

# COPENHAGEN CONTRACT

## Confederation of Danish Enterprise

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**GRAIN  
FOB**

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Transactions in Grain "free on board"

In force from 1. of june 2021

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Contract No. : Date:

Seller :

Buyer :

Agent/Broker :

Quantity and  
goods :

Quality :

Price :

To take/  
deliver :

Delivery period :

Payment :

Commission :

Special  
terms :

**Arbitration:** The Copenhagen Adjudication and Arbitration Committee for the Grain and Feedstuff Trade, Børsen, DK-1217 Copenhagen K., (hereinafter called "the Arbitration Committee") see Clause 18. The Seller and the Buyer shall otherwise be bound by the General Rules hereinafter mentioned which are to be regarded as an integral part of this contract unless restricted or cancelled by additions or special terms.

Seller

Agent/Broker

Buyer

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**GENERAL RULES**

- a) In this Contract, business days shall be understood as Danish business days, except Saturdays and December 24 and 31. Days shall be understood as calendar days.
- b) Notices received on a non-business day or after 4 p.m. on a business day shall be deemed to have been received on the following business day.
- c) Where this Contract indicates time limits in terms of business days/days, the day on which the Contract is concluded and the day on which notices and the like are received shall not be included for the purpose of calculating time limits, unless otherwise specifically stated.
- d) Commission shall be paid by the Seller, even when the Contract is not performed.
- e) In case of discrepancy the Danish version shall be binding.

**1 QUANTITY**

- a) The Buyer is entitled to demand delivery of up to 5% more or less than the contract quantity. If delivery is effected in several lots, the said margin shall only apply to the last lot. If the quantity is indicated by two figures, e.g. 400/500 tonnes, the Buyer has the option to choose any quantity within the stipulated limits.
- b) Any quantity delivered in excess of or less than the contract quantity or the mean quantity shall be settled pro et contra at the market price prevailing on the delivery date.
- c) If the lot has not been taken/delivered within the agreed term of delivery, the contract quantity or the mean quantity, respectively, shall apply.
- d) If, according to the contract, the quantity may be taken in several lots, each lot shall be considered a separate contract.

**2 SALE BY SAMPLE - OMITTED****3 TAKING/EFFECTING DELIVERY**

- a) When sold on 'free on board' terms, the goods shall be delivered in bulk, trimmed in a safe port. By a safe port is meant a place of shipment where a loaded ship is able to lie afloat and put out safely to sea, provided the vessel is not more than 10% larger than the contract quantity.
- b) Instead of having the goods delivered free on board, the Buyer shall be entitled to demand delivery of the goods, in whole or in part, on shore within the confines of the loading place, against payment according to contract and against reimbursement of any expenses saved by the Shipper through this mode of delivery or against defraying any increased expenses. An agreed advance notice shall also apply to goods of which delivery is taken on shore.
- c) Where shipment in the first or second half of the month is stipulated, in months of 30 days, the 15th and 16th day shall be the last and the first day of the period, respectively. In months of 31 days, the 16th day shall be the last and the first day, respectively, and in February, the 15th day shall always be the last and the first day, respectively.
- d) Immediate delivery shall be understood as delivery within 3 business days, and prompt delivery as delivery within 10 business days.
- e) The Buyer can stipulate variety 15 days at the earliest before the commencement of the term. A variety once specified may be changed only as agreed between the Buyer and the Seller. The Buyer can stipulate designation of port of loading five business days at the earliest before the commencement of the term. The Seller shall state variety and/or name of the port of loading within two business days after the demand has been made. In the event that the Seller does not state variety and/or the name of the port of loading in due time, the Buyer shall be entitled to rely on Clause 17, after demonstrably having pressed the Seller once after the expiry of the stated time limit, provided that the name of the port of loading is not stated by noon on the subsequent business day. The Seller shall be entitled to state variety and the name of the port of loading at any time. In the event that the contract period exceeds one calendar month, the name of the port of loading stated by the Seller shall only be applicable for the first calendar month, unless the Buyer has given nomination/advance notice for taking delivery in the first calendar month and/or over the turn of first and the subsequent calendar month. Where this is not the case, the Seller shall not be bound to use any previously stated port of loading, and, accordingly, the Buyer shall once more request the name of the port of loading. The Seller shall effect delivery as and when demanded by the Buyer within the agreed term of delivery, cf. however Clause 18, e, 3.
- f) In the event that the contract stipulates an advance notice proposing a vessel, such advance notice shall state a named/unnamed vessel and/or a substitute therefore, loading position and estimated tonnage required.
- g) In the event of delivery to a vessel and weather permitting the Buyer shall be entitled to demand loading to be effected within ordinary working hours as customary at the port of loading concerned. A vessel can only tender notice of readiness for loading on business days. In the event that the vessel tenders notice of readiness for loading before noon, the laytime shall commence 2 p.m. on the same business day. If the vessel tenders notice of readiness for loading after 12.00 hours - however given during office hours - laytime shall commence at 7 a.m. on the next business day. Time actually used before commencement of laytime shall count. The time from Friday at 5 p.m. - and 5 p.m. on a business day preceding a holiday - until Monday at 7 a.m. - or 7 a.m. on the following business day is to be excepted, unless used, in which event time actually used shall count, or if the agreed loading time has

