

CONTRACT (F. A. S. Form)

(Adopted by the Netherlands Softwood Association
the Finnish Sawmill Owners' Association and the
Swedish Wood Exporters' Association).

Code Name: "DUTCHFAS" 1970
Copyright

Sold to _____, hereinafter
and in the General Conditions called Buyers, telegraphic or telex address _____
Bought of _____, hereinafter
and in the General Conditions called Sellers, telegraphic or telex address _____
through the agency of _____

the woodgoods of the specification and at the prices set out below subject to the conditions set out below and to the Dutchfas 1970 General Conditions, which are adopted by the above mentioned Associations and known to both parties and herein referred to as the General Conditions.

Shipment To be loaded at _____, called the port of shipment.
and to be ready for shipment on the _____, called the ready-date
Sellers to advise Buyers by telegram or telex of each vessel's arrival and departure.

Drawing data. Drawing date (see clause 12 of General Conditions):

Payment. Payment to be made on receipt of and in exchange for shipping documents by cash less 2½% discount in
within 3 working days (Saturday excluded) of presentation of documents. All amounts expressed in Pound Sterling in the printed text of
the General Conditions to be converted to the contract currency at the closing rate of exchange at the date of the contract.

Price for ends. If more than 2% of ends, 1,8, 2,1 and 2,4 m are delivered in any item of sawn goods and provided no special price for these lengths is
stated in this contract, all the ends in this item shall be invoiced at 2/3rds price. The outfall of ends in respective item to be Sellers' usual.

Notice. 7 working days' notice (Saturday excluded). (See clause 4 of General Conditions)

Licence. Time limit for obtainment of requisite licence (see clause 16 of General Conditions):

Specification
and prices.

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As Sellers

As Buyers

DUTCHFAS 1970 GENERAL CONDITIONS

(Adopted by the Netherlands Softwood Association,
the Finnish Sawmill Owners' Association and the
Swedish Wood Exporters' Association).

