

A.G.E.R. Bologna Commodity Exchange

GRAIN ASSOCIATION OF EMILIA ROMAGNA

1996

(in effect since 1 July 1996)

ITALIAN CONTRACT FOR NATIONAL DURUM WHEAT

“Bulk – Free on truck and/or other vehicle”

Contract No. 102

Drawn up in on (date)

confirming the contract already entered into by the parties.

Vendor:

Buyer:

Broker:

under all general conditions listed, in addition to those printed and handwritten in this contract, to be interpreted, where necessary, according to the marketing practices of the Financial Centre of Bologna and subject to the conditions of the Association's Charter and Regulations in effect today.

National durum wheat:

- Quality:** a) according to “real sample” - identified: - by hand:
b) according to “type sample” - identified: - by hand:
c) according to “name” and/or with “characteristics”
d) according to “variety” or “excluded varieties”

Condition: good, sound, and merchantable

Quantity/quintals:
(lacking an obligatory indication, a tolerance of 2% more or less than the agreed quantity is accepted)

Period of Delivery/Shipment:

Pick-up:

Price in euro/tonn:

Goods ex:

Payment:

Brokerage:

Particular conditions:

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TOLERANCES AND ALLOWANCES

The wheat must be good, sound, merchantable, of the proper colour, and free of odours and live parasites.

- In the sales on "real samples", if the sum of the deficiencies goes over 2% of the value of the goods, the buyer may exercise the right of rejection.
- If an amicable agreement proves impossible, the deficiencies beyond the limits regulated by the table below will be the subject of examination by arbitration to be carried out on the sample or samples filed or on the results of the analyses performed by the Laboratory of the competent Association.
- The allowances for deficiencies or excesses are regulated according to the following table, in proportion for each point or fraction, and are to be subtracted from the price and not the weight:

MOISTURE		HECTOLITRE WEIGHT AS SAMPLED		TOTAL IMPURITIES		YELLOW BERRY				BROKEN	
						On sample		On name			
%		kg/hl		%		%		%		%	
Over 13%, tolerance with allowance	% allowance for each point	For deficiency, tolerance with allowance	% allowance for each point	Over agreed amount, tolerance with allowance	% allowance for each point	Over the sample %, tolerance with allowance	% allowance for each point	Over agreed amount, tolerance with allowance	% allowance for each point	Over 3%, tolerance with allowance	% allowance for each point
13.01-14.50	1	0.01-1	0.50	0.01-3	1	0.01-5	0.15	0.01-10	0.10	0.01-4	0.5
14.51-15.00	1.50	1.01-3	0.75			5.01-10	0.30	10.01-15	0.20		

WARNINGS:

- Moisture** – For moisture contents over 15%, the right of rejection may be exercised.
- Hectolitre weight and moisture** – If there are simultaneously subtractions for hectolitre weight and moisture, only the higher subtraction is applied.
- Total impurities** – These are the sum of the:
 - miscellaneous/insignificant impurities (= rotten kernels, stones, sand, woody fragments, chaff, weed seeds, ergot – amounting to a maximum of 0.05% of the wheat quantity – and dead insects, as well as elements held back by a 3.5-mm x 20-mm slotted sieve and those passing through a 1-mm x 20-mm sieve): **calculated at 100%**;
 - impurities regarding the kernels (= kernels of other grains and extraneous seeds except for soft wheat, kernels damaged by insects, green, unripe kernels, kernels passing through a 1.9-mm x 20-mm slotted sieve, excluding broken kernels): **calculated at 50%**;
- Yellow berry kernels** – "Yellow berry" kernels include: yellowed, piebald, yellow berry, and softened kernels;
- Soft wheat** – Over the limit of 3%, unless otherwise agreed, the buyer may exercise the right of rejection. On any allowed tolerances, beyond the agreed limit an allowance of 0.50% is applied for each percentage point.
- Broken kernels** – Kernels which are open, partially revealing the inside, are considered broken.
- Mottled (bunted) and Fusarium-damaged kernels** –

Mottled kernels:
The presence of a maximum of 6% is tolerated;
From 6,01% to 10% max: allowance 0,25% for each point.

Fusarium kernels:
The presence of a maximum of 1,5% is tolerated;
From 1,51% to 3% max: allowance 0,25% for each point.
- Decayed kernels** – Decayed kernels are tolerated up to a maximum of 2 whole or open kernels out of 100 grams;
- Sprouted kernels** – "Sprouted kernels" are those in which sprouting – primary root (radicle) and/or shoot (plumule) – is visible to the naked eye;
- Multiple-shipment mass orders** – On mass orders, if agreed upon, only the following characteristics are determinable: hectolitre weight, total impurities, broken kernels, and yellow berry kernels;
- Ash** – If a maximum ash content is expressly agreed upon, an excess of 5 points is tolerated without allowance. Further excesses will entail an allowance of 0.2% for each point or fraction, up to a maximum allowance of 4% of the value of the goods.
- Varieties** –
 - The allowances for the presence of kernels of other varieties over the agreed amount are regulated as follows:
 - up to 5% tolerated without allowance
 - from 5.01% to 10%, 0.20 allowance
 - over 10%, right of rejection
 - The allowances for the presence of kernels of excluded varieties are regulated as follows:
 - up to 5% tolerated without allowance
 - from 5.01% to 10%, 0.40 allowance
 - over 10%, right of rejection

TRAVEL RISKS

Goods sent by rail, unless agreed otherwise, travels on the behalf and at the risk of the Buyer.

Travel risks are those that may occur during transport by rail and for which the right to recourse must be exercised by the receiver on the basis of the national transport agreement, against the carrier, if and insofar as it is possible to do so (being that the Buyer's risks also include those depending on force majeure). The Buyer must immediately notify the Vendor by telegram or telex of any shrinkages, shortages, or deterioration that are not attributable to the transport, proving them with a specific report and/or other valid statement signed by the carrier and/or a public official.

If the Vendor, without a previous agreement with the Buyer, uses wagons of a capacity higher than the quantity to be loaded, the greater expense will be the Vendor's own responsibility.

If the transport is carried out using other vehicles, the related travel risks are understood as being the responsibility of the contracting party that has undertaken the burden thereof and/or, under obligation by contract, seen directly to the transport itself.