

MALAYSIAN RUBBER EXCHANGE

BY-LAWS

Incorporating all amendments up to 1 October 2016

*As approved at 75th MRE Management Committee Meeting on 15 August 2016
and 102nd Malaysian Rubber Board Meeting on 20 September 2016*

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Preserved Rubber
Latex

**MALAYSIAN RUBBER EXCHANGE
BY-LAWS**

By-law 1- Interpretations

In these Rules and By-laws and in any contract entered into by a Member, unless a contrary intention appears:-

“Bill of lading” includes Mate's Receipt.

“Bona fide delivery” means any delivery of rubber which, when delivered by the seller, is in sound condition, of the grade specified in the contract, and

(a) if sold by description, corresponds with and is equal to the description or of a quality not calling for an allowance of more than one half of the difference between the prices at the time of delivery of the quality called for under the contract and the next lower quality. PROVIDED THAT if the quality is not equal to the description and no lower grade of the same type exists, the delivery shall be considered non-bona fide; or

(b) if sold by sample shall correspond with and be equal to the sample or be of a quality not calling for an allowance of more than 2% of the price at the time of delivery of the quality called for by the contract and where packed in bales or cases, the bales or cases shall be in sound shippable condition.

“Business day” means the period from 0900 hours to 1300 hours and 1430 hours to 1700 hours on any day except Saturday, Sunday, a Public Holiday and any day on which the rubber market is declared officially closed by the Corporation.

“Container”	means a container with the following external dimensions:- (i) 5.9m by 2.35m by 2.39m (twenty-footer equivalent unit); or (ii) 12.03m by 2.35m by 2.39m (forty-footer equivalent unit).
“Contract”	means and includes, besides any form of written contract, the rights and duties resulting thereunder.
“Current Month”	means the first delivery month quoted in the Corporation's official prices.
“Day”	where it appears refer to calendar day unless otherwise specified.
“Deliverer”	means a seller delivering or a third party delivering on behalf of a seller.
“Delivery instructions”	means instructions in writing to ship or deliver rubber to a warehouse in which space has been obtained by buyer and shall include shipping marks if required.
“FOB”	FOB means:- (i) where the contract is on FOB (conventional) terms, delivery is deemed to be completed as if the contract was concluded in accordance with the current market practice for “Free Alongside Ship”; and ii) where the contract is on FOB (container) terms and in the case of sea transport:- (a) where the bales to be delivered constitute a full container load (FCL), delivery is deemed to be

completed either when the loaded container is taken over by the sea carrier or in the case where the loaded container is carried to an operator of a transport terminal acting on behalf of the carrier, when the container is entered into the premises of that terminal; and

- (b) where the bales to be delivered are less than a full container load (LCL), delivery is deemed to be completed when the Selling Member delivers them to the transport terminal and the bales are handed over to the sea carrier or to another person acting on the carrier's behalf,

Provided always that the Terminal Handling Charges (THC), where applicable, at the port of loading for contracts on the above terms shall be borne by the Buying Member.

“Final documents” means signed Bills of Lading or Warehouse Receipt.

“Freight conference” refers to a group of two or more vessel-operating carriers which provides regular or liner services for the carriage of cargo on a particular route or routes within specified geographical limits and which has an agreement or arrangement, whatever its nature within the framework of which they operate under uniform or common freight rates and any other agreed conditions with respect to the provision of liner services.

“Further contract” means a contract made subject to the terms and conditions of a contract of the Rubber Trade Association of North America, Inc. or The Rubber Trade Association of Europe or the Singapore Exchange or the International Rubber Association and its successor

organization thereof under which the rubber the subject matter of a Member's FOB Contract in a form recognised by the Corporation is resold by buyer, and where arbitration facilities of the appropriate Association are available to either of the parties.

- “Licence” means a licence issued by the Board under subregulation 5(1) of the Malaysian Rubber Board (Licensing and Permit) Regulations 2014.
- “Licensee” means a person issued with a licence under subregulation 5(1) of the Malaysian Rubber Board (Licensing and Permit) Regulations 2014.
- “Malaysian Rubber Board (Licensing and Permit) Regulation 2014” means the regulations established under Section 62 of the Malaysian Rubber Board (Incorporation) Act 1996
- “Month” where it appears refer to calendar month unless otherwise specified.
- “Ocean ports” means the ports of Port Klang, Penang and any other port approved by the Corporation.
- “Physical Contract” means a contract in a form prescribed by the Rules, By-laws or contract terms of the Malaysian Rubber Exchange.
- “Physical Business” means business which is not guaranteed under the Rules, By-laws and contract terms of the Corporation.
- “Recognised Factory” means any factory which is included in the list of recognised factories maintained by the Corporation.

“Shipping instructions”	means instructions in writing to ship rubber and shall include the port of destination, name of steamer on which space has been obtained by buyer, shipping marks and, if any Currency Declaration Form and/or Licence is required, such Form and/or Licence. Shipping instructions shall not be invalidated by the absence of the name of the steamer or of the Currency Declaration Form or Licence provided that notification to seller of the name of the steamer and delivery of such Form or Licence shall be made not less than two business days before the published date of the sailing of the steamer. Shipment shall mean shipment by conventional or container vessel and in the case of containerised rubber, LCL shipment for Singapore and Port Klang and FCL for Penang.
“Shut out”	is deemed to occur when loading of rubber is not permitted by a steamship company on a vessel for which space had previously been booked.
“Tender”	means an FOB Tender duly registered by the Bursa Malaysia Derivatives Clearing Berhad and its successor organization thereof.
“Warehouse”	means a public warehouse which is recognised as such by the Corporation unless otherwise specified.
“Warehouse receipt”	means a receipt for rubber issued by a warehouse.

