



CANADIAN OILSEED PROCESSORS ASSOCIATION

**TRADING RULES FOR
THE NORTH AMERICAN SALE OF
BULK/PELLETIZED CANOLA MEAL
Amended July 2016***

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* Amendments made to Rule 1 Quality, Section 2 Standard Definition and Section 7 Official Referee Laboratories



APPLICATION OF TRADING RULES

These Trading Rules are to serve as a guide only for transactions. It is understood that the parties to such transactions are free to adopt, modify or disregard any or all of these Trading Rules. The parties to North American transactions hereby acknowledge familiarity with the text of the North American Trading Rules of the Canadian Oilseed Processors Association, while the parties to offshore export transactions acknowledge familiarity with the text of the Offshore Export Trading Rules of the Canadian Oilseed Processors Association.

GOVERNING LAW

Subject to any express provisions to the contrary contained in these Trading Rules, or in any contract into which these Trading Rules are incorporated, the said contracts and these Trading Rules and the construction, validity and performance thereof shall be governed by and construed in accordance with the laws of the Province in which the head office of the Seller is located (including such laws of the Dominion of Canada as may be applicable), irrespective of the domicile or residence of the Buyer.

RULE 1 - QUALITY

Section 1 - STANDARD OF QUALITY

- (a) The standard of quality shall be Canola Meal of fair merchantable quality based on the season's production and conforming to the standard specifications of the Canadian Oilseed Processors Association.
- (b) The standard specifications are subject to modification as conditions may warrant, upon recommendation of the COPA Meal Trading Rules Committee.

Section 2 - STANDARD DEFINITION

Canola Meal shall be the product of the solid residue of seed of the species *Brassica napus*, *Brassica rapa* and/or *Brassica juncea*; said residue resulting from the processing of commercial seed by an expeller pressed and/or solvent extracted method, and containing less than 30 µmoles per gram of glucosinolates.

Section 3 - STANDARD SPECIFICATIONS

The domestic market standard specifications¹ for Canola Meal which shall apply at the point of original production are:

<u>Characteristic</u>	<u>Specification</u>
Protein, % by mass	minimum 36 ²
Fat (Oil) (typical), solvent extracted, % by mass	minimum 2
Fat (Oil) (typical), expeller pressed, % by mass	minimum 10
Moisture, % by mass.....	maximum 12
Crude Fibre, % by mass	maximum 12

¹ All calculations shall be rounded to the nearest 1/10 of one unit.

² Set by COPA standard, or by industry standard at time of shipment.

RULE 1 - QUALITY (CONT'D)

Section 4 - METHODS OF ANALYSIS

Analytical methods shall be those of the American Oil Chemists' Society, except as otherwise specified.

<u>Analysis</u>	<u>Referee Method</u>
Protein	AOCS Ba 4e-93
Fat (Oil)	AOCS Ba 3-38
Moisture	AOCS Ba 2a-38
Crude Fibre	AOCS Ba 6-84

Section 5 - SAMPLING AND ADJUSTMENT PROCEDURES

(a) The Official Sample

The official sample shall be held by the Seller.

The official sample shall be taken at the point of origin in accordance with the International Standards of the International Organization for Standardization for Sampling of Oilseed Residues - ISO/DIS 5500, shall be a minimum of eight (8) ounces in quantity and shall be identified by:

- (i) car number or truck identification; and
- (ii) sampling date and time.

RULE 1 - QUALITY (CONT'D)

(b) If an automatic mechanical sampler is used:

(1) The sampler shall be an automatic mechanical spout sampler or end of conveyer sampler, whichever is appropriate, and shall be designed to cut an increment from the entire cross section of the meal stream perpendicular to the flow at a point where the meal is free flowing.

(2) The sampling system shall be located at a point beyond which no blending or addition to the product may be introduced prior to its being loaded, and at a point where it is representative of each loadout.