- Price basis.** 1 The prices are for } Sawn goods per m³.
Planned goods per m³ (nominal measure).
Lengths, widths and thicknesses are in metric measure.
Lengths to be delivered 1,80 m and up with increments of 0,30 m.
Delivery: all free alongside the vessel.
- Ends.** 2 Sellers undertake to supply sufficient ends 1,8, 2,1 and 2,4 m, in reasonable contract specification for broken stowage only, but not exceeding 5 per cent. of the cargo, unless otherwise agreed. Such ends to be regarded as included in the contract quantity but to be disregarded in the calculation of average lengths. Sellers to have the right to supply up to the said 5 per cent. of ends, whether required for broken stowage or not, but such limitation of 5 per cent. not to apply in the case of slatings, boards 100 millimetres and under, and V1th quality (utskott, schaalboards).
- Seasoning and bracking etc.** 3 The goods are to be properly seasoned for shipment to the Netherlands and shall be of Sellers' usual bracking, average length and fair specification for such description of goods. The goods to be delivered to the vessel properly protected and in accordance with the custom of the port.
The stipulation that the goods are to be properly seasoned for shipment to the Netherlands means, that the goods are to be sufficiently seasoned to withstand a normal voyage to the Netherlands and that the holdcargo can be stored in a normal way, always provided that the goods, after having been brought alongside the oceangoing vessel properly protected, have not been exposed to moisture or other circumstances affecting the condition of the goods during the loading of the vessel, the voyage, the discharge and transport to Buyers' sheds or yards and also provided that the goods are stored in sheds or yards which are fit for an appropriate storage of timber.
Except where otherwise specified packaged goods shall mean goods which have a single length and size in each package provided that Sellers shall have the right to combine lengths where the residue is insufficient for a complete package. Truck bundled goods shall mean goods bundled in mixed lengths of one size, the dimensions of each bundle to be mutually agreed.
All bundled and/or packaged goods shall be adequately and securely bound.
- Chartering etc.** 4 Shiproom to be provided in due time by Buyers with the customary time for loading. Buyers undertake that at least seven working days' notice (Saturday excluded) shall be given to Sellers direct before arrival of any vessel to load, stating vessel's and Charterers' name. Buyers undertake that full loading orders and charter party shall be in Sellers' hands not later than the above-mentioned number of days before the notified due date of vessel's arrival.
If due care has not been exercised by Master in giving notice of the probable date of vessel's arrival, Buyers are responsible for demurrage on lighters or trucks due to non-arrival of the vessel on the date stated in the said notice. In this case Sellers have to give proof of Master's lack of care and their damage resulting therefrom.
Buyers are bound to get inserted in the charter party a clause that Master has to give written orders for the approximate quantity of cargo required.
Buyers shall to the best of their ability assist Sellers when they are claiming damages for Master's misrepresentation in this respect.
- Margin in Sellers' option.** 5 The woodgoods specified in the contract, subject to a variation in Sellers' option of 10 per cent. more or less on any or every item but not exceeding 100 m³ on any one item, and items of 10 to 50 m³ may be varied to the extent of 5 m³ always provided that the total quantity is not varied except under the provisions of clause 6. Such variation in Sellers' option to be applied also to overlying goods. In the event of overshooting of any item of the contract or of the total contract quantity plus the margins allowed as above Buyers shall not be entitled to reject the entire shipment but shall have the option to be exercised without delay of taking up the bills of lading and paying for the whole quantity shipped or of taking up the bills of lading and paying only for the contract quantity plus the margins allowed rejecting the balance. The same conditions shall apply if the excess is not apparent from the bills of lading but is discovered only on arrival of the goods at their ultimate destination. If Buyers elect to take the contract quantity only Sellers shall pay all extra expenses whatsoever incurred by Buyers in consequence of the overshooting. In the event of undershipment of any item of the contract or of the total contract quantity less the margins allowed as above, Buyers are to pay for the quantity shipped, but have the right to claim compensation for such undershipment. In this respect each item of this contract to be considered a separate interest.
- Margin for chartering.** 6 A margin of 10 per cent., more or less, of the total contract quantity but not exceeding 250 m³, is to be allowed to Buyers for convenience of chartering only, but when two or more shipments are made under the same contract such margin shall only apply to the quantity left for the last vessel. Should Buyers under this clause demand an increase of the total contract quantity, Sellers to give such increase in contract items though not more than 25 per cent. increase or 25 m³, whichever may be greater, on any item over 50 m³, or 50 per cent. increase on any item of 50 m³ or under. The margin allowed in this clause does not apply to overlying goods unchartered for and to over-wintering goods.
Where a 'minimum/maximum' quantity is stipulated in the contract chartering shall be on a 'minimum/maximum' basis and this clause shall not apply.
