

SOFTWOOD (C. & F.) CONTRACT FORM

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

Code Name: "HOLCOF" 1972
Copyright

Sold to _____, hereinafter
and in the General Conditions called Buyers, telegraphic/telex address
Bought from _____, hereinafter
and in the General Conditions called Sellers, telegraphic/telex address
through the agency of _____
as Sellers' Agents, hereinafter and in the General Conditions called Agents, telegraphic/telex address

the woodgoods of the specification and at the prices set out below subject to the conditions set out below and to the „HOLCOF 1972” General Conditions which are adopted by the above-mentioned Associations and known to both parties and herein referred to as the “General Conditions”.

Shipment	The goods are to be shipped at _____ to _____ always afloat by full powered vessel(s) expected by Owners ready to load about a certain date during
Payment	Payment to be made on receipt of and in exchange for shipping documents within 3 working days (Saturdays excluded) of presentation of documents in cash less 2½ per cent. discount on the f.a.s. value, i.e. the c. & f. value less the freight as calculated by Sellers to be per m³ in _____ (place of payment). 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	(See clause 2 of General Conditions).
Notice of vessel's arrival	Sellers to consult Buyers in advance of vessel's expected arrival and immediately inform Buyers of vessel's arrival to the port of loading by telegram.
Insurance	To be covered by Buyers (see clause 7 of General Conditions).
Licences	Time limit for obtainment of requisite licences (see clause 13 of General Conditions).
Liner shipment	Shipment shall not be made by liner unless specifically authorized by Buyers but if so authorized and so shipped the Contract and the General Conditions shall be amended by the “Liner Parcel Amendments” to “HOLCOF” 1972 Contract Form adopted by the above-mentioned Associations and known to both parties.
Specification and prices.	