(c) Claims

(1) Quality claims relating to Rule 1 shall be waived unless submitted in writing by electronic mail with acknowledgement of receipt requested by the Buyer and received by the Seller within twenty-one (21) calendar days of constructive placement. The Seller, within fifteen (15) business days (defined for the purpose of these rules as any day the Chicago Board of Trade is open for business other than Saturdays, Sundays and statutory holidays in Canada) after the receipt of the Buyer's analysis and claim, shall accept the Buyer's claim or forward an eight (8) ounce portion of the retained sample to a mutually agreeable AOCS accredited Official Referee Laboratory and notify the Buyer of such action. The results of this official referee analysis will be binding upon both parties for final claim settlement and the expense of the analysis will be borne by the Seller if a claim is due and by the Buyer if no claim is due.

(2) Liability on account of quality is not to exceed 15% by value of the invoice price of the Canola Meal shipped by the Seller.

(3) For the purposes of claims, the invoice price is the shipment price.

(4) In the event of an action for claims, the following procedures shall be used for the calculation of claims.

Protein

(i) No claim shall be submitted within 0.5% or less of the standard protein guarantee of 36% (i.e. 35.5% shall be the minimum allowable protein without basis for claim).

(ii) If the protein deficiency is greater than 0.5%, the following formulation shall be applied as the basis for claim:

Formula: $\frac{\text{shipment price of meal per ton}}{\text{guaranteed protein}} \times \text{protein deficiency}$

Example: 35.4% protein meal against 36% guaranteed:

$$\frac{\$200.00 \text{ Canadian per ton}}{36} \times (.6) = \$3.33 \text{ Canadian per ton}$$

RULE 1 - QUALITY (CONT'D)

(iii) Calculations for claims shall be made basis official sample moisture, 12% or less; protein to be calculated on 12% moisture basis if official sample moisture exceeds 12%.

(iv) Any shipment testing more than 2% below the minimum protein guarantee based on the official sample shall be subject to rejection on account of protein content.

In the event the Buyer and the Seller do not reach agreement on analyses, the retained portion of the official sample shall be sent to an Official Referee Laboratory. The results of this official analysis shall be binding upon both parties for final settlement. Should any difference over 0.5% be upheld, the costs of the analysis shall be borne by the Seller. Should the claim be disallowed, the costs of the analysis shall be borne by the Buyer.

Moisture - Any Canola Meal shipment testing in excess of 12.5% moisture based on the official sample shall be subject to adjustment and penalty on account of moisture content. Penalty for excess moisture: for each 0.1% in excess of 12% moisture, a penalty of 0.1% of the invoice price shall apply. Any shipment testing in excess of 13.5% based on the official sample shall be subject to rejection on account of moisture content.

Fibre - No claim shall be submitted within 1.5% or less of the standard fibre guarantee of 12%. Any Canola Meal shipment testing in excess of 13.5% based on the official sample shall be subject to adjustment and penalty on account of fibre content. Penalty for excess fibre: for each 0.1% in excess of 12% fibre, a penalty of 0.1% of the shipment price shall apply. Any shipment testing in excess of 15% fibre based on the official sample shall be subject to rejection on account of fibre content.

RULE 1 - QUALITY (CONT'D)

Carrier Claims on Delivered Sales - The Seller shall exercise reasonable care in the inspection for cleanliness and obvious defective equipment furnished by the carrier prior to loading. The Seller also shall properly seal top hatches, bottoms and doors, and shall affix accredited seals to railway cars. It is the responsibility of the Buyer to inspect the cargo for damage due to faulty equipment prior to unloading, and to request carrier inspection and a written report if and when damage is found. The Seller shall file a claim with the carrier upon receipt of the required documented details submitted by the receiver. The Seller shall settle with the Buyer.

Where the Buyer rejects a carload of Canola Meal shipment and the Seller disagrees with such rejection, and where referee analysis or arbitration is used to settle the dispute, all charges incurred as a result of holding the shipment pending settlement, including demurrage, shall be paid by the unsuccessful party.

On any rejection, the Buyer immediately shall contact the Seller upon discovery of the problem. No shipment shall be rejected by the Buyer without advising the Seller.