- Ice hindrance.** 7 Sellers are not liable to supply vessel with cargo if the navigation of lighters between Sellers' wharves and/or quays at the port of shipment and vessel is made practically impossible by ice, nor to supply cargo earlier than 48 hours after this hindrance having ceased.
- Insurance.** 8 Marine insurance of cargo and freight advance to be covered by Buyers. Such insurance to attach as and when the goods are loaded into lighters at the port of shipment for shipment after receipt of notice from vessel of her expected arrival or, in the case of goods so loaded prior to the receipt of such notice, when such notice is received, or, if not loaded into lighters, when the goods are delivered alongside the vessel.
In case of insurance against war risk Buyers shall before the goods are put on board, if required in due time by Sellers or their Agents, deposit with Sellers or their Agents a cover note or policy of insurance effected with a first class company covering the goods against such risk. If Buyers for any reason do not cover this risk, they shall, before the goods are put on board, provide sufficient security for payment to be made as stipulated in this contract. The cost for such security up to a maximum of 1 per cent. to be borne by Sellers.
If, however, at any time before the drawing date war insurance conditions in general become such as to virtually prohibit the commercial navigation between Sellers' and Buyers' countries and these conditions prevail until the drawing date, Buyers have the right to cancel this contract for any unpaid goods.
- Freight advance.** 9 Any freight advance for vessel's ordinary disbursements only at port of loading, but not exceeding one third of the total freight, shall be advanced by Sellers if required by Master subject to cost of insurance only. The amount of the advance shall be endorsed upon the bill of lading in the currency at which freight is to be paid at the closing rate of exchange at the port of shipment on the day the advance is taken.
Buyers shall immediately remit to the Sellers the freight advance which Sellers have paid out to Master at his request. This clause is subject to currency regulations in force at the time of shipment.
- Exceptions.** 10 In case the manufacture and/or shipment of any of the goods herein specified be delayed or hindered by floods, droughts, ice, damage to mill and/or timber yard or shipping yard, strike, lock-out or any other cause beyond Sellers' control, causes mentioned in clause 11 excepted, they shall not be responsible for any damages arising therefrom, provided immediate notice by telegram or telex be given to Buyers. In such event Sellers have the right during six weeks from the ready-date of completing the contract. Should Sellers, however, be unable to deliver within such extended time they shall declare their inability to do so and on receipt of Sellers' declaration Buyers shall have the option, to be promptly declared, of cancelling the contract, or postponing the same to such date of delivery as may be mutually agreed upon, but in any event not later than the following f.o.w.
If, however, the manufacture and/or shipment of the goods specified herein be prevented by destruction of mill and/or timber yard or shipping yard, Sellers have the option, to be promptly declared by telegram or telex, to cancel the contract without responsibility for any damages arising therefrom. If in this case Sellers do not cancel the contract, Buyers' rights as stipulated in the first paragraph of this clause to apply.
- War etc.** 11 Should prohibition of export or import (other than export or import conditional only upon licence), war or blockade at any time before the drawing date, original or postponed according to clause 12, prevent Sellers from manufacturing and/or shipping or Buyers from lifting the goods, this contract shall be cancelled for any unpaid goods.
- Overlying goods.** 12 Should any of the goods not be removed by the drawing date stated in the contract, payment to be made in the manner provided above against approximate invoice of the said date, the goods remaining for the account of the Buyers but at the expense of the Sellers, who, however, have the option of cancelling the contract regarding goods which have not been chartered for shipment or lifted within 12 months after the ready-date, such option to be declared with 4 weeks' notice. In the event of goods overlying, Buyers shall be entitled in exchange for payment to receive, if required, an approved Banker's guarantee that if the goods or any portion thereof are for any reason whatsoever not forthcoming, if applied for before the 31st August of the following year, the contract value of any quantity short shipped will be refunded to Buyers. The costs of the said bank guarantee up to a maximum of 1½ per cent. shall be borne by Buyers. Fire insurance shall in any case be borne by Sellers.
Buyers' liability to pay for the goods under this clause shall, however, be suspended if the failure to remove the goods is due to any of the contingencies covered by clause 10 except ice, and the drawing date shall be postponed for a period equivalent to the duration of the delay. If after the said period the lifting of the goods is practically impossible by reason of ice, the drawing date shall be further postponed to the following f.o.w. with an additional respite for loading of maximum four weeks provided chartering has been made for f.o.w.
If the goods or part thereof are not removed before the drawing date, rent to be paid from the said date at the rate of £ 0,10 per month or part of a month pro rata, all per m³, but with the following two exceptions:
If a cause beyond Buyers' control other than ice prevents the lifting, transport or the receiving of the goods at the port