By-law 2 - Applications for Election

- (a) All applications for election as:-
- (i) an Ordinary Member under Rule 5(1)(a), 5(1)(d), 5(1)(e) and 5(1)(f) shall be in the form as set out in sub-paragraph (b) hereof;
 - (ii) an Associate Member shall be in the form as set out in sub-paragraph (c) hereof;

and each applicant for membership shall supply all the particulars called for in the form of application which he is by this By-law required to complete;

- (b) Form of Application for Ordinary Membership Under Rule 5(1)(a), 5(1)(d), 5(1)(e) and 5(1)(f):-

FORM NO. I

**APPLICATION FOR ORDINARY MEMBERSHIP OF THE
MALAYSIAN RUBBER EXCHANGE**

1. Name of Applicant:.....
Official Address:
.....
.....
Tel No: Fax No:.....
E-mail:

2. Membership Classification Applied For :

Producer	<input type="checkbox"/>	Dealer	<input type="checkbox"/>
Broker	<input type="checkbox"/>	User	<input type="checkbox"/>

(Please √ the relevant box)

3. (a) Constitution of Business *:

Sole Proprietorship	<input type="checkbox"/>	Partnership	<input type="checkbox"/>
Private Limited Company	<input type="checkbox"/>	Public Limited Company	<input type="checkbox"/>

(Please √ the relevant box)

[*Attach Memorandum and Articles of Association or Partnership Agreement]

(b) Date of Incorporation / Registration#:

(c) Country of Incorporation / Registration#:

[# Delete where appropriate]

4. (a) Nature of business being undertaken / to be undertaken*:

Rubber Trading Rubber Product
Manufacturing

Rubber Processing Others

.....
.....

(Please ✓ the relevant box)

(b) Types of rubber / rubber product/ others(please specify)*:

.....
.....

(c) Number of years in rubber / rubber products/ others* business:

.....

(d) Type of licence(s) applied for* under Regulation 3 of the Malaysian Rubber Board (Licensing and Permit) Regulations, 2014 :

To Purchase Rubber To Treat Rubber

To Sell Rubber To Purchase Rubber For
Manufacturing Rubber Product

To Germinate, Grow, Plant or
Transplant Rubber Planting Material

To Pack Rubber for Export

To Ship Rubber for Export

To Ship Rubber Gloves for Export

(Please ✓ the relevant box)

5. Paid-up Capital

(a) Amount: RM.....

(b) Ownership structure

(i) Malaysian

Bumiputra	RM	(..... %)
Non-Bumiputra	RM	(..... %)
Total Malaysian	RM	(..... %)

(ii) Non-Malaysian

<u>Nationality</u>		
.....	RM	(..... %)
.....	RM	(..... %)
.....	RM	(..... %)
Total Non-Malaysian	RM	(..... %)

[Attach copy of the latest Annual Report and Audited Accounts]

6. Bank Guarantee (if applicable)

Amount:

Banker

.....

7. Particulars of Directors / Partners and Principal Officers*:

Directors/Partners	Principal Officers
.....
.....
.....
.....

*[*As at date of application]*

[Attach latest copy of Form 24 and Form 49 from the Registrar of Companies]

8. Trade Association/Affiliation (if any):

.....

.....

9. Bank Confidential Report from:

.....

.....

Date:

.....
Authorised Signature of Applicant

Name:

Designation:

FOR OFFICE USE ONLY

- (c) Form of Application for Associate Membership:-

FORM NO. II

**APPLICATION FOR ASSOCIATE MEMBERSHIP OF THE
MALAYSIAN RUBBER EXCHANGE**

1. Name of Applicant:
Official Address:
.....
.....
Tel No: Fax No:
E-mail:

2. (a) Constitution of Business*:

Sole Proprietorship	<input type="checkbox"/>	Partnership	<input type="checkbox"/>
Private Company	<input type="checkbox"/>	Public Company	<input type="checkbox"/>

(Please ✓ the relevant box)

*[*Attach Memorandum and Articles of Association or Partnership Agreement]*

- (b) Date of Incorporation / Registration#:

- (c) Country of Incorporation / Registration#:

[# Delete where appropriate]

3. (a) Nature of business in rubber / rubber products*:

- (b) Number of years in rubber / rubber products* business:

*[*Delete where appropriate]*

4. Paid-up Capital*:

[Attach copy of the latest Annual Report and Audited Accounts]

5. Bank Guarantee (if applicable)

Amount:

Banker:

.....

6. Particulars of Directors/Partners*:

Name & Residential Address	Designation	Nationality	Occupation Vitae	Shares in Company (if any)
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

[* As at time of application]

7. Principal Officers*:

Name & Position in Company	Nationality	Occupation Vitae	Experience in Rubber Trade & Industry	Shares in Company (if any)
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

[* As at time of application]

8. Trade Association/Affiliation (if any):
.....
.....

9. Bank Confidential Report from:
.....
.....

Date:

.....
Authorised Signature of
Applicant

Name:

Designation:

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By-law 3 - Entrance Fees and Subscriptions

The amount payable by Members as entrance fees and subscriptions shall be as follows:-

(a) Ordinary Members	Entrance Fee	Annual Subscription
Producers, Brokers, Dealers and Users	RM500	RM500
(b) Associate Members	RM750	RM750

By-law 4 - Rights and Obligations

The rights and obligations of members are aimed towards an orderly and proper conduct of trade in the rubber market.

By-law 5 - Deleted

By-law 6 - Deleted

By-law 7 - Trading By-laws

PART A - General

(a) Transactions to be evidenced by written Contracts

Every transaction by a Member or Associate Member with another Member or Associate Member shall be evidenced by a written contract and shall be governed by the Rules and By-laws in so far as these are applicable, except in so far as their provisions are modified or excluded by the terms of a written contract between the parties.

(b) Types and Grades ; Packing Specifications

(i) Ribbed Smoked Sheet (RSS)

(ii) Technically Specified Rubbers (TSR)

As prescribed in the International Rubber Association (IRA) TSR20 Contract

(c) Despatch and Receipt of Documents in respect of Members and Associate Members.

Every Ordinary Member and every Associate Member shall:-

(i) deleted

(ii) deleted

(iii) deleted

(iv) deleted

(v) deleted

(vi) keep a record of every confirmation, contract, store receiving order, notice, invoice, account or other document the use of which is required by these By-laws or terms of the contract which are despatched through any mode of electronic mail and such record shall be evidence that such documents have been duly sent and received.