Section 6 - SAMPLES

- (a) The official samples shall be retained for sixty (60) calendar days from the date of loading of all shipments made at the crushing plant of origin. In the event the Seller's official sample is not available, the Buyer's sample shall become the official sample.
- (b) On samples where claims have been received by the Seller within the time periods specified in Rule 1, Section 5, part (c) (1), the samples shall be retained by the Seller until the claim is settled.

Section 7 - OFFICIAL REFEREE LABORATORIES

To qualify the Official Referee Laboratory must be a mutually agreeable AOCS accredited North American laboratory of which the accreditation body is a signatory to the International Laboratory Accreditation Cooperative (ILAC) and based in North America.

Scope of accreditation is the International Organization for Standardization (ISO)/ International Electrotechnical Commission (IEC) 17025.

Qualified ILAC signatories in Canada: Standards Council of Canada (SCC) and Canadian Association for Laboratory Accreditation Inc. (CALA)

Qualified ILAC signatories in the USA: American Association for Laboratory Accreditation (A2LA), National Voluntary Laboratory Accreditation Program (NVLAP), International Accreditation Service, Inc. (IAS), ANSI-ASQ National Accreditation Board and Accreditation Services Bureau (A-S-B)

Qualified ILAC signatory in Mexico: Entidad mexicana de acreditación a.c. (ema)

RULE 2 - QUANTITY

Section 1

Canola Meal for domestic consumption shall be sold on a net weight basis as per contract. The unit of pricing shall be based on the short ton (2,000 avoirdupois pounds).

Section 2

The contract shall state the specific number of units (i.e. rail cars or trucks) sold and the approximate tonnage per unit, and shall be completed by shipping the exact number of units, unless otherwise arranged between the Buyer and the Seller.

Section 3

A carload shall be a unit as provided to the Seller by the railway in question.

RULE 3 - SUBJECT MATTER OF ALL CONTRACTS

The subject matter of all contracts shall be Canola Meal except in the case of Force Majeure as outlined in Rule 14.

RULE 4 - FREIGHT RATES, TAXES, DUTIES, AND RAIL CHARGES

Section 1 - FREIGHT RATES

Any increases or decreases in the published rail freight charges, truck freight charges and/or any fuel surcharges that become effective after the sales contract is negotiated shall be for the account of the Buyer.

Section 2 - TAXES AND DUTIES

Any taxes, duties or other government charges imposed by the Government of Canada or any other taxing body, foreign or domestic, upon the production, sale, shipment, delivery, import or export of Canola Meal, now or after the sales contract is negotiated, shall be for the account of the Buyer.

Section 3 - RAIL CHARGES

- (a) Demurrage and Storage - Demurrage and/or storage charges at destination shall be the Buyer's responsibility. Destination shall be actual or constructive destination in the event the Buyer, for any reason, is unable to take delivery of the railway car. The Buyer shall also be responsible for any demurrage and/or storage charges assessed as a result of the Buyer's or railway's staging of the railway car movement to destination or staging provided as a result of the Buyer's inability, for any reason, to take delivery of the railway car at destination.
- (b) Other Rail Ancillary Charges – The Buyer shall be responsible for other ancillary charges assessed by a railway company at destination or which arise as a result of the Buyer's acts or omissions.

RULE 5 - PRICING

Unless otherwise agreed, all unpriced contracts shall be priced at the Buyer's option within the day's price range, while futures markets are open and tradeable. In no case shall pricing go beyond the date of shipment or the original contracted period, whichever comes first, unless there is specific prior agreement between the Buyer and the Seller. The futures month relative to the contracted delivery month shall be identified on the face of each contract. If any portion of the contract is not priced or spread the day before the expiration day of the contract futures month involved, it shall be priced or spread on the market close of that day unless futures are not tradeable. In this event, the balance of the unpriced contract shall be priced or spread at the first tradeable opportunity.