expired. The Buyer is entitled to demand loading to be effected on overtime, provided that this is possible, against payment of the extra charges involved.

- h) If, during the voyage to the place of loading, the vessel suffers average or is lost, the term shall be extended to a maximum of 30 days on condition that the Buyer pays the approximate amount (which is to be finally settled on delivery) on the last business day within the agreed term of delivery, and after the expiry of the contracted term pays 1% on the contract price for each commenced 15 days in settlement of storage charges, including warehouse rent, fire insurance, charges for maintaining the goods in good condition and loss in weight.

**4 METRIC WEIGHT**

The Seller shall furnish an inspection report by an accredited entity, if DK and shall pay the expenses incidental to the weighing. In case of loading in other countries, the Seller shall furnish accredited/recognised weight document and shall pay the expenses incidental to the weighing.

**5 WARRANTY REGARDING QUALITY, CONDITION AND ANALYSIS**

- a) The Seller shall supply good and sound goods, and warrants the quality and condition of the goods supplied, and shall furnish the agreed analysis warranties upon loading.
- b) If the Buyer accepts goods without samples sealed (with wax or lead), the goods shall be deemed to have been accepted without complaint.
- c) In the event that the Buyer wishes to make use of his right to reject the goods under Clause 14 b and Clause 18 e 2, the goods may not have left the port of loading.