(d) *Force Majeure*

(i) Should either the seller or buyer be prevented from fulfilling his obligations under a contract which is made subject to the Rules, By-laws and contract terms of the Corporation during the period stipulated therein, by reason of an act of God, an act of the sovereign, government or parliament, consequences of hostilities or warlike operations (other than those referred to in Clause (ii) hereof), blockade, political or civil disturbances or insurrections, riots, strikes, lock-outs, combination of workmen or any other cause of force majeure, and such cause continues

for a period of twelve calendar months from the commencement thereof, any obligations thereunder relating to shipments or deliveries not then completed and payment therefor shall be cancelled and no claim shall lie by either party against the other in respect of loss or damage arising out of such cancellation.

Should such cause continue for a period of less than twelve calendar months any outstanding shipments or deliveries shall be shipped or delivered and any outstanding obligations hereunder shall be fulfilled as soon as possible after such cause ceases to operate, provided that such shipments, deliveries or fulfilment shall in no case be later than six calendar months after such cessation.

- (ii) Should either party be prevented from fulfilling his contract by hostilities or warlike operations in which the country of which either party is a national, or in which the country to or from which the rubber is to be shipped, is a participant, the contract shall be cancelled.
- (iii) The question whether or not there has been “prevention” within the meaning of the preceding clauses shall, failing agreement between the parties, be determined by arbitration.

(e) Passing of Property

Every contract of whatsoever description, which is made so as to import or be subject to the Rules, By-laws and contract terms of the Corporation shall be deemed to import, or read as if it included and was subject to, the clauses following :-

- (i) the property in any rubber belonging to a seller delivered by such seller to his immediate buyer shall, notwithstanding such delivery, remain in the seller, and shall not pass or be deemed to pass to the buyer until he has paid to his seller the full price payable for the rubber delivered and the seller's charges if any, for delivery
- (ii) as from the time of delivery of rubber belonging to a seller to his immediate buyer until payment therefor has been made to the seller as aforesaid, the buyer shall hold the rubber delivered to him or if he has disposed, or disposes, thereof, the price he contracted to pay therefor, in trust for such seller free

from any claim thereto or from any lien thereon except as provided in Clause (v).

- (iii) if a Member or Associate Member who delivers rubber to a buyer is not the immediate seller to such buyer of the rubber delivered, he may at the time of giving delivery, give to such buyer a notice in writing (Form No. VI) specifying the nature (as unpaid seller or otherwise) and amount of his claim to, or interest in, the rubber delivered, and requesting the buyer to hold the rubber or, at the buyer's option, the price contracted to be paid by the buyer to his immediate seller therefor, or such part of such price as shall be necessary to satisfy his (the deliverer's) claim in respect of the rubber delivered, in trust for the deliverer, and if the immediate seller to such buyer has previously admitted in writing, or admits in writing, prior to the expiration of the business day next following delivery, the correctness of such notice, the buyer shall at his option either hold the rubber delivered to him, or if he has disposed, or disposes, of it, the price he has contracted to pay therefor to his immediate seller or so much of such price as shall be sufficient to satisfy the claim of the deliverer in trust for the deliverer free from any claim thereto or from any lien thereon except as provided in Clause (v).
- (iv) if the correctness of any notice given by a deliverer under the provisions of Clause (iii) is not admitted by the buyer's immediate seller within the time mentioned in that clause, the settlement of the claims against the buyer in respect of the said rubber or the price thereof shall unless the deliverer and the buyer's immediate seller can agree as to the terms of settlement, be referred to arbitration in accordance with the provisions of Rule 94 or By-law 8 and shall be settled pursuant to the award therein and, pending such settlement, the buyer shall (subject to Clause (v)), either retain the rubber upon trust to be dealt with in accordance with the award or, if he has disposed or disposes, of the rubber, pay the price he contracted to pay therefor to the Corporation to be dealt with in accordance with such award. Any such award may direct how and by whom the buyer's storage charges are to be paid.
- (v) The buyer shall be entitled to a lien on rubber delivered to him as aforesaid, for the amount of any such deposit paid to his

immediate seller in respect thereof, or may set off such amount against the price of the rubber.

(f) Risks

All rubber sold shall be at the risk of the deliverer until the same has been delivered in accordance with the provisions of the contract and thereafter shall be at the risk of the buyer; provided always that in any case in which rubber has been delivered to the buyer and the deliverer is liable to remove such rubber or any portion thereof, the rubber which the deliverer is liable to remove shall be at the risk of the buyer only up to time when such rubber ought to be removed by the deliverer and thereafter shall be at the risk of the deliverer.

(g) Set Off by Agreement

Subject to the provisions of Rule 22 if at any time an Ordinary Member or Associate Member has entered into a contract or contracts to sell rubber of a particular quality for a particular delivery to another Ordinary Member or Associate Member and has also entered into a contract or contracts for the purchase from such last mentioned Ordinary Member or Associate Member of similar rubber for a similar delivery, then and in any such case, the parties concerned may by mutual agreement set off any such contracts or portions of any such contracts, one against the other, and in such cases an account shall be taken of the amount due from each party to the other in respect of the contracts or portions of contracts so set off and only the balance due upon such account shall be paid or payable as between the parties.

(h) Payment

- (i) Unless otherwise stated every Ordinary or Associate Member to whom any sum (except as hereinafter provided) is properly payable under the provisions of any of the Rules or the By-laws or the contract terms shall deliver at the business address of the person liable to pay an invoice giving particulars of the sum so payable and the person who receives any such invoice shall, in the case of an invoice presented, pay the amount due in respect thereof within 5 business days after first presentation.
- (ii) Notwithstanding the provisions of By-law 7 PART A (h)(i) the Management Committee may make contract terms from time to

time for an extension of the time for payment when the person liable to pay and the person to whom the payment is due do not have offices in the same town or city, and the Management Committee may in such case make contract terms to prescribe the manner of payment.