The Buyer requesting pricing on the date of shipment shall accept pricing as done by the Seller, even if the car does not actually leave on the requested date of shipment due to circumstances beyond the control of the Seller, provided that the car has been loaded.

Cash sales may be priced by exchanging futures at the mutual agreement of the Buyer and the Seller.

RULE 6 - TERMS AND PAYMENT

Section 1

Terms of payment on Canola Meal are to be in accordance with those terms employed by each Seller.

Section 2

The Seller reserves the right to restrict the terms of payment if, in the Seller's judgement, the financial responsibility of the Buyer does not warrant shipment on terms originally stated in the contract.

Section 3

Failure of the Buyer to accept delivery of or pay for any portion of a specified quantity of Canola Meal covered by any contract shall, at the Seller's option, release the Seller from making any further deliveries. In case of default in payment of any invoice due, the whole sum owed by the Buyer shall become due and payable at once.

RULE 7 - INQUIRIES, QUOTATIONS AND CONFIRMATIONS

Section 1

It shall be the duty of the Seller, not later than the close of the business day following the day of sale, to electronically mail with acknowledgement of receipt requested a contract of sale to the Buyer. Similarly, the Buyer, within the same time frame, shall provide to the Seller a written confirmation of the purchase sent by electronic mail with acknowledgement of receipt requested. Upon receipt of said confirmations, the Buyer and the Seller shall check carefully all specifications stated therein and, upon finding any differences, immediately shall notify the other party to the contract by electronic mail with acknowledgement of receipt requested. No response by the Buyer to the above mentioned electronic mail with acknowledgement of receipt requested within three (3) business days of the receipt by the Buyer shall signify that the contents of the electronic mail with acknowledgement of receipt requested are binding on both parties.

Section 2

When a trade is made through a commission agent or broker, it shall be the duty of the said agent or broker, not later than the close of the business day following the day of sale, to send a written confirmation to each of the principals (to the Buyer a confirmation of purchase and to the Seller a confirmation of sale) setting forth the specifications of the trade as made for their account. Upon receipt of said confirmations, the parties shall check carefully all specifications stated therein and, upon finding any differences, immediately shall notify the agent or broker by electronic mail with acknowledgement of receipt requested.

The application of this Section shall not relieve the Buyer or the Seller from conformance with the requirements of Section 1 of this Rule.

RULE 8 - TIME OF SHIPMENT

Unless the exact shipping date is agreed upon by the Buyer and the Seller at the time of sale, shipments sold for a given calendar month delivery shall be interpreted as follows:

- (a) monthly shipments shall be spread as evenly as possible throughout the month;
- (b) the Buyer shall endeavour to give minimum notice of fourteen (14) calendar days, but not less than seven (7) calendar days, by electronic mail with acknowledgement of receipt requested in advance of the shipment dates requested;
- (c) the Seller shall endeavour to obtain the specific rail equipment as requested by the Buyer. In the event such rail equipment is not available to the Seller, and subject to agreement by the Buyer, shipment shall be made within a time frame as close as possible to that requested by the Buyer in whatever appropriate rail equipment may be available.

RULE 9 - DEFAULTS

Prior to expiry of the contract, if the Buyer or the Seller cannot perform or are unable to perform within the terms of the contract, they mutually may agree to adjust the quantity or time span of shipment. In the event they fail to agree, at the expiration of the contract, the contract shall be in default and the following shall apply.

Section 1

In the event the Buyer fails to furnish shipping instructions conforming with the period or periods specified in the contract, and if no condition of Force Majeure exists, the Seller shall notify the Buyer, by electronic mail with acknowledgement of receipt requested within five (5) business days, as to which of the following options the Seller elects to exercise in respect of the default under the contract:

- (a) to resell Canola Meal in the open market for the Buyer's account, the Buyer to pay the Seller the difference between the contract price and the resale price; or
- (b) to cancel the contract on any unshipped portion thereof, the Buyer to pay the difference between the contract price and the mutually agreed market price, if the market price is lower than the contract price; or
- (c) to extend the contract for a further fifteen (15) calendar days with appropriate carrying charges assessed as per Rule 10; extension beyond fifteen (15) calendar days shall be subject to mutual agreement.