**6 SUPERINTENDENCE, SAMPLING AND FORWARDING OF SAMPLES AND ANALYSIS CERTIFICATES**

- a) At the Buyer's request, the parties or their representatives will jointly draw samples, as exactly as possible, such samples to be sealed (with wax or lead) and submitted for analysis and assessment by the Arbitration Committee (arbitration).
- b) For the purpose of analysis and arbitration, the following samples shall be sealed (with wax or lead) and numbered (sample size approx. 1 kg):
  - Two samples to be analysed for moisture and screening.
  - Two samples to be analysed for all other warranties.
  - Two samples for use by the Arbitration Committee (to be marked: arbitration sample).
 Regarding samples to be examined for natural weight, see Clause 12.
- c) The samples are to be drawn in step with the goods being delivered. However, in the case of loading into a ship's hold, where grain has already been loaded in bulk without separation, the Buyer shall be entitled to inspect the goods on shore, and in case of dispute at this stage he may demand that samples be sealed for arbitration. The Buyer shall pay the expenses incidental to inspection and sealing of the samples.
- d) The samples shall be filled into clean, odourless, tight bags of linen or similar material. However, samples drawn for testing of moisture and screening shall be filled into clean, air-tight bottles, plastic bags or other suitable containers. All samples shall be sealed by the parties jointly.
- e) In the event that the Seller is not represented, or his representative refuses to draw samples or to ascertain the natural weight, or in case of disagreement between the Buyer and the representative on the sampling or the ascertaining of the weight, two independent experts appointed by the Danish Chamber of Commerce shall do so.
- f) With respect to lots weighing between 500 and 2,000 tonnes, sealed samples shall be taken of each half of the approximate quantity if either party so demands. With respect to lots weighing more than 2,000 tonnes, samples shall be sealed for each commenced 1,000 tonnes if so demanded by either party. The weighted average of the analyses shall form the basis or the final settlement.
- g) The samples drawn shall be forwarded/delivered direct to Handelsstandens Inspektør Kontor (HIK), Danneskiold-Samsøes Allé 9, DK-1434 København K., for storage for use in connection with any first analysis, second analysis, and for use by the Arbitration Committee. However, the first set of samples for analysis can be forwarded/delivered direct to the laboratory. In the event or reported arbitrage concerning condition/quality the first arbitrage sample/the first set of arbitrage samples can be forwarded/delivered direct to the Arbitration Committee against receipt.
- h) Samples shall be forwarded/delivered not later than the first business day after the samples have been sealed. In case of samples forwarded/delivered from abroad, the samples shall be delivered not later than two business days after they have been sealed.
- i) A request for analysis for moisture, screening and/or germinative energy/germinative capacity shall be forwarded/delivered within the time limit set out in Clause 6 h. For all other warranties, testing shall be requested within seven business days after the samples have been sealed.
- j) The original analysis certificate shall be passed on to the other party not later than five business days after receipt.
- k) Not later than 5 business days after receipt of the original analysis certificate(s) for the shipment concerned, both the Buyer and the Seller shall be entitled to request a second analysis to be made of sample No. 2. At the same time, the other party shall be duly notified hereof. 2. The second analysis can be requested before the result of the first analysis is available. The average of the first and second analyses shall form the basis for the final settlement. With respect to lots from which more than one sample for analysis has been sealed any second analysis shall be

made of all partial samples, and the weighted average of all samples shall form the basis for the final settlement.

**7 INSURANCE**

At the Seller's request, the Buyer shall furnish him with a statement issued by a recognised insurance company confirming that insurance has been duly effected before delivery of unpaid goods is commenced.

**8 ICE CLAUSE**

In the event of the loading port being inaccessible by reason of ice within the term of delivery, and the Buyer invokes this hindrance, the period shall be extended by up to 14 days after the first open water. The contract price shall be increased by the customary half-monthly carrying charge.

**9 STRING**

- a) This provision applies where three or more Sellers/Buyers are involved and the description of goods, warranties, places of analysis and the term coincide, or where the parties agree on terms that may differ in relation to the initial Seller and the end-Buyer to the effect that the parties are prepared to settle any price differential with their direct contracting party.
- b) 1. In the event that it is ascertained that goods covered by Clause 9(a) are referred to in a given contract or part of a contract, a formal string can be established, and, accordingly, the contract can be performed pursuant to this Contract directly between the initial Seller and the end-Buyer.  
2. A string will be formal for the parties who have accepted it and the terms governing it, apart from such cases where Clause 16 is relied upon.  
3. All parties making up the formal string shall agree on the settlement of any price differential, and payment shall be effected within 10 days after receipt of invoice.
- c) In the event that a formal string cannot be established, the time limits set out in this Contract with respect to matters relating to analysis and arbitration will be deemed to have been kept if the parties have forthwith passed on notices served on them with respect to these matters.