- (iii) The due date for payment of every balance in respect of contracts set-off in accordance with paragraph (g) of this By-law, shall be the last business day of the month of delivery specified in the contract, and invoices for any such balance shall be delivered on or before the business day next before due date, and, if delivered later, payment shall be made in accordance with Clause (i) hereof, or as prescribed by any contract terms of the Corporation.
- (iv) Brokerage shall be payable in respect of every contract entered into through or by a broker by the person employing such broker irrespective of whether or not such contract is fulfilled; provided that nothing in this paragraph shall entitle a broker to brokerage in respect of any contract which is not performed due to his own default. The due date for payment of brokerage shall be the last business day of the calendar month during which the contract in respect of which it is payable falls due for fulfillment. Where a contract is to be fulfilled by delivery or receipt by installments, brokerage shall become due by installments as if each installment was delivered or received under a separate contract. Bills for any brokerage due as above shall be delivered on or before the business day next before the last business day of the calendar month, and, if delivered later, payment shall be made in accordance with Clause (i) hereof.
- (v) deleted

MALAYSIAN RUBBER EXCHANGE
Form No. VI
NOTICE OF CLAIM BY DELIVERER DELIVERING
TO PERSON OTHER THAN HIS BUYER
(Pursuant to By-law 7, PART A (e)(iii))

To Messrs

.....
(Date)

TAKE NOTICE that the rubber of the description and estimated weight following:-

delivered to you by us this day pursuant to your contract/s with Messrs.

.....
is subject to a claim by us as unpaid Sellers (or as*

.....)
for the sum of RM

You are therefore requested to hold either the said rubber, or the price you have contracted to pay therefor, or so much of such price as shall be sufficient to satisfy our above written claim, in trust of us, subject, however, to lien thereon or claim thereto which you may have under By-law 7, Part A (e)(v).

Deliverer's Signature

.....
.....

We admit the above written claim.

Date

Time

.....
Signature of Seller on
whose account the rubber
is delivered

.....
(Date)

.....
Signature of person to
whom the rubber is
delivered

.....
(Date)

[**State nature of other interest*]

PART B - Contracts of Defaulters

- (a) This By-law shall apply whenever a person has become a defaulter within the meaning of Rule 22 unless any other By-law or contract term makes specific provision for the way in which any particular outstanding contract shall be settled.

- (b) For the purposes of this By-law :-
 - (i) “the time of default” means the time and date which the Management Committee in its absolute discretion decides should be deemed to be the time and date when the Defaulter becomes a Defaulter having regard to the circumstances of the case; and

 - (ii) “outstanding contract” means every contract purporting to be made so as to import or be subject to the Rules, By-laws and contract terms of the Corporation which shall not have been wholly performed to the mutual satisfaction of both the seller and buyer prior to the time of default and includes any portion of such contract which has not been wholly performed as aforesaid; but the expression does not mean that, and this By-law shall not be construed so that, it shall be necessary to reopen accounts between Members in respect of any portion of a contract which prior to the time of default has been wholly performed to the mutual satisfaction of both the seller and buyer; and (iii) a contract or part of a contract in respect of which full payment has been made in accordance with these By-laws shall be deemed to have been wholly performed to the mutual satisfaction of both the seller and buyer if, prior to the time of default, either :-
 - (a) a seller has made a delivery of the rubber or the parties have agreed to set-off in accordance with paragraph (i) of By-law 7 PART A(g); or

 - (b) the rights of the parties have been fixed by mutual agreement (not being an agreement made with knowledge by either party of an act of bankruptcy committed by the other, or made for the purpose of a collusive preference with knowledge by either of an impending default of the other) or by arbitration.

- (c) (i) Subject as hereinafter provided every outstanding contract entered into between the defaulter and any Member shall be deemed to be closed as at the time of default and the rubber the subject matter of such contract shall be, or shall be deemed to be, invoiced back by the seller or buyer thereof at the price or prices as certified by the Management Committee at the time of default.
- (ii) Subject as hereinafter provided accounts between the defaulter and every Member in respect of every such outstanding contract shall be settled upon the basis of such invoicing back at the price or prices so certified.
- (d) If between the same parties there shall be more than one outstanding contract which ought to be closed by invoicing back in accordance with the foregoing provisions of this By-law an account as at the time of default shall be taken of what is due to one part from the other having regard to the price or prices so certified as aforesaid in respect of every such outstanding contract and except in cases in which the By-laws or contract terms otherwise provide the sum due from one party shall be set off against the sum due from the other party and the balance of the account and no more shall be claimed or paid on either side respectively.
- (e) Subject to paragraph (f) of this By-law
 - (i) (a) Where the whole or part of the rubber which is the subject matter of an outstanding contract has been delivered to the buyer prior to the time of default, he shall be entitled to retain such rubber notwithstanding that he has not paid for the same or has given a provisional receipt in respect of it or may under the provisions of any of the By-laws or contract terms hold the same in trust for the other party and the outstanding contract shall only be closed out in respect of any balance of the rubber which has not been so delivered.
 - (b) In any such case, the buyer shall give credit to the other party for the contract price of the rubber so delivered (less any proper deductions for short weight or inferior quality) and any balance of the rubber which has not been so delivered shall be invoiced back at the price certified by the Management Committee in accordance with the preceding provisions of this By-law. Any sum due from the one party

to the other on invoicing back shall be added to or set off against the contract price of the rubber so delivered as aforesaid and the contract price or the total or the balance of the two said sums as the case may be shall (subject to any further right of set off provided for by this By-law) be payable by the one party to the other.

- (ii) (a) Where prior to the time of default the buyer has given any money to or has deposited any security with the other party to an outstanding contract to procure delivery of rubber pursuant to such outstanding contract the other party shall be entitled to retain the whole or part of such money or security as appropriate in accordance with the provisions of sub-paragraph (b) of this By-law and to realise any such security notwithstanding that such rubber has not been delivered prior to the time of the default and the outstanding contract shall be closed out in respect of all the rubber to which the same relates.
 - (b) In any such case such other party shall be entitled to set off such money or the value of such security so held by him against any other debt due to him from the buyer and shall only pay to the buyer the balance (if any) then remaining.
- (f) A Member shall not be entitled under this By-law or otherwise howsoever to claim any set-off, and no set-off shall be allowed, in respect of any money given to, security for money deposited with, or rubber contracted to be sold or sold or delivered or otherwise made over to him by or on behalf of the defaulter
- (i) after notice to him
 - (a) that the defaulter had become a defaulter; or
 - (b) of an act of bankruptcy committed by the defaulter; or
 - (c) of the insolvency of the defaulter; or
 - (ii) for the purpose of collusive preference, after notice to him that a person is about to become, or is likely to become, a defaulter; or
 - (iii) if precluded by any By-law or contract terms or by any decision of the Management Committee or by the decision of any Management Committee Member or Management Committee

Members to whom the Management Committee may delegate its powers under any Rule, By-law or contract term.