The Seller's failure to give notice as provided in this Section shall constitute extension of that portion of the contract in default for thirty (30) calendar days. In the case of a multiple period contract, those periods not in default shall continue to remain in effect.

Section 2

In the event the Seller is unable to ship any portion of Canola Meal from the Seller's plant during the contract period, the Seller may elect to ship Canola Meal from another crush plant, providing the specifications are the same as those in the contract.

In the event the Seller fails to ship any portion of Canola Meal from its or another crush plant during the contract period, and if no condition of Force Majeure exists, providing shipping instructions shall have been received in time to execute orders, the Buyer shall notify the Seller, by electronic mail with acknowledgement of receipt requested within five (5) business days, as to which of the following options the Buyer elects to exercise in respect of the default under the contract:

- (a) to cancel that part of the contract upon which there has been default; or

RULE 9 - DEFAULTS (CONT'D)

- (b) to have the Seller buy in the open market a like quantity and quality of Canola Meal for the Seller's account, the Seller to pay the Buyer the difference between the contract price and the repurchase price. No product shall be replaced by the Buyer without the consent of the Seller.
- (c) in the event the contract is cancelled, the Seller to pay the difference between the contract price and the mutually agreed market price, if the market price is higher than the contract price; or
- (d) to extend the contract for a further fifteen (15) calendar days with appropriate carrying charges assessed as per Rule 10; extension beyond fifteen (15) calendar days shall be subject to mutual agreement.

The Buyer's failure to give notice as provided in this Section shall constitute extension of that portion of the contract for thirty (30) calendar days.

Section 3

Failure on the part of the Seller to deliver any instalment of Canola Meal, or failure on the part of the Buyer to furnish shipping instructions on any instalment of Canola Meal, shall not be a breach of the entire contract, or affect any other contracts between the Buyer and the Seller.

RULE 10 - CARRYING CHARGES

- (a) In the event the Buyer fails to lift the product during the original contracted period, the Seller shall carry the inventory for an additional seven (7) calendar days. On the eighth day, the Seller shall charge the Buyer the Bank of Canada prime rate plus 3% calculated daily on the contract price for each day that carrying charges apply.
- (b) In the event the Seller fails to ship the product after receiving sufficient instructions from the Buyer, the Seller shall be allowed an additional seven (7) free calendar days past the original contracted period. On the eighth day, the Buyer shall charge the Seller the Bank of Canada prime rate plus 3% calculated daily on the contract price for each day that carrying charges apply.

RULE 11 - WEIGHTS

Section 1 - GOVERNING WEIGHTS

The Seller's official weights are to govern. A copy of the Seller's weight certificate shall be provided to the Buyer on request.

Section 2 - OFFICIAL WEIGHT CERTIFICATES

In order to be approved for official weighing status or to issue official weights, a Seller of Canola Meal shall have weight measures that are approved by Measurement Canada under the *Weights and Measures Act*.

Section 3 - WEIGHT CLAIMS DUE TO DAMAGE OR TAMPERING IN TRANSIT

Where a weight discrepancy arises, no allowance for shortage or damage will be made by the Seller unless the Buyer furnishes complete evidence, including a railroad inspection report, so as to enable the Seller to present a complete claim to the carrier. Weight claims shall be filed as soon as possible, but not later than five (5) business days from the car unloading date. Weight claims filed after five (5) business days shall not be honoured. The Seller's liability shall be limited to the maximum of that which is recoverable from the carrier.

RULE 12 - COMMISSION OR BROKERAGE

Unless otherwise specifically agreed upon at the time of sale, the Seller shall pay the selling commission or brokerage to the agent or broker consummating the sale.

Commission will not be earned or paid when shipment is prevented by an act of any governmental body or by Force Majeure as defined in Rule 14. Commission or brokerage shall not be considered due until delivery has been made, or the contract otherwise disposed of.

