



ASSOCIAZIONE GRANARIA MILANO

ITALIAN CONTRACT

N. 16

FOR RICE AND BROKEN RICE F. O. B.

Made in duplicate at _____ on _____

Sold by: _____

to: _____

Through: _____ at all the following conditions either written or printed, to be interpreted, if needed, according to the uses and customs of the Milan market and to the Statute and Rules of the Associazione Granaria of Milan, and, for the negotiations of the official type of rice, also according to the provisions that by law regulate both the denominations and the official types of the national brand for exportation.

Commodity: _____

Quality: sound, loyal, merchantable at time and place of shipment _____

— as per sample _____

— as per type sample (paragraph VII of General conditions) _____

— as per denomination (paragraph VII of General conditions), fair average quality for the crop _____

— as per official type of the national brand for exportation _____

Sampling: at shipment, or _____

Quantity: tons _____ (5 % tolerance more or less) _____

Price: _____ (per 100 kilos gross weight, inclusive of bags)

Place of shipment: under hoisted tackle for loading on ship or lighter docked alongside the quay;

or _____

Time of shipment: _____

Receipt: quality and weight at shipment, or _____

Weight: unless otherwise expressly agreed, the gross shipping weight shown on the bill of lading is to be considered as final. Each single parcel must have the

uniform weight of 100 kilos gross, or _____

Packing: goods are to be delivered in the usual single new jute and/or hemp and/or jute/hemp bags, or _____
Bags are to be well sewn by rule of art, with at least eight cross-stitches, and when it has been agreed to deliver the goods in double bags, the inner bag must be sewn separately from the outward one. The bags must bear the provided official wordings when the rice is sold according to the official type representing the national brand for exportation, or the wordings made compulsory by law in the other cases.

Payment: by letter of credit _____

or _____

and against presentation to _____ of shipping documents and the relative invoice, and, in the case provided for by paragraph III - 4 th. comma of the General Conditions, solely against invoice and Forwarding Agent's letter of guarantee.

Special conditions: _____

GENERAL CONDITIONS

I - Unless otherwise expressly stipulated, the following conditions are valid and binding for both contracting parties.

II - DELIVERY. — Each delivery to be considered as a separate contract. The deliveries must be effected on request of the buyer within the terms of the contract. The buyer must give a notice of at least 10 days to the seller for getting goods ready and effecting shipment.

III - DESIGNATION OF SHIP AND LOADING OF GOODS. — Buyer must designate for loading normal loading vessels, which may receive goods during working days and hours, as customary at the seaport concerned, under tackle, docked alongside the normal quay.

It is at buyer's option to designate unnormal vessels and to receive goods from unnormal quay and from lighter, and if in any way and for any reason whatever the vessel is unable to receive goods directly from normal quay and tackle, all the consequent greater costs and risks are at buyer's charge. In the latter cases, seller's obligation is limited to the delivery of goods on lighter.

If seller, although timely notified, does not ship the goods in due course of time for loading, it is at buyer's option to proceed to the purchase of goods for seller's account with the right to reimbursement of charges paid, as well as price differences if any.

If the vessel named by buyer is not ready to load in the port of shipment within the fixed time and if the delay is more than 5 days, seller may require buyer to take delivery of goods at all effects and to provide for the total payment against engagement on the part of seller, under Forwarding Agent's guarantee, to provide at his own charges for placing the goods on board as soon as the ship is ready to load.

For seller's account are the export customs duties in force at time of stipulation of contract, the insurance costs up to the moment the goods leave the quay for loading on

V - WEIGHING. — If stipulated, the weighing of goods must be executed at time of shipment, according to usances of the harbour, for seller's account.

VI - EXTRANEIOUS MATTERS — TOLERANCES. — For sales on description, any impurities (extraneous matters) tolerated without allowance must not exceed totally:

— for rice	: 0,15%
— for second heads and half broken	: 0,25%
— for white screenings	: 1,00%
— for rough screenings and green grains	: 3,00%

VII - QUALITY. — Goods sold as per actual sample must be in conformity with the sample on the basis of which the sale has been made perfect.

Goods sold as per sample-type must correspond to the essential characteristics of the stipulated quality.
A difference in quality, not higher than 1% of the value of goods is, however, tolerated without any right to allowance.
Goods sold on specification must correspond to the quality indicated by the denomination.
It is seller's faculty to deliver goods of a better quality than stipulated, provided that they are of same variety and processing.
Goods are not guaranteed to be exempt from imperfections that are not evident under a reasonable examination.

VIII - SAMPLING. — For rice sold according to the official types of the national brand for exportation, sampling is made according to the forms and in the places foreseen by the rules of the proper Authorities and in force at the time of delivery.