**10 CIRCLE**

- a. In the event that a Seller repurchases goods from his Buyer or from any subsequent buyer of the same goods or part thereof, a circle shall be deemed to exist, and the provisions of Clause 17 will lapse.
- b. All parties involved shall contribute to ascertaining the circle, and when its existence has been ascertained, it shall be binding on all parties.
- c. In the event that the goods have not been delivered, settlement shall be effected between each buyer and his seller on the basis of the contracted quantity or mean quantity, respectively, by payment of the amount by which the Seller's invoice amount exceeds the lowest invoice amount within the circle.
- d. In the event that delivery has been effected, but the documents have not yet been presented, settlement shall be effected on the basis of the weight supplied, and in other respects according to Clause 10 c.
- e. Payment shall be effected not later than 10 days after the expiry of the term, or - should the circle not be ascertained before the expiry of the term - not later than 10 days after the circle is ascertained.
- f. In the event that the provisions on suspension of payments, etc. laid down in Clause 16 are relied upon within the aforesaid term of payment, settlement shall be made pro et contra between the parties on the basis of the difference between the contract prices and the market price prevailing on the date for suspension of payments, etc. In the event that the parties cannot agree on the market price as aforesaid, such price shall be determined by the Arbitration Committee.

**11 PAYMENT/BILLS OF LADING**

- a. Payment shall be effected not later than on the day following the presentation of a complete set of bills of lading, inspection report and invoice. Where the day(s) after the presentation is(are) bank holiday(s), the term shall be extended to the following day. In the event that payment is delayed without sufficient cause, the Buyer shall compensate the Seller for any loss sustained thereby.
  - b. The Buyer shall be entitled to make instructions concerning details of issue of bill(s) of lading, provided that this does not present any expenses for the Seller.
- Moreover, the Buyer shall be entitled to make his own dispositions of the bill(s) of lading or to issue and thereby on his own dispose of this/these. In both of these cases, he shall at the request of the Seller provide satisfactory security for payment of the invoice amount against inspection report.

**12 NATURAL WEIGHT**

- a) Where the parties fail to agree on the natural weight, the parties or their representatives shall jointly draw average samples (each weighing approx. 2 kg) upon delivery and seal (with wax or lead) such samples in plastic bags or the like, cf. Clause 6 (a) and (c-j).  
For transactions based on natural weight by hectolitre, the natural weight shall be ascertained by a recognised Danish laboratory.
- b) Where the natural weight is indicated by two figures, e.g. 69/70 kilos per hectolitre, and the ascertained weight is below the lower figure, the mean figure shall form the basis for settlement.
- c) The Seller shall compensate the Buyer for any deficiency in the warranted natural weight (fractions in proportion) based on the contract price according to the following scale:  
The deficiency being  
up to 2 kg ..... allowance 0.75% for each kilo deficient

over 2 kg, but not more than 3 kg, ....allowance 1.00% for each kilo deficient

Any deficiency exceeding this to be compensated at the discretion of the Arbitration Committee.