of destination at any time after the rent has become payable, Buyers shall pay rent at half of the above rate until such cause ceases to operate.

In case goods sold ready for shipment per 15th November or later in the season and chartered for loading within a week after the ready-date cannot be shipped on account of ice hindrance, the rent clause in the third paragraph not to be in force until the following f.o.w. If, however, Buyers have chartered for shipment at f.o.w., a further postponement is granted for a period customary for lifting.

Unless delivery of over-wintered goods is stipulated in the contract, Sellers may, when executing delivery of goods after the drawing date, deliver goods of later production and/or overlying goods ready for shipment at the drawing date (hereinafter referred to as 'overlying goods').

When delivering overlying goods Sellers shall not be responsible for any deterioration of the goods caused by the postponement of delivery unless such deterioration exceeds what would be normal deterioration between the drawing date and the date of delivery of goods protected as customary.

Passing of property. 13

Property in goods to be deemed for all purposes, except retention of vendor's lien for unpaid purchase price, to have passed to Buyers when goods have been put on board.

Bills of lading. 14

The goods to be shipped under as many bills of lading as may be required by Buyers, but if the total number ordered should exceed a rate of seven per 500 m³, Buyers shall for any bill of lading in excess pay £ 5,00.

In addition to this Buyers shall pay:

In the case of items of 50 m³ or more:

a) £ 0,30 per m³, if at their request any such item is split up on different part items in quantities of 15 m³ or more but less than 25 m³.

b) £ 0,60 per m³, if at their request any such item is split up on different part items in quantities of less than 15 m³.

In the case of items under 50 m³:

c) As per a) and b) above, if at their request such items are split up on more than 2 part items.

If Master calls for margin, Buyers authorize Sellers to load such margin on separate bills of lading up to a rate of seven per 500 m³.

The cargo shall be sent alongside in such a manner as to enable Master to keep separate the cargo under each bill of lading. Quantities of 250 m³ or less for which a separate bill of lading is required shall be delivered to the vessel at one and the same time so as to enable Master to make one stowage of that bill of lading in the vessel unless part is stowed on deck.

Dead freight. 15

Sellers guarantee to pay all dead freight and demurrage admitted or proved to have been caused by them at the loading port. In case of strike and/or lock-out at the loading place and/or shipping or timber yards laydays to discontinue and demurrage not to count for the period of the strike and/or lock-out.

Licences. 16

The obligation to make application for and the cost of obtaining any export or import licence and to pay any export or import duty, charges or taxes which may be payable in respect of the export or import of the goods shall be upon Sellers and Buyers respectively.

If either party, having made application with due diligence, has failed to obtain the requisite licence by the date stated in the contract as time limit for such obtainment, he shall have the right to cancel the contract provided prompt notice and proof that it has been impossible to obtain a licence by that date are given to the other party.

If a party has not notified the other party by the above date that the requisite licence has been granted, the last mentioned party has the right of cancelling the contract subject to prompt notice being given.

If any requisite licence has been finally refused to a party or if a licence although granted is subsequently cancelled prior to shipment, such party shall forthwith advise the other party by telegram or telex and if required give proof of such refusal or cancellation. In such case either party shall have the right of cancelling the contract provided that notice of cancellation is given, in the case of the first mentioned party in the said telegram or telex and, in the case of the other party, promptly on receipt thereof.

Claims: 17

No complaint or claim will be recognized by Sellers upon any goods shipped under this contract, unless reasonable particulars are given in writing to Agents within 3 weeks from date of ship's final discharge in case of loose goods and within 3 months from date of ship's final discharge in the case of packaged and truck bundled goods. The 3 month's period shall not apply to deliveries on trucks, railways and on ferry terms.

Notwithstanding the foregoing, no claims for condition will be recognized by Sellers on goods specified as unseasoned. The onus shall be upon Buyers to show that proper care has been taken of the goods.

Reasonable particulars shall mean a statement as to whether the claim is for quality and/or condition and/or manufacture together with a statement of the sizes complained of and an estimate of percentages and of the amount claimed. All such statements are without prejudice and conditional on the facilities for inspecting the goods. No claim shall be recognized on any item or part item shipped, which has been broken into; but otherwise Buyers shall be at liberty to deal with any items or part items on which there is no complaint, without prejudice to their right to claim on any intact items or part items under the arbitration clause. An item or part item shall be considered to be intact, if it can be produced to the arbitrators in its entirety as discharged.

An item shall mean all goods of the same dimension, quality and description. Where an item is split up on different bills of lading the part of the item shipped on each bill of lading is referred to as a part item.