Sellers

Buyers

HOLCOF 1972 GENERAL CONDITIONS

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

Price basis.	1	The prices include first cost and freight to the port of destination and are for <div style="margin-left: 40px;"> Sawn goods per m³ Planned goods per m³ (nominal measure). </div>
Ends.	2	Lengths, widths and thicknesses are in metric measure. Lengths to be delivered 1,80 m and up with increments of 0,30 m. Other than as regards items for which a separate price for ends 1,80 m to 2,40 m is specified in the contract (in which case notwithstanding any provision of this Clause all ends on such items shall be at that specified price) Sellers to have the right to supply up to 2% of ends on each item at full price (the full c. & f. value for 2,70 m and up appropriate for the goods concerned) save that if this percentage is exceeded on any item(s) all ends (including the first 2%) on such item(s) shall be at two-thirds price, which latter price means two-thirds of the estimated f.a.s. value (i.e. the contract price per m ³ less the calculated freight per m ³ - see Payment in the Contract - for 2,70 m and up appropriate for the goods concerned) plus the said calculated freight. The outfall of ends in respective items to be Sellers' usual. Where goods are shipped on chartered terms which provide for a reduced rate of freight in respect of ends such reduction of freight as is appropriate to the goods covered by this contract shall be deducted from the price payable by Buyers. When loose goods are shipped, Sellers undertake to supply sufficient ends 1,80, 2,10 and 2,40 m in reasonable contract specification for 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 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). 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 Sellers not being responsible for any deterioration occasioned by circumstances beyond their control, after the goods have been put on board. 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 hold-cargo can be stored in a normal way, always provided that the goods, after having been put on board the oceangoing vessel properly protected, have not been exposed to moisture or other circumstances affecting the condition of the goods during 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. Packaged goods shall mean goods which have a single length, quality/size and in each package provided that Sellers shall have the right to combine lengths where the residue is insufficient for a complete package. Truckbundled goods shall mean goods bundled in mixed lengths of one size and quality the dimensions of each bundle to be mutually agreed. If the Master signs as received only the number of packages/bundles in the Bills of Lading, Shippers not responsible for the number of pieces in broken packages/bundles. All bundled and/or packaged goods shall be adequately and securely bound.
Seasoning, bracking, packaging and loading.	3	Shippment to be secured by Sellers in due time on Dutch Timber Charter Party terms last accepted by the associations mentioned in these General Conditions in ship(s) classified by Lloyds or similar corporation with liberty to substitute. Sellers shall both as regards the original chartered vessel and any substituted vessel promptly advise Buyers of the fixture with name of vessel if nominated and send them a copy of the Charterparty. Sellers to advise Buyers by telegram of name(s) of the vessel(s), if not stated in the Charterparty, and dates of arrival and departure. If Owners give notice that the vessel whether original or substituted cannot be ready to load within six weeks after the stipulated time of shipment or if without such notice the vessel has not been ready so to load Sellers shall instantly advise Buyers by telegram stating the exact time of the receipt of Owners' notice, if any, and Buyers shall have the right to cancel the contract to a corresponding extent provided that their cancellation reaches Sellers in time to enable Sellers to cancel the Charterparty save that if Sellers have not advised Buyers as stipulated above Buyers' right of cancellation is subject only to prompt advice after the delay has come to Buyers' notice. Sellers' obligation to give the above notice in respect of the original vessel shall not arise if they have substituted or have the intention to substitute another vessel. Should any vessel chartered under this contract be lost after being named to Buyers and previous to loading Sellers have the option of chartering another vessel in substitution for loading within the stipulated time or four weeks thereafter or of cancelling the contract to a corresponding extent upon giving prompt notice to Buyers leaving, however, Buyers the right to take the goods at the stipulated c. & f. price less the rate of freight whereat tonnage lost had been secured, and on the conditions of the current DUTCHFAS Contract Form adopted by the respective Associations, the drawing date of approximate payment, unless goods have been removed earlier, to be calculated from the date of such right being exercised. Sellers shall not be liable for any loss suffered by Buyers from delay in shipment caused by circumstances beyond Sellers' control.
Chartering. Delay. Cancelling.	4	Sellers shall have the option to vary by 10 per cent. more or less any or every item but not exceeding 100 m ³ on any one item and to vary items of 10 to 50 m ³ to the extent of 5 m ³ , always provided that the total quantity is not varied except under the provisions of Clause 6. Such option shall apply also to overlying goods. In the event of overshipment 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 overshipment. 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.
Margins in Sellers' option.	5	A margin of 10 per cent. more or less of the total contract quantity, but not exceeding 250 m ³ , is to be allowed to Sellers for convenience of chartering only, but when two or more shipments are made under the same contract such margin shall apply only to the quantity to be shipped by the last vessel. Should Sellers under this clause give an increase of the total contract quantity, such increase is to be in contract sizes and not more than 25 per cent. increase or 25 m ³ whichever may be greater, on any item over 50 m ³ , or 50 per cent. increase on any item of 50 m ³ or under. When packaged/truck-bundled goods are specified the increase to be given in packaged and/or truck-bundled goods.
Margin for Chartering.	6	Marine insurance of cargo and freight, including mine-risk but not war-risk and including ten per cent. imaginary profit of and added to the f.a.s. invoice value to be covered by Buyers at their expense at a first class Underwriter or Insurance Company. 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.
Insurance. (Cargo and freight)	7	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 Underwriter or Insurance 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 one per cent to be borne by Sellers. If, however, within the time stipulated for shipment or within such extended time as indicated in clause 10 war insurance conditions in general become such as to virtually prohibit the commercial navigation between Sellers' and Buyers' countries both Buyers and Sellers have the right to cancel this contract for any unshipped goods.
War-risk)		Buyers shall, if requested, at any time after their obligations to insure as above have arisen, furnish Agents with sufficient proof of such insurance having been effected.
Exceptions.	8	In case the manufacture and/or shipment and/or sea transport of any of the goods specified in the contract should be delayed or hindered by reason of fire or through an accident to the sawmills and/or yards, or through drought, ice, flood, strike or lock-out, mobilisation, or through any other cause beyond Sellers' control, Sellers, provided they give notice within three working days to Buyers by telegram of the delay or hindrance, shall not be responsible for any damages resulting to Buyers therefrom. In such event Sellers have the right during six weeks from the stipulated time of shipment 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 declared within three working days, of cancelling the contract, or postponing the same to such time of shipment 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 in the contract be prevented by destruction of mill and/or timber yard or shipping yard, Sellers have the option, to be declared within three working days by telegram, 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.	9	Should prohibition of export or import (other than export or import conditional only upon license) war or blockade at any time prevent shipment within the time stipulated or within such extended time as provided in clauses 4 or 8 or as otherwise mutually agreed upon, the contract, or any unfulfilled part thereof to be cancelled.
Passing of property.	10	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.
Loading orders. Bills of Lading.	11	Buyers undertake that full loading orders shall be in Sellers' hands not later than 10 working days (Saturdays excluded) before the time of shipment stipulated in the contract. 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 m ³ , 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 m ³ or more: a) £ 0,30 per m ³ , if at their request any such item is split up on different part items in quantities of 15 m ³ or more but less than 25 m ³ ; b) £ 0,60 per m ³ , if at their request any such item is split up on different part items in quantities of less than 15 m ³ . In the case of items under 50 m ³ : 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 m ³ .