RULE 13 - ARBITRATION

In the event of any dispute or difference arising out of or in any way relating to any contract to which the within Rules apply or the Rules themselves, including, without limitation, any dispute or difference as to the terms or conditions, breach, performance or interpretation of such contract or these Rules, then the same shall be settled by arbitration as follows.

Section 1 – SUBMISSION TO ARBITRATION

Either party may submit the dispute to arbitration by giving written notice of its request to arbitrate to the other party.

Section 2 - APPOINTMENT OF ARBITRATION COMMITTEE

Within thirty (30) calendar days after the notice is given, each shall appoint a single representative to serve as a member of an Arbitration Committee to consist of three members. The two representatives so appointed, within forty (40) calendar days from the date of notice, jointly shall select a third member, who shall be a duly qualified barrister and solicitor, to act as Chairman of the Arbitration Committee.

In the event the Arbitration Committee is not constituted as aforesaid, the following provisions shall apply:

- (a) In the event the Buyer fails, neglects, refuses or is unable to appoint a representative within the aforesaid thirty (30) day period, then the Seller may apply to the Court of Queen's Bench (or equivalent court of superior jurisdiction) in the Province in which the Seller's head office is located to make the required appointment;
- (b) In the event the Seller fails, neglects, refuses or is unable to appoint a representative within the aforesaid thirty (30) day period, then the representative of the Seller shall be deemed to be, and the Seller shall conclusively be deemed to have appointed, such individual person as may from time to time be designated by the Canadian Oilseed Processors Association as their "designated arbitration representative"; and
- (c) In the event the two appointed representatives fail, neglect, refuse or are unable to select a Chairman within the aforesaid forty (40) day period, then either of the Buyer or the Seller may apply to the Court of Queen's Bench (or equivalent court of superior jurisdiction) in the Province in which the Seller's head office is located to appoint such Chairman.

Section 3 - MATTERS INTENDED TO BE REFERRED

Within sixty (60) calendar days after the appointment of the Arbitration Committee as provided in Section 2 hereof, the party who initiated the arbitration process (the "claimant") shall provide a statement in writing to the Arbitration Committee setting out all the matters which it intends to refer to the Arbitration Committee and all information on which the claimant intends to rely in the arbitration. A copy of the written statement must be provided to the other party (the "respondent") at the same time.

RULE 13 - ARBITRATION (CONT'D)

Within ten (10) calendar days after receipt of the claimant's written statement, the respondent shall provide to the Arbitration Committee and to the claimant a written statement in response setting out any matter which it intends to refer to the Arbitration Committee and all information on which the respondent intends to rely in the arbitration.

Only those matters which are included in or covered by the respective statements shall be considered by the Arbitration Committee.

Section 4 - HEARING

Within fifteen (15) calendar days after the receipt by the Arbitration Committee of the written statements of the parties, the Arbitration Committee may convene a hearing of the matters referred to arbitration, or, as determined by the Arbitration Committee at its sole discretion, may accept written submissions of the parties. In the event the Arbitration Committee commences a hearing of the matters referred, it shall be at such time and place and under such conditions as may be prescribed by the Arbitration Committee, and each party shall have the right to submit evidence in support of its position.

Section 5 – CONDUCT OF ARBITRATION

Subject to this Rule, the Arbitration Committee may conduct the arbitration in the manner it considers appropriate.

The Arbitration Committee is not bound by the formal rules of evidence, but may hear, receive and consider any evidence which it may consider relevant.

Unless otherwise authorized by this Rule, a party communicating with the Arbitration Committee regarding the arbitration must do so in the presence of the other party or, if the communication is in writing, must provide a copy to the other party at the same time.

Each of the parties shall produce before the Arbitration Committee all relevant books, documents, papers, accounts, vouchers, entries, memoranda, plans and writings in their possession, power or control which the Arbitration Committee may require.