- (g) The foregoing provisions of this By-law shall in the absence of express provisions to the contrary in the By-laws or contract terms be deemed to be terms of every contract made between Members so as to import or be subject to the Rules, By-laws and contract terms and accordingly shall when applicable apply bankruptcy and in the winding up of any company in lieu of any statutory provisions as to the carrying out or avoidance of contracts, the realisation of the estate of the bankrupt or company, or set-off for the time being in force but in so far as the provisions of this By-law do not apply the statutory provisions with respect to the matters aforesaid shall apply.

PART C – Deleted

By-law 8 – MRE Arbitration Rules

GENERAL PROVISIONS FOR MEMBERS AND NON MEMBERS (Rules 1 to 5)

1. SCOPE OF PROVISIONS

1. These Rules shall govern the resolution of all disputes except that where any of these Rules is in conflict with a provision of the Arbitration Act 2005 and any subsequent amendments to the Arbitration Act 2005 from which the parties cannot derogate, that provision shall prevail.
2. These Rules shall apply when arbitrations are held in Malaysia.
3. Any dispute that may arise between Members as to their rights, duties, obligations or liabilities in respect of any contract shall, if either party so require, be referred to an arbitral tribunal comprising of three arbitrators selected from the panel of arbitrators appointed under Rule 35.
4. Either party to a contract in which a Member or Associate Member is a party and which is stated to be subject to the Rules and By-laws of the Corporation, shall be entitled to refer any dispute that may arise between them for arbitration as in accordance with the Rules for arbitration as laid down herein.
5. Any non-member having a dispute with another non-member may apply to the Corporation for arbitration facilities provided that either:
 - a) they had entered into a written arbitration agreement;
or
 - b) they give their consent in writing to such arbitration and agree to be bound by the Corporation's Rules and By-laws insofar they apply to arbitrations.
6. In the event of a non-member or an Associate Member being a party to an arbitration, such non-member or Associate Member may appoint a representative in Kuala Lumpur, being a Member of the Corporation, to represent him at the arbitration,

and such representative shall be authorised to receive all notices relating thereto on behalf of the non-member or the Associate Member.

7. Every arbitration entered into under the provisions of the MRE Arbitration Rules shall be completed and the award reported to the Chairman or his Deputy within three (3) months from date of acceptance by the Corporation the relevant Form No. VIII (Request for Dispute Resolution).
8. In the case of special circumstances as determined and agreed upon by the arbitral tribunal, the Chairman or his Deputy may extend this period further and it shall not exceed two (2) months.
9. Notwithstanding anything to the contrary, MRE may decline to accept any dispute for arbitration under these Rules where MRE decides that such dispute is not a proper subject matter for arbitration under these Rules.

2. NOTICES, CALCULATION OF PERIOD OF TIME

1. The Parties agree that as between them, any notice, request, submission and other document to be (a) delivered to or filed with an arbitrator, the MRE shall be deemed to have been validly received or filed only if it has been physically delivered to MRE for the attention of the arbitrator, MRE (as the case may be); and (b) delivered to a Party shall be deemed to have been received if it is delivered by registered postal or courier service (i) to that Party personally, (ii) to its habitual residence, place of business or designated address, (iii) to any address agreed by the Parties, (iv) according to the practice of the Parties in prior dealings, or (v) if none of these can be found after making reasonable inquiry, then at that Party's last-known residence or place of business. Each Party shall file with MRE a copy of all notices, requests, submissions and other documents delivered to the other Party. A notice, request, submission or other document is deemed to have been received on the day it is delivered.
2. For the purposes of these Rules, all notices, requests, submissions and other communications shall be in writing. For the purposes of calculating any period of time under these

Rules, if the last day of such period is not a business day, the period is extended until the first business day which follows.

3. INITIATION OF ARBITRATION

1. Any Party initiating recourse to arbitration (the "claimant") shall give to the MRE and the other Party (the "respondent") a request for dispute resolution together with the appropriate filing fee and such other fees in accordance with Rule 39 and 40. The filing fee shall be non-refundable, regardless of whether the Dispute is accepted by MRE for arbitration under Rule 1(9).
2. Subject to acceptance of the dispute for arbitration by MRE, the Parties agree that arbitral proceedings shall be deemed to commence on the date on which the request for dispute resolution is received by the respondent or the date on which the dispute is accepted by MRE (whichever is later).
3. The request for dispute resolution shall be made in Form No. VIII and shall include the following:-
 - (a) A demand that the dispute be referred to arbitration;
 - (b) the names and addresses of the Parties;
 - (c) a reference to the Contract out of or in relation to which the dispute arises;
 - (d) a reference to a written arbitration clause or agreement;
 - (e) the general nature of the claim and an indication of the amount involved (if any); and
 - (f) the relief or remedy sought.
4. The request for dispute resolution may also include the statement of claim referred to in Rule 12 and the appointment of the required arbitrator referred to in Rule 6.

5. Where the MRE accepts a dispute for resolution by arbitration, the Parties agree that such arbitration shall be conducted in accordance with the provisions of Rules 6 to 32.

4. TIME LIMITATION

Unless the contract in dispute was otherwise amended, the Parties agree that no dispute shall be arbitrated under these Rules unless a request for dispute resolution shall have been lodged in accordance with Rule 3(1) within two (2) years from the occurrence of the event giving rise to the dispute.