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.

If it is apparent from the Bills of Lading that the Master has failed to load the vessel in accordance with Buyers' loading instructions Sellers shall forthwith advise Buyers of all variations therefrom and make a written protest to the Master, sending a copy thereof to Buyers.

If it should come to Sellers' notice that packaged goods have been broken open during loading they shall forthwith advise Buyers and make a written protest to the Master, sending a copy thereof to Buyers.

Sellers guarantee to pay all dead freight and demurrage admitted or proved to have been caused by them at the loading port. Demurrage at the port of discharge to be borne by Buyers. Buyers to be consulted about the discharging rates.

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 obtaining, 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 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 and, in the case of the other party, promptly on receipt thereof.

No complaint or claim will be recognized by Sellers upon any goods shipped under this contract, unless reasonable particulars are given in writing to Sellers or their 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 onus shall be upon Buyers to show that proper care has been taken of the goods. The 3 months' 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 sold as unseasoned.

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.

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 telegram 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. In the case of Finnish goods the list shall comprise 5 persons designated by the Finnish Sawmill Owners' Association and the other 5 by the Netherlands Softwood Association. In the case of Swedish goods the list shall comprise 5 persons designated by the Swedish Wood Exporters' Association and the other 5 by the Netherlands Softwood Association.

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 telegram 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 one of the above named lists 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 appropriate 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 that 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 lists may be revised before May 1st every year.

All disputes regarding this contract, not referred to in clause 15, 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.

Where under the contract Buyers are given an option or it is provided that Buyers may or are required to give notice to Sellers, notice by the Buyers to the Agents named in the contract a) of the exercise of the option or b) of any other matter, shall be deemed to be good notice to Sellers of the matter covered by such notice. Similarly, notice by Agents to Buyers shall be deemed to be good notice by Sellers.

Wherever the word "telegram" appears in the Contract or in these General Conditions it shall be deemed to include "telex".

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Arbitration. 15
(shipped goods)

Arbitration. 16
(other disputes)

Notice. 17

LINER PARCEL AMENDMENTS
to HOLCOF 1972 Contract Form
GENERAL TERMS, CONDITIONS and WARRANTIES

Chartering, Delay, Cancelling - Clause 4.

In the marginal heading delete "Chartering" and substitute "Shiproom". Delete Clause and substitute:

"Shiproom to be secured in due time by Sellers with liberty to substitute. Sellers shall promptly advise Buyers by telegram that shiproom is secured with approximate expected loading date. Sellers shall also both as regards the original vessel and any substitute vessel promptly advise Buyers by telegram of the name of the vessel when known.

If Owners give notice that the vessel whether original or substituted cannot be ready to load within four weeks after the stipulated time of shipment or if without such notice the vessel has not been ready so to load Sellers shall instantly advise Buyers by telegram stating the exact time of the receipt of Owners notice, if any, and Buyers shall have the right, to be exercised promptly, to cancel the contract to a corresponding extent save that if Sellers have not advised Buyers as stipulated above Buyers' right of cancellation is subject only to prompt advice after the delay has come to Buyers' notice. Sellers' obligation to give notice in respect of the original vessel shall not arise if they have substituted or have the intention to substitute another vessel.

Should any vessel in which space has been booked under the contract be lost after being named to Buyers and previous to loading Sellers have the option of booking space in another vessel in substitution for loading within the stipulated time or four weeks thereafter or of cancelling the contract to a corresponding extent upon giving prompt notice to Buyers, leaving, however, Buyers the right to take the goods at the stipulated c. & f. price less the rate of freight whereat tonnage lost has been secured, and on the conditions and terms of the current "DUTCHFAS" Contract Form, adopted by the respective Associations, the drawing date of approximate payment unless goods have been removed earlier to be calculated from the date of such right being exercised.

Sellers shall not be liable for any loss suffered by Buyers from delay in shipment caused by circumstances beyond Sellers' control.

The Bills of Lading shall be in customary liner terms."