**13 PLACES OF ANALYSIS AND ANALYSIS ALLOWANCES**

- a) Places of analysis:  
Purity:  
  - Malting barley: Scandinavian Brewery Laboratory, Ladelundvej 85, DK-6600 Vejen
  - Other grain: Recognised Danish laboratory.
Germinative energy:  
  - Malting barley: Scandinavian Brewery Laboratory ApS Aubry according to the MEBAK method (5 days and nights).
Germinative capacity:  
  - Malting barley: Scandinavian Brewery Laboratory according to EBC-Analytica.
Moisture:  
  - Malting barley: 1. Second analysis: Scandinavian Brewery Laboratory according to EBC-Analytica.  
2. Second analysis: Scandinavian Brewery Laboratory or other recognised Danish laboratory analysing according to EBC-Analytica.
  - Other grain: Recognised Danish laboratory according to the EU-method.
Screening:  
  - Malting barley: Scandinavian Brewery Laboratory according to the MEBAK method.
Protein:  
  - Malting barley: Scandinavian Brewery Laboratory according to EBC-Analytica.
  - Other grain: Recognised Danish laboratory.
Purity of variety / Winter barley content:  
  - Malting barley: To be commissioned from Scandinavian Brewery Laboratory. The result of any second analysis will form the basis for the final settlement. Both analyses to be performed on the first set of samples.
Other analyses: Recognised Danish laboratory.
- b) Analysing for the germination energy of malting barley not to be effected prior to November 15. Based on dormancy, the Arbitration Committee can determine a later date for assessing germination energy for the crop year in question.
- c) The expenses connected with storing the samples and analysing them shall be borne by the party requesting the analysis. However, the Seller shall pay all expenses connected with results of analyses entitling the Buyer to an allowance.
- d) Analysis allowances:  
In the event of deviations from the warranties given in the contract, the Seller shall grant the Buyer an allowance based on the contract price (fractions in proportion) on the following scale, and above that as determined by the Arbitration Committee:  
  - 1. Purity: .....For each 1% deficiency 1% allowance.
  - 2a. Germinative energy in malting barley: The deficiency in the warranted germinative energy amounts to  
up to 1 % .....0.50 % allowance for each 1 %  
over 1 %, but not more than 2 % .0.75 % allowance for each 1 %  
over 2 %: Reference is made to Clause 14 (b).
  - 2b. Germinative capacity in malting barley/other grain: The deficiency in the warranted germinative capacity amounts to  
up to 1 % .....0.50 % allowance for each 1 %  
over 1 %, but not more than 2 % 0.75 % allowance for each 1 %  
over 2 %, but not more than 3 % 1.00 % allowance for each 1 %  
over 3 %, but not more than 4 % 1.10 % allowance for each 1 %  
over 4 %, but not more than 5 % 1.20 % allowance for each 1 %  
over 5 %: Reference is made to Clause 14 (b).
  - 3. Moisture: For any excess in the warranted moisture content  
up to 1 % .....2.00 % allowance for each 1 %  
over 1 %, but not more than 2 % 2.50 % allowance for each 1 %  
over 2 %: Reference is made to Clause 14 (b).
  - 4. Screening: For 1st, 2nd and 4th sorting in malting barley, the following applies:  
For any shortage in the 1st and 2nd sorting  
(not passing through 2.5 mm screen):0.25 % allowance for each  
1%  
For any excess in the 4th sorting  
(passing through 2.2 mm screen):0.25 % allowance for each 1%  
Where the shortage in the 1st and 2nd sorting and/or the excess in the 4th sorting exceed 5%, reference is made to Clause 14 b.
  - 5. Protein in dry matter (N x 6.25): If the excess amount in malting barley constitutes  
up to 1 % .....1.00% allowance for each 1%  
over 1%, but not more than 1.5% .1.35% allowance for each 1%  
over 1.5%: Reference is made to Clause 14 (b).
  - 6. Purity of variety: If delivery of a specific variety of malting barley has been agreed upon, the Seller is obliged to supply a malting barley containing 92 % of this variety. If this limit is not complied with, a 20 % allowance is payable for each 1 % down to 87 %, on the price difference on the day of loading between the malting

barley of the same origin and of the agreed variety. For purities of less than 87 %, reference is made to Clause 14 (b).

7. Content of winter barley in malting barley: The Seller is obliged to supply goods containing 96 % spring barley. If the content of spring barley amounts to less than 96 %, but not less than 93 %: 0.50 % allowance for each 1 % less than 93 %, but not less than 92 %: 0.60 % allowance for each 1 % under 92 %: Reference is made to Clause 14 (b).

#### 14 MAXIMUM/MINIMUM WARRANTIES AND REJECTION

- a) In the event that the words maximum and/or minimum are used in connection with a warranty, the rights set out in Clause 14 (b) shall accrue to the Buyer if the warranty is not complied with.
- b) The Buyer has the option to reject the goods, or to accept the goods with the allowance fixed by the Arbitration Committee. The option taken by the Buyer shall be notified forthwith to the Seller.
- c) Where the Buyer exercises his right to reject goods, the Seller shall be entitled to a second delivery, cf. Clause 18 e 3.