5. LIABILITY OF ARBITRAL TRIBUNAL AND IMMUNITY OF MRE

1. Neither the MRE, the Management Committee, the Committee, nor the arbitral tribunal presiding the arbitral proceedings shall be liable to the Parties for any act or omission in connection with any arbitration conducted under these Rules, save that such arbitrator (but not the MRE, the Management Committee or the Committee) may be liable for the consequences of conscious and deliberate wrongdoing.
2. The MRE, the Management Committee and the Committee or any other person designated or requested by the parties to appoint or nominate an arbitrator, shall not be liable for anything done or omitted in the discharge of the function unless the act or omission is shown to have been in bad faith.
3. Subject to anything to the contrary in these Rules, after the Award has been made and the possibilities of correction and additional Awards referred to in Rules 30, 31 and 32 have lapsed or been exhausted, neither the Committee, the MRE nor the arbitral tribunal shall be under any obligation to make any statement to any person about any matter concerning the arbitration nor shall any person seek to make the arbitral tribunal, any member of the Committee nor the MRE a witness in any legal proceedings arising out of the arbitration.

RULES OF ARBITRATION
(Rules 6 to 32)

6. APPOINTMENT OF ARBITRATOR

1. In so far as the Parties shall not have provided otherwise, the Parties shall request the Committee to appoint, arbitrators selected from the Panel in accordance with these Rules.
2. Without prejudice to the impartiality of the Panel, in making any appointments of arbitrators, the Parties shall have regard to such considerations as are likely to secure that appointment of an independent, impartial and suitable arbitrator to hear the dispute.
3. All arbitrators to be appointed to hear any dispute shall be selected only from the Panel.
4. The Parties agree that the disputes shall be settled by an arbitral tribunal comprising of three arbitrators.
5. Each Party shall nominate respectively one arbitrator within seven (7) days from the date the request for dispute resolution has been communicated to the respondent. The appointment of arbitrator shall be made in Form No. VIII A (for Claimant) and Form No. VIII B (for Respondent). If a Party fails to nominate an arbitrator, the other Party shall request the Committee to make such appointment.
6. The Parties agree that the third arbitrator, who will act as presiding chairman, shall be appointed by the two arbitrators and failing which, shall be appointed by the Committee.
7. The Parties agree that every arbitrator appointed must be and remain independent of the Parties involved in the arbitration, and shall not act as advocate for any party.

7. CHALLENGE OF APPOINTMENT OF ARBITRATOR

1. A prospective arbitrator shall disclose to those who approach him in connection with his possible appointment any circumstance likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, once appointed or

chosen, shall disclose such circumstances to the Parties unless they have already been informed by him of these circumstances.

2. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
3. A Party who intends to challenge an arbitrator shall, within fifteen (15) days after becoming aware of the constitution of the arbitral tribunal or of any reasons referred to in Sub-Rule (2) above, send a written statement of the reasons for the challenge to the Committee, the other Party and to the arbitrator who is challenged.
4. When an arbitrator has been challenged by one Party, the other Party may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his office. In neither case does this imply acceptance of the validity of the grounds for the challenge. In both cases, a substitute arbitrator shall be appointed by the Party who appointed such withdrawing arbitrator in accordance with Rule 6.
5. If the other Party does not agree to the challenge and the challenged arbitrator does not withdraw, the Parties agree that the decision on the challenge will be made by the Committee.
6. If the Committee sustains the challenge, a substitute arbitrator shall be appointed by the person who appointed the arbitrator to be substituted in accordance with Rule 6. The decision of the Committee on the challenge shall be final and conclusive.

8. REPLACEMENT OF AN ARBITRATOR

1. In the event of the death or resignation of an arbitrator during the course of the arbitral proceedings, a substitute arbitrator shall be appointed as follows:-
 - (a) where the arbitrator was one of three arbitrators and he was appointed by one of the Parties, the substitute arbitrator shall be appointed by the Party who appointed such arbitrator within seven (7) days of the date of the arbitrator's resignation or death and if the relevant Party

shall fail to nominate an arbitrator, the other Party shall request the Committee to make such appointment. In the event that no such request is made within the aforementioned period, the Committee shall make the appointment;

- (b) where the arbitrator is the chairman of a panel of three arbitrators, the substitute arbitrator (who shall also serve as the substitute chairman) shall be appointed in accordance to Rule 6(6).
2. In the event that an arbitrator fails to act or in the event of the *de jure* or *de facto* impossibility of his performing his functions, the procedure in respect of the challenge and replacement of an arbitrator as provided in Rule 7 and 8 shall apply.
 3. If any arbitrator is replaced, any hearings held previously may be repeated at the discretion of the arbitral tribunal.

9. CONDUCT OF ARBITRAL PROCEEDINGS

1. Subject to these Rules, the Parties agree that the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that the Parties are treated with equality and that at any stage of the proceedings each Party is given a full opportunity of presenting his case.
2. Where the dispute of the Party requesting arbitration involves a liquidated amount which exceeds RM100,000 equivalent in any other currency (exclusive of interest and expenses) or an unliquidated amount or a non monetary claim, the Parties agree that a hearing before the arbitral tribunal shall be required unless the Parties and the arbitral tribunal agree to waive such hearing.
3. Where Rule 9(2) above does not apply; the Parties agree that the arbitration shall be by written submission except where the arbitral tribunal requires a hearing.
4. Notwithstanding anything in these Rules, the Parties agree that the arbitral tribunal shall have the power to decide whether to

hold oral hearings or whether the proceedings shall be conducted on the basis of documents and other materials.

5. In the event of an oral hearing, the arbitral tribunal shall give the Parties adequate advance notice of the date, time and place thereof.
6. If witnesses are to be heard, at least seven (7) business days before the hearing, each Party shall communicate to the arbitral tribunal and to the other Party the names and addresses of the witnesses it intends to present, the subject upon and the languages in which such witnesses will give their testimonies. In all events, the arbitral tribunal shall have the power to direct the appearance of any person or to direct any Party to procure the appearance of any person deemed necessary for the hearing.
7. Evidence of witnesses may also be presented in the form of written statements signed by them.
8. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered and shall not be bound by any formal rules of evidence.
9. The presiding chairman of the arbitral tribunal may make procedural rulings alone, subjected to acceptance and/or revision by the arbitral tribunal.
10. The arbitral tribunal shall have power to decide where in Malaysia such arbitration shall be conducted.
11. No Party shall be represented by counsel in any arbitral proceedings.