Each of the parties shall do all acts and things as are necessary to enable the Arbitration Committee to make proper findings respecting the matters in dispute, and neither of the parties shall obstruct, delay or prevent the Arbitration Committee from proceeding with the reference or from making its award.

The Arbitration Committee may postpone a hearing at the request of a party who satisfies the Arbitration Committee that there is a good and sufficient reason to do so.

RULE 13 - ARBITRATION (CONT'D)

Section 6 – NON-ATTENDANCE BY A PARTY

The Arbitration Committee may proceed with the hearing in the absence of any party who fails to attend the hearing and does not obtain a postponement in advance, provided that the absent party was properly notified of the time and place of the hearing.

Section 7 - AWARD

Within sixty (60) calendar days of the receipt by the Arbitration Committee of all evidence which it may consider relevant, the Arbitration Committee shall deliver its award by notice in writing to the Buyer and the Seller which notice shall be sufficient if given or delivered to the head offices of the Buyer and the Seller, respectively.

Section 8 - COMMENCEMENT OF LEGAL PROCEEDINGS

No action or legal proceedings shall be commenced or prosecuted by either of the parties against the other party relating to any of the matters in dispute, unless the party to be made defendant to such action or proceeding shall have refused or neglected to refer such matters to arbitration pursuant to the provisions of this Rule, or unless the time limited for making the award as aforesaid shall have expired without any such award being made.

Section 9 - PARTIES TO ABIDE BY AWARD

The award of the Arbitration Committee shall be binding in all respects upon the parties, subject to the right of either party to appeal the award of the Arbitration Committee to any court of competent jurisdiction on a question of law or jurisdiction.

Section 10 – COSTS OF ARBITRATION

Unless otherwise determined by the Arbitration Committee in its sole discretion, the costs of the arbitration, award and the costs of the parties in connection therewith shall be borne by the unsuccessful party to the reference. The Arbitration Committee in its sole discretion may determine liability for costs, apportion cost between the parties, set the amount of costs and give directions as to the manner in which costs are to be paid.

Section 11 - ARBITRATION ACT

Except as otherwise provided in this Rule, arbitrations shall be governed by the provisions of the *Arbitration Act* (or other legislation governing domestic commercial arbitration) in force in the Province in which the head office of the Seller is located. Where any provisions of such legislation and this Rule conflict, the provisions of this Rule shall govern.

RULE 14 - FORCE MAJEURE

The Seller shall not be liable for any delay or failure to make delivery of all or any part of the Canola Meal under these Rules in the event such delay or failure is due to Force Majeure and the Seller is unable to acquire sufficient goods to complete the contract.

The Buyer shall not be liable for any delay or failure to take delivery of all or any part of the Canola Meal under these Rules in the event such delay or failure is due to Force Majeure and the Buyer is prevented from taking delivery of the product.

The term "Force Majeure" shall include, but shall not be limited to, any fire, flood, drought, war, insurrection, riot, strike, lockout, breakdown of machinery, government embargo, railroad and shipping embargo, act of government, act of God or any other cause not within the control of the party affected.

Any dispute as to the existence of conditions constituting the claimed Force Majeure shall be adjudicated by arbitration in accordance with the arbitration provisions prescribed by these Rules.

The party declaring Force Majeure shall give notice to the other party by electronic mail with acknowledgement of receipt requested within seven (7) calendar days of the commencement of the Force Majeure condition or not less than twenty-one (21) calendar days before the commencement of the contract period, whichever is later.

The party affected by the Force Majeure may defer delivery while delivery is prevented by the Force Majeure condition for a period not to exceed sixty (60) calendar days following the date the Force Majeure condition commenced.

If delivery is delayed for more than sixty (60) calendar days, either party shall have the option of cancelling the delayed portion of the contract, without any claims or damages against either party.

In the event of a dispute, there shall be no claim against either party for or arising from delay or failure caused by Force Majeure, provided the legitimate existence of conditions constituting Force Majeure are declared.

Notwithstanding any of the provisions of this Rule, both parties shall take all responsible measures to fulfil the terms of the contract.