#### 15 PREVENTION FROM TAKING/EFFECTING DELIVERY

- a) In the event of due delivery being prevented at the place of loading owing to strike or lockout, the Seller shall forthwith advise the Buyer, and the delivery period shall be extended by the same period of time for which the strike or lockout has been ongoing, however not more than 30 days (the number of days for which the strike or lockout has lasted before the beginning of the term of delivery shall not be included). Should the delay exceed 30 days, and if the extension has expired in the meantime, the Contract shall be cancelled for the quantity in question.
- b) In the event that war, prohibition or blockade should prevent the Buyer/Seller from taking/effecting delivery, this Contract or any unperformed part thereof shall be cancelled.
- c) In the event that goods in storage and appropriated for delivery are lost in a fire or by natural disaster before they should have been taken/delivered according to contract, the Seller - on giving notice forthwith to the Buyer - shall be exempted from delivering the goods against compensating the Buyer for any price differential, which shall be settled according to the market price for similar goods, on the same terms and conditions, ruling on the day on which the news of the loss is received.

#### 16 BANKRUPTCY AND RECONSTRUCTION, ETC.

- a) In the event that one of the contracting parties is declared bankrupt or taken under reconstruction, the other party shall - immediately after having learned hereof - request the other party to furnish adequate security for contract performance, and - if such security is not furnished within two business days - he has the option either of effecting the necessary purchase of goods in replacement/compulsory sale according to Clause 17 c, such purchase/sale however only to be effected on the first business day after the expiry of the aforesaid time-limit, or having the value of the goods assessed by the Arbitration Committee, after which the resulting price differential shall be settled pro et contra.
- b) The same provision shall apply, where after the performance of the transaction the party in question - in connection with the levying of execution - is found to lack the funds necessary to pay his debts, or if his financial circumstances in other respects have turned out to be so that the party in question must be assumed to be unable to perform the contract.

#### 17 NON-PERFORMANCE

In the event of non-performance, the non-defaulting party has the option of

- a) considering the contract as cancelled; or
- b) letting the Arbitration Committee determine the value of the goods, cf. Clause 18; or
- c) 1. purchasing goods in replacement/effecting compulsory sale and claiming that the defaulting party pay any price differential as well as any justified costs.
2. The defaulting party shall be notified forthwith of any purchase of goods in replacement/compulsory sale.
3. Purchase of goods in replacement/compulsory sale shall be effected through a recognised agent/broker not later than two business days after the defaulting party has received due notification, and on precisely the same terms and conditions as are stipulated in the original contract with the exception of the term for effecting/taking delivery in following events: In the case of purchase of goods in replacement/compulsory sale made within the time limit, the term for effecting/taking delivery shall include the remainder of the term stipulated in the original contract, however not less than 5 business days. In the case of purchase of goods in replacement/compulsory sale after the end of the term, the term for effecting/taking delivery shall constitute 5 business days.
- d) In the event that purchase of goods in replacement/compulsory sale cannot be effected within the time limit referred to in Clause 17 c 3, the option referred to in Clause 17 b can still be exercised.

#### 18 ARBITRATION

- a) Any dispute arising out of or in connection with the transaction hereunder and this Contract shall always be finally settled by the Arbitration Committee in keeping with its rules in force from time to time, a copy of which is available from the Danish Chamber of Commerce.

In the event of failure to honour the award of the Arbitration Committee, the Arbitration Committee shall be entitled to placard the award. If the case is dismissed, should the President and Vice-presidents of the Arbitration Committee find that the dispute is not suitable for hearing by the Committee; the parties are at liberty to bring the matter before the courts.

- b) Notice of arbitration to the opposing party:  
The opposing party shall be notified of arbitration by forwarding or delivery of letter, by fax or email within the following time limits:
1. With respect to condition: Not later than the day on which the Statement of Claim is submitted to the Arbitration Committee, cf. Clause 18 c 1.
  2. With respect to quality: Not later than the day on which the Statement of Claim is submitted to the Arbitration Committee, cf. Clause 18(c)(2).
  3. In all other cases: Not later than 56 days after the date of delivery or

the expiry of the term of delivery or receiving declaration of non-performance, respectively; however, notice of arbitration can always be given in cases relating to analyses within 21 days of the date of issue of the last analysis certificate.