10. SEAT OF ARBITRATION

1. Unless the arbitral tribunal determines otherwise having regard to the circumstances of the arbitration, the seat of arbitration shall be in Kuala Lumpur, Malaysia.
2. Notwithstanding the seat of arbitration, the arbitral tribunal may hear witnesses and hold meetings for consultation among relevant person at any place it deems appropriate, having regard to the circumstances of the arbitration.

3. The arbitral tribunal may also visit any place it deems appropriate for the inspection of goods, other property or documents. The Parties shall be given sufficient notice to enable them to be present at such inspection.
4. The Award shall be made at the seat of arbitration.

11. LANGUAGE

1. Unless the arbitral tribunal decides otherwise having regard to the circumstances of the arbitration, the language to be used in the arbitration shall be English. This determination shall apply to the Statement of Claim, the Statement of Defence, and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.
2. The arbitral tribunal may order that any documents annexed to the Statement of Claim or Statement of Defence, and any supplementary documents or exhibits submitted in the course of the proceedings, delivered in their original language shall be accompanied by a translation into the language or languages determined by the arbitral tribunal. In the event of disputes on facts arising from such translations then the English version shall prevail.

12. REQUEST FOR DISPUTE RESOLUTION

1. In every case of reference to arbitration under these Rules each disputant shall fill up the necessary particulars and sign the appropriate form (Form No. VIII) and shall deliver five (5) copies thereof to the MRE.
2. The copy of Form No. VIII requiring to be served in accordance with the Rules hereof, shall be served at the correspondence address of the other disputant, or sent to such correspondence address by courier service or registered post, and in the last mentioned case shall be deemed to have been served on the day when, in the ordinary course of post, such letter would be delivered.

13. STATEMENT OF CLAIM

1. Unless the Statement of Claim were contained in the request for dispute resolution, within seven (7) days of the acceptance of a request for dispute resolution by the MRE, the claimant shall file five (5) copies of its Statement of Claim with the MRE. A copy of the Contract (if any), and of the arbitration agreement (if any) shall be annexed thereto. The MRE shall promptly furnish to the respondent and the arbitrators a copy each of the Statement of Claim and all documents annexed thereto.
2. The Statement of Claim shall include the following particulars:-
 - (a) The names and addresses of the Parties;
 - (b) a statement of the facts supporting the claim;
 - (c) the points at issue; and
 - (d) the relief or remedy sought.
3. The claimant may annex to its Statement of Claim all documents it deems relevant or may add a reference to the documents or other evidence it will submit.

14. STATEMENT OF DEFENCE

1. Within fourteen (14) days of receipt of the Statement of Claim by the respondent, the respondent shall file five (5) copies of its Statement of Defence with the MRE. The MRE shall promptly furnish to the claimant and the arbitral tribunal a copy each of the Statement of Defence and all documents annexed thereto.
2. The Statement of Defence may also include any counterclaim by the respondent pursuant and subject to Rules 39 and 40. In the event the conditions set out in Rules 39 and 40 are not met, the respondent shall only be entitled to file its Statement of Defence.
3. The Statement of Defence shall reply to the particulars (b), (c) and (d) of the Statement of Claim under Rule 13(2). The respondent may annex to its statement the documents on which

it relies for its defence or may add a reference to the documents or other evidence it will submit.

15. REPLY TO DEFENCE AND COUNTER CLAIM

1. In its Statement of Defence or at a later stage in the arbitral proceedings, if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counter-claim arising out of the same transaction or rely on a claim arising out of the same transaction for the purpose of a set-off (collectively referred to herein as “counterclaim”) provided always that the respondent has made payment of the Respondent Claim Deposit required under Rule 39 and 40 in full. In the event the Respondent Claim Deposit has not been paid by the respondent in full in accordance with Rule 39 and 40, the respondent shall have no right to file or proceed with any counterclaim against the claimant and shall only be entitled to file its Statement of Defence.
2. Within fourteen (14) days of receipt of the Statement of Defence by the claimant, the claimant shall file five (5) copies of his reply to defence (if any) and if the Statement of Defence also contains a counterclaim, a defence to counterclaim with the arbitral tribunal. The arbitral tribunal shall promptly furnish the respondent with a copy of the reply to defence (if any) and defence to counterclaim (if any) and all documents annexed thereto.
3. The provisions of Rule 13(2) and 13(3) shall apply to counterclaim and a claim relied on for the purpose of a set-off and the provision of Rule 14(3), shall apply to a defence to counterclaim.
4. During the course of the arbitral proceedings either party may amend or supplement its claim or defence, reply to defence or counterclaim, or defence to counterclaim, unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it or prejudice to the other Party or any other circumstances. However, a claim/counterclaim may not be amended in such a manner that the amended claim/counterclaim falls outside the scope of these Rules.

16. FURTHER WRITTEN STATEMENTS

The arbitral tribunal shall decide which further written statements in addition to the Statement of Claim and the Statement of Defence, shall be required from the Parties or may be presented by them and shall fix the period of time for communicating such statements.

17. PLEAS AS TO THE JURISDICTION OF THE ARBITRATOR

1. Subject to anything to the contrary in these Rules, the Parties shall be conclusively deemed to have voluntarily recognised the jurisdiction of the arbitral tribunal to hear and determine such dispute and any award made thereunder shall be binding on such person, notwithstanding that the person is not present or represented at the hearing.
2. The arbitral tribunal shall have the power to rule on objections whatsoever that it has no jurisdiction and to proceed with the arbitration notwithstanding the failure or refusal of any Party to comply with these Rules or with the arbitral tribunal's orders or directions, or to attend any meeting or hearing, but only after giving that Party written notice that it intends to do so and to receive and take into account such written or oral evidence as it shall determine to be relevant whether or not strictly admissible in law.
3. The arbitral tribunal shall have the power to determine the existence, termination or the validity of the Contract (if any) of which an arbitration clause forms a part. For that purpose, an arbitration clause or agreement which forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the Contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.
4. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than in the Statement of Defence or, with respect to a counter-claim, in the defence to the counter-claim.
5. In general, the arbitral tribunal should rule on a plea concerning its jurisdiction as a preliminary question. However, the arbitral tribunal may proceed with the arbitration and rule on such a plea in its final Award.

