

The International Cotton Association Limited

International Shipment Contract Form 1

Cost Insurance and Freight (CIF), Cost and Freight (CFR),

Free on Board (FOB) and other similar terms

This form is intended for use by Members' Registered Firms, Associate Members, Registered Rule Book Holders and other Registered Firms.



From _____ **To** _____

Dear Sirs,

Contract Number _____ Date _____

Agent _____

1 Growth And Quality

See Condition 1

2 Micronaire

See Condition 2

Minimum

Maximum

Control limit

psi 0 gauge Pressley

3 Strength

See Condition 2

Minimum

grams/tex¹/₈ gauge HVI

Control limit

calibrated with HVI calibration cotton

(please tick one box)

4 Quantity

See Condition 3

Average weight of each bale

Variation allowed

%

5 Price and terms

6 Weight basis

7 Payment

8 Shipment

See Condition 4

9 Freight

The current rate is

If it is different at the time of shipment,

10 Export duty or subsidy

of

% is included in the price. If it is different at the time of shipment,

11 Insurance

Insurance will be arranged in line with condition

5a

5b

5c

5d

on the other side of this form.
(please tick one box)

12 War risk

The current rate is

%

If it is different at the time of shipment,

13 Special clauses

Continued over the page

14 General

- This contract incorporates the bylaws and rules of the International Cotton Association Limited as they were when the contract was agreed.
- The conditions below are an integral part of this contract.
- This contract cannot be changed unless we agree in writing.
- This contract cannot be cancelled for any reason.

15 Arbitration agreement

- **All disputes** relating to this contract will be resolved through arbitration in accordance with the bylaws of the International Cotton Association Limited. This agreement incorporates the bylaws which set out the Association's arbitration procedure.
Note: If we agree, the words 'All disputes' can be changed to read 'Quality disputes' or 'Technical disputes'. But if nothing else is agreed, the words 'All disputes' will apply.
- You must not take legal action against us over a dispute suitable for arbitration, other than to obtain security for any claim, unless you have first obtained an arbitration award from the International Cotton Association Limited and exhausted all means of appeal allowed by the Association's bylaws. This also applies to us.

Our signature

Your signature

Contract Conditions

- 1 Growth and quality** All cotton provided must be of even running quality. (ICA Rule 229)
- 2 Micronaire and Strength**
Unless we agree otherwise, any dispute about micronaire will be settled under ICA Bylaws 339 and 340, and any dispute about strength will be settled under ICA Bylaws 341 and 342. If we have not agreed percentage allowances or the use of market differences, or a control limit, the percentage allowances or control limit in the bylaws will apply.
- 3 Quantity** Unless we agree otherwise, cotton is to be supplied in high density compressed bales.
- 4 Shipment**
The seller must get any export licence necessary.
The buyer must get any import licence necessary and must tell the seller that he has this licence before the first permitted shipment date.
- 5 Insurance** (ICA Rules 205 - 208)
According to whichever box is ticked in Section 11 of this form:
 - a The seller must take out marine cargo insurance covering risk to the mill or warehouse, war risks insurance, and strikes, riots and civil commotion's insurance for the invoice value plus 10%. The seller must take out this insurance through Lloyd's or another first class insurance company; or
 - b The buyer must take out marine cargo insurance, war risks insurance, and strikes, riots and civil commotion's insurance for the invoice value plus 10%. The buyer must take out this insurance through Lloyd's or another first class insurance company; or
 - c The seller will be responsible for insuring the cotton until it is delivered to the shipping company or its agent; or
 - d The seller will be responsible for insuring the cotton until it is loaded on the ship.In the case of (b) and (d), the seller must tell the buyer the ship's name as soon he knows it.
In the case of (c), the seller must tell the buyer the date of delivery as soon as he knows it.
The buyer is responsible for marine insurance on any amount over the invoice value plus 10%.
- 6 Quality differences and quality arbitration** (ICA arbitration bylaws, especially Part 2)
International Cotton Association official differences will apply unless we agree otherwise. If the quality of the cotton is not as it should be, the seller must pay the buyer an allowance. We will try to agree the amount with you. But if there is no agreement, the dispute must be resolved through quality arbitration under the bylaws of the International Cotton Association Limited.
If quality arbitration is required, samples for arbitration must be taken within 42 days of the date of arrival of the cotton. Arbitration must be commenced in line with ICA Bylaw 319 within 49 days of the date of arrival of the cotton. Samples must be sent off to the place of arbitration within 70 days of the date of arrival of the cotton. (ICA Bylaw 325)
These deadlines can be extended if we agree, or an application can be made to the International Cotton Association for an extension under Bylaw 325. Each lot will be treated separately for arbitration.
- 7 Shipping documents**
The seller must give the buyer a detailed invoice within 14 days of the date of the clean onboard bill of lading or other negotiable document of title.
The required shipping documents are:
 - a full set of clean on-board bills of lading or other document of title. The document must show the buyer's name and address as the consignee. Otherwise, the consignee must be shown as 'To order' and blank endorsed;
 - a minimum of three copies of the invoice signed by the seller which sets out the total weight, the amount of tare and the total weight less tare; and
 - under CIF terms only, a marine cargo, war, and strikes, riots and civil commotion's insurance risk insurance policy or certificate.
- 8 Weight**
Provisionally, the cotton will be invoiced on shipping weights. If net landed weights are stipulated, tare must be allowed for. If net landed weights are stipulated and the net landed weight of the cotton is different, the seller must compensate the buyer or the buyer must compensate the seller, as appropriate.
- 9 Tare**
If the buyer thinks that the seller has not allowed enough for tare in the invoice, the actual tare can be established under Rules 213 and 214. The seller must not use sisal bagging.
- 10 Claims**
Claims under Rule 230 for false packed, mixed packed or plated bales, for unmerchantable cotton and for foreign matter must be made within 6 months of the date of arrival of the cotton. Notice of any claim under Rule 231 for country damage must be given in accordance with Rules 206, 207 and 231. Unless we agree otherwise, all claims (including insurance claims) must be settled in the country the cotton is delivered to. Claims must also be settled in the currency of the contract.
- 11 Damage**
If the cotton arrives country damaged or having damage which appears to have been caused before shipment, we must try to agree on a settlement in accordance with Rule 206 or 207, as appropriate.

*You can buy copies of the International Cotton Association's bylaws and rules from Secretary of the Association at
620 Cotton Exchange Building, Liverpool L3 9LH, England.*