- c) Submission of Statement of Claim to the Arbitration Committee:  
The complaint, which must always be signed, and related exhibits may be submitted by hand, by ordinary mail or be sent by fax/e-mail provided the original complaint is simultaneously delivered by hand or by ordinary mail. The Committee may request submission of original documents copies of which may have been used as exhibits. The complaint must be followed by:
- a) Documentation for the agreement concerning hearing before the Committee, (contract, agreement or other basis of agreement).
  - b) Other contract bases relied upon.
  - c) A selling sample in so far as it is referred to at the conclusion of the deal and is necessary for the assessment.
  - d) Any other required documents and samples taken in the prescribed manner.

The complaint must contain the full names and addresses of the parties, one or more precisely formulated claims or assertions about which the Committee's award is requested, a presentation of the factual and legal circumstances upon which the claims or assertions rely, including a precise presentation of any asserted defects and a statement of the documents and other evidence relied upon by the plaintiff.

The letter of arbitration must be forwarded/delivered to the Arbitration Committee within the following time limits:

1. With respect to condition: Not later than the first business day after the samples have been forwarded/delivered.
  2. With respect to quality: Not later than 21 days after the samples have been forwarded/delivered.
  3. In all other cases: Not later than 28 days after the opposing party has been notified of arbitration proceedings.
- d) In exceptional cases, the President and Vice-presidents of the Arbitration Committee may disregard the time limits set out in Clause 18(b) and (c).
- e) Award:
1. If the Arbitration Committee declares that the goods are deficient in terms of quality or condition - not including deficiencies in natural weight and analysis - and where such deficiencies do not exceed in aggregate 3% of the contract price - the Buyer shall accept the goods with the allowance fixed by the Arbitration Committee.
  2. If, on the other hand, the Arbitration Committee declares that the goods are not sound or are deficient in terms of quality and/or condition - not including deficiencies of natural weight and analysis - and where such deficiencies do not exceed in aggregate 3% of the contract price - the Buyer has the option of accepting the goods with the allowance fixed by the Arbitration Committee or rejecting the goods. The option taken by the Buyer shall be notified forthwith to the Seller.
  3. If the goods are rejected, the Seller shall however be entitled to a second delivery within 3 business days, even though the term of delivery is exceeded thereby, against payment of the expenses incurred in consequence of the non-contractual delivery pro-rated according to the size of the lot, and to grant the Buyer a 0.25% allowance on the contract price for each day beyond the term of delivery. If the Seller does not wish to apply his right of a second delivery, the Seller shall notify the Buyer accordingly not later than the first business day after the Buyer's rejection of the goods. If the Seller does not effect any second delivery, or if the second delivery is also rejected, the Buyer may invoke his rights under Clause 17.

- f) Appeal:  
With the exception of awards regarding the condition of the goods, an appeal from the Committee's awards lies with the Court of Appeal. Information about appeal is made by letter forwarded or delivered by hand, by fax or email to the Arbitration Committee. Such information shall be received by the Arbitration Committee not later than 21 days after the award by the Arbitration Committee has been sent by registered mail to the person concerned. Following this, the secretariat of the Arbitration Committee informs the appellant of a suitable deadline for submission of the letter of appeal.

The signed letter of appeal and related exhibits may be delivered by hand, by ordinary mail or be sent by fax/e-mail provided the original letter of appeal is simultaneously delivered by hand or by ordinary mail. Material already presented during the 1<sup>st</sup> instance need not be forwarded again as it is already available to the appeals committee. The letter of appeal must be received by the Committee prior to the deadline

fixed by the secretariat. If the request for appeal is lodged by one of the parties only, the Committee shall, without delay, notify the other party of the appeal. When requisitioned by either party, the Court of Appeal shall decide whether the conditions prescribed for appeal exist and whether the appeal was properly lodged in due time. If the Court of Appeal decides that the appeal cannot take place or that it has not been properly lodged in due time, the award appealed against shall remain in force.