420. In the case of international transport, the Buyer shall, if requested by the Seller not later than 7 days prior to the commencement of loading or the commencement of stuffing containers, supply to the Seller promptly after arrival of the sugar at the destination any documents customarily required by and acceptable to the authorities in the country of origin, and any costs incurred in obtaining such documents shall be for the Seller's account. The Buyer shall not be responsible if, for reasons beyond their control, such documents are unobtainable.

TAXES AND LEVIES

421. In the case of international transport:

- (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.

GOVERNING LAW

422. The contract and these Rules shall be governed by and construed in accordance with English Law.

EXCLUSIONS

423. 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, nor the Common European Sales Law, 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.

GENERAL

424. Where any clause in the contract is at variance with a Rule of the Association, such clause shall prevail.

Except where inconsistent with these Rules, the current version of Incoterms shall apply. Where the parties have not specified a particular Incoterm as applicable, the most suitable Incoterm will apply to the contract, provided always that no Incoterm shall apply which would be inconsistent with the express terms agreed by the parties.

The term “day” when used in these Rules shall, unless stated otherwise, mean calendar day.

The term “vessel” or “ship” when used in these Rules shall include a barge, provided the barge is the primary mode of transport.

The term “primary mode of transport” when used in these Rules shall be used to distinguish such mode of transport from a mode of transporting the sugar to the sea-going vessel.

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NOTICES

425. Any notice to be served by the Seller or the Buyer under these Rules shall be delivered by courier to the usual or last known address or place of business of the relevant party or transmitted by electronic mail to the last known email address for the relevant party.

ARBITRATION

426. 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 Rules of the Association in force at the time the contract was made shall apply to any reference to arbitration.

RULES 427-500 NOT YET IN USE

Section 7: 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 501 to 517 shall apply where:

(a) The amount of the claim or counterclaim (if any) exceeds two hundred and fifty thousand US Dollars (US\$250,000) 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\$250,000 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 518 to 532 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\$250,000.

RULES

501. 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.

502. Any party wishing to commence an arbitration concerning a dispute falling within Rule 501 shall give to the other party seven clear days' notice of its intention to claim arbitration.

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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/her absolute discretion allow, forward to the Secretary the following:

- (a) a clear and concise statement of its 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, it thinks proper;
- (d) the names, addresses and email addresses of the parties to the arbitration;
- (e) a non-returnable registration fee (see Rule 503);
- (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 503).

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, 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 been submitted to arbitration in accordance with such agreement. The Respondent shall, not later than thirty days after dispatch to its 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 their absolute discretion allow, submit in duplicate to the Secretary a clear and concise statement of its defence, together with a copy of such other documentary evidence in duplicate as it 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 their 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 their absolute discretion decide that the Council should proceed to make its award.

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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.

503. 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/she 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.

504. Any notice, document or other correspondence to be served on any party in connection with an arbitration under these Rules shall be delivered by courier to the usual or last known address or place of business of the relevant party.

505. 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.

506. (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 506 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.

507. 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

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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 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.

508. 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.

509. 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/she 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 their 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/she 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 their 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 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.

510. 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,

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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 its opponent failing to appear after notice has been given to it by the Secretary.

The Council or Secretary may also, on its or their 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 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.

511. If a party wishes to withdraw a claim or counterclaim, it 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

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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.

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

513. 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.

514. 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 516, if any party neglects or refuses to abide by any such order.

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

516. 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 514, 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 shall remain

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privity 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.

517. 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.

SHORT FORM ARBITRATION PROCEDURE

518. 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\$250,000 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\$250,000 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\$250,000.

519. Where a Rule contained within the Short Form Arbitration Procedure Rule is at variance with Rules 501 to 517 above such Short Form Arbitration Rule shall prevail.

520. 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.

521. Any party wishing to commence an arbitration concerning a dispute falling within Rule 518 above must give to the other party written notice of its intention to claim arbitration.

522. At the expiry of seven days 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 521 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.

523. 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 their 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 its 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 it thinks proper;
- (e) the names, addresses and email addresses of the parties to the arbitration;
- (f) a non-returnable registration fee (see Rule 503);
- (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 503).

524. 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.

525. The Respondent must, not later than fourteen days after dispatch to its 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 their absolute discretion allow, submit in duplicate to the Secretary a clear and concise statement of its defence and counterclaim, if applicable, together with a copy of all documentary evidence, in duplicate, as it 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.

526. In the event of a counterclaim, the Claimant will be permitted a period of fourteen days, or such extended time as the Council or Secretary shall in its or their absolute discretion allow within which to submit a defence to such counterclaim.

527. 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 their absolute discretion allow; and
- (b) The Council will proceed to make its award.

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

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

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

531. 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.

532. 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.

533. 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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