In all other cases and on buyer's request, samples must be drawn and sealed in cross examination between the two parties or their representatives at time of shipment of goods, or, in case of delay in loading attributable to buyer, at the place and time of delivery. Sampling must be effected so as to show the bulk of goods delivered.
For each lot three samples are drawn and sealed, of which one is retained by seller and two by buyer or their representatives. If sampling is effected by one of the parties alone owing to absence of the other party, the operating party must send to the counter-party, within 5 days, the sample or samples of his property, together with details of the lot concerned.

Any sealed sample opened by one of the contracting parties otherwise than in the presence of the other party or their representatives duly authorized, is to be considered as destroyed.

IX - OBLIGATION TO TAKE DELIVERY OF THE GOODS — CLAIMS. — Within the limits of the tolerances foreseen in this contract, goods must in any case be taken up by the buyer.

Any claim for difference in quality must be notified to seller within 5 days from the effected shipment of goods or from the accomplished drawing of samples.

X - ALLOWANCES FOR DIFFERENCE IN QUALITY. — In case of any disagreement that should arise between the two parties, both by direct understanding and broker's intervention, about any allowance to be granted by seller to buyer owing to ascertained differences in quality, the said allowances will be fixed by friendly arbitration through the Associazione Granaria di Milan, in conformity with paragraph XIII, on the basis of ascertained differences made and of sealed samples drawn in cross-examination between the parties as fixed under paragraph VIII.

XI - CAUSES OF «FORCE MAJEURE». — If through riots, blockade, war, ban on exportation, sedition, strikes, lock-outs and other ascertained causes of «force majeure», the shipment should not be possible, seller must immediately notify to buyer by telegram or registered letter the unexpected impediment, producing a Certificate by an official Authority of the Country of port of shipment of the goods stating the existence of the unlooked for cause of «force majeure»; in this case shipment should be extended for as many days as those elapsed from the outbreak of the impediment; if such impediment should protract beyond 28 days, the contract is considered as resiliated without any indemnification of damages between the two parties.

If the cause of «force majeure» is constituted by default of means of transportation or seaport services of the exporting Country, the seller must place at disposal of the buyer, on explicit request of the latter, the goods sold at the place of forwarding or at the place where it is, after computation of balance of normal transport and on board loading charges.

In this case the placing at disposal of goods is equivalent to its delivery and seller has the right to invoice goods to buyer and request its payment.

XII - UNFULFILMENT. — In case of a total or partial rescission of the contract owing to unfulfilment by one of the contracting parties, the damage is determined on the basis of prices ruling on the place of Milan on the market assemblies of the week subsequent to the date of unfulfilment.

The contracting party who is declared bankrupt or in a state of moratorium or who calls the meeting of creditors to obtain a friendly or judicial agreement or who, in any way, evidently notoriously insolvent, will be considered a defaulter.

XIII - ARBITRATION. — All disputes arising over the fulfilment or the interpretation of this contract, have to be obligatorily deferred to the decision of friendly arbitrators, who give their decision «ex bono et aequo», without any legal formality, in conformity with the Regulations for Arbitration of the Associazione Granaria di Milan.

Arbitration must be applied for by registered letter or telegram which the interested party will address to the opposite party:

a) within the subsequent ten days following the date of claim for difference and/or condition of the goods;

b) within six months from contract term of delivery or from date when the dispute arose in all other cases.

Once the above terms have elapsed, the arbitrators will decide whether the arbitration by merit is still pursuable, provided the delay in making the request is justified.

Whenever one of the contracting parties should refuse to adhere to such form of friendly settlement, the party concerned is entitled to apply to the Associazione Granaria di Milan for an official arbitration in conformity with the Regulations for Arbitration of the said Associazione.

XIV - SUPPLEMENTARY CONDITIONS. — No legal action can be started by either one or the other contracting party, unless such action is required to enforce payment of invoices and to make the arbitration award executory.

Seller and buyer declare to accept henceforth the sole competency of the Judicial Authorities of Milan.

Any addition or alteration made to this contract by one of the parties without the express consent of the other party is of no value.

The general conditions of this contract have been stipulated amongst the categories concerned and with the assistance of a proper parithetic Committee; the type contract so approved has been deposited with the Chamber of Commerce of Milan.

The undersigned contracting parties approve all the conditions and clauses, whether written or printed, contained in this contract and in particular those relating to paragraphs:

VI (TOLERANCES), XIII (ARBITRATION), XIV (COMPETENCY OF JUDICIAL AUTHORITIES).

BUYER

AGENT

SELLER

Stamp