On any claim for condition or discoloration, Buyers are at liberty to deal with any portion of the goods on which there is no claim, the claim for condition or discoloration being confined to the quantities which Buyers can produce for inspection. If the goods are stored in more than two places, the extra expenses for the arbitration to be for Buyers' account.

Arbitration (shipped goods). 18

In the event of any dispute and/or claim regarding shipped goods, Buyers shall not reject the goods, or any part of them, nor refuse acceptance or payment in terms of contract but all questions in dispute, not solved amicably within 10 days after the claim has been communicated to the other party or his Agent by wire/telex or registered letter, shall be settled by arbitration in Amsterdam in accordance with the following rules:

a) Arbitration to be held by one or three arbitrators who in accordance with the principles of justice and equity shall give an award that is final and binding.

Arbitrators to adopt order of procedure, to fix their fees and to decide which party or parties shall pay these fees and other costs. Arbitrators are entitled to demand an advance in respect of these costs.

b) The dispute shall be referred to one arbitrator, if the parties within 10 days after the claim has been communicated as stated above have agreed on an arbitrator or if the dispute concerns a parcel of 250 m³ or less or a claim not exceeding £ 200,00.

If in that event the parties have not within the said 10 days after communication of the claim agreed to the appointment of the arbitrator, he shall on the request of either party be selected by the President or the Vice President of the Netherlands Softwood Association from a list of 10 persons drawn up by the Finnish Sawmill Owners' Association, the Swedish Wood Exporters' Association and the Netherlands Softwood Association; 5 persons to be designated by the Finnish and Swedish Associations together and the other 5 by the Dutch organization.

c) In other cases than those mentioned in b) the dispute to be settled by three arbitrators and the election of the arbitrators will take place as follows:

One arbitrator to be appointed by Sellers and one by Buyers.

If within 10 days after one party has by wire/telex or registered letter communicated to the other party the name of his arbitrator, the other party has not communicated the name of his arbitrator to the first party, the President or the Vice President of the Netherlands Softwood Association shall appoint the arbitrator selected from the above named list upon application of the party acting first.

The two arbitrators then jointly to appoint the third arbitrator.

If they fail to agree on the appointment of the third arbitrator, each of them shall select one name from the said list and at lot drawing, made by them or delegates for them, the lot shall decide which of the two shall act as third arbitrator. Should that third arbitrator refuse to act or be prevented from acting, the arbitrator who selected that arbitrator to appoint an other third arbitrator chosen from the above mentioned list.

d) Inspection by the arbitrator(s) of the goods claimed on shall take place within 14 days after their appointment, unless they consider inspection unnecessary.

e) In case of death of one or more of the arbitrators, or in case one or more of the arbitrators refuse to act, or within two weeks after their appointment neglect to act, the vacancy or vacancies to be filled as said in a), b) and c).

The said list may be revised before May 1st every year.

Arbitration (other disputes). 19

All disputes regarding this contract, not referred to in clause 17, shall be settled through arbitration in the defendant's country by one arbitrator if the parties agree thereon and otherwise by three arbitrators who shall be elected as follows.

The party who has demanded arbitration having informed the other party of the name of his arbitrator, the latter party shall within a fortnight inform the former party of the name of his arbitrator. If he fails to do so, the arbitrator shall, at the request of the party, who has demanded arbitration, be appointed by the exporters' respectively importers' organizations mentioned below. These two arbitrators shall appoint within a fortnight a third arbitrator with a competence in accordance with the nature of the dispute. If they have not agreed thereon within the above mentioned time limit, the President or the Vice President of the Finnish Sawmill Owners' Association, respectively the Swedish Wood Exporters' Association, and the President or the Vice President of the Netherlands Softwood Association shall each appoint a third arbitrator with the above mentioned competence, whereafter the lot shall decide which of the two shall act as a third arbitrator. The lotdrawing shall take place in the office of the defendant's organization, after notification to the other organization who may appoint a representative to assist at the lotdrawing.

In other respects than stated above the arbitration shall take place in accordance with the arbitration law of the defendant's country.