18. PERIOD OF TIME

The period of time fixed by the arbitral tribunal for the communication of written statements (including the Statement of Claim and Statement of Defence) should not exceed forty-five (45) days. However, the arbitral tribunal may extend the time-limit if it concludes that an extension is justified.

19. INTERIM MEASURES OF PROTECTION

1. At the request of either Party, the arbitral tribunal may take any interim measure it deems necessary in respect of the subject-matter of the dispute, including measures for the conservation of the goods forming the subject matter in dispute, such as ordering their deposit with a third person or the sale of perishable goods.
2. Such interim measures may be established in the form of an interim award. The arbitral tribunal shall be entitled to require security for the costs of such measures.
3. A request for interim measures addressed by any Party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

20. DEFAULTS

1. Where the claimant fails to file its Statement of Claim within the time provided in Rule 13(1) the respondent may apply to the arbitral tribunal to dismiss the claimant's claim.
2. Where the respondent fails to file its Statement of Defence within the time provided in Rule 14(1) the claimant may apply to the arbitral tribunal to make an Award on the basis of the Statement of Claim.
3. The provision of Rules 20(1) and 20(2) above shall apply to such counterclaim, and defence to counterclaim in accordance with the time period provided in Rule 15(2).
4. Where any Party applies to the arbitral tribunal to make an Award pursuant to the provisions of Rule 20, the arbitral

tribunal may make any such Award only upon the expiry of seven (7) days' notice in writing given by the arbitral tribunal to the Party in default of pleadings and in the interim the pleadings have not been filed.

5. If any of the Parties, after due notice, fails to appear at a hearing or any adjourned hearing, the arbitral tribunal may, in its discretion proceed with the arbitration. In such cases, all Awards shall be rendered as if each Party had entered an appearance in the arbitration. An Award shall not be made solely on the default of a Party. The arbitral tribunal shall require the Party present to submit such evidence as the arbitral tribunal may require for the making of an Award.
6. Notwithstanding that any Party fails to appear at a hearing or any adjourned hearing, the arbitral tribunal shall continue to give such Party reasonable notice of all proceedings held in their absence and to afford such Party every opportunity to appear and be heard if such Party so chooses.
7. If one of the Parties, duly invited to produce documentary evidence, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the Award on the evidence before it.

21. EXPERT APPOINTED BY ARBITRAL TRIBUNAL

1. Unless otherwise agreed by the parties, the arbitral tribunal may:-
 - (a) appoint one or more independent experts to report to it on specific issues to be determined by the arbitral tribunal; or
 - (b) furnish a copy of the expert's terms of reference established by the arbitral tribunal, shall be communicated to the Parties;
 - (c) require a party to give the expert any relevant information or to produce or to provide access to any relevant documents, goods or other property for the expert's inspection.

2. Unless otherwise agreed by the Parties, if a Party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of a written or oral report, participate in a hearing where the Parties have the opportunity to put questions to the expert and to present other expert witnesses in order to testify on the points at issue.

22. CLOSURE OF ARBITRAL PROCEEDINGS

1. The chairman of the arbitral tribunal shall inquire of the Parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, he may declare the proceedings closed.
2. A written record of the arbitral proceedings shall be made and maintained by the arbitral tribunal and submitted to the Chairman of the MRE or his Deputy at the closure of the arbitral proceedings. The Parties shall provide such assistance as may be requested by the arbitral tribunal for the keeping of such records.

23. WAIVER OF PROVISIONS

A Party who knows that any provision of, or requirement under these Rules has not been complied with and yet proceeds with the arbitration without promptly stating its objection to such non-compliance, shall be deemed to have waived its right to object.

24. SETTLEMENT

1. If during arbitral proceedings, or before an Award is made the Parties agree on settlement of the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the Parties and not objected to by the arbitral tribunal, record the settlement in the form of an award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.
2. An award on agreed terms shall be made in accordance with the provisions of Rule 25 and shall state that it is an award.
3. An award made under Rule 24(1) shall have the same status and effect as an award on the merits of the case.

25. FORM AND EFFECT OF THE AWARD

1. Subject to anything to the contrary in these Rules, all Awards or other decisions shall be made by a majority of the arbitral tribunal.
2. In addition to making a final Award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial Awards.
3. All Awards shall be made in writing and shall be final and binding on the Parties and shall not be subject to challenge.
4. An award shall state the reasons upon which it is based, unless:
 - (a) the parties have agreed that no reasons are to be given; or
 - (b) that award is an award on agreed terms under Rule 24.
5. An award shall be signed by majority of the arbitral tribunal and shall contain the date on which and the place where the Award was made and forwarded by them together with a record of the arbitral proceedings to the Chairman or his Deputy who shall seal, sign, date and file the same with the records of the Corporation. The Chairman or his Deputy shall forthwith thereafter serve notice to the disputants that the award is ready for delivery upon payment of the prescribed fees.
6. Where under an award a sum of money is payable by one party to another such sum shall become payable within fourteen (14) days after service of notification by the Chairman or his Deputy that the award is ready for delivery.
7. Unless otherwise provided in the arbitral agreement, the arbitral tribunal may:-
 - a. award interest on any sum of money ordered to be paid by the award from the date of the award to the date of realisation; and
 - b. determine the rate of interest.
8. The Award may be made public only with the consent of both Parties.

26. INTERPRETATION OF PROVISIONS

The arbitral tribunal shall be the sole judge of these Rules and the facts and shall be empowered to interpret and determine the applicability of all provisions of these Rules which interpretation shall be final and binding on the Parties and not subject to challenge.

27. APPLICABLE LAW, AMIABLE COMPOSITEUR

1. In respect of a domestic arbitration where the seat of arbitration is in Malaysia, the arbitral tribunal shall decide the dispute in accordance with the substantive law of Malaysia.
2. In respect of an international arbitration, the arbitral tribunal shall decide the dispute in accordance with the law as agreed upon by the parties as applicable to the substance of the dispute.
3. Any designation by the parties of the law of a given State shall be construed, unless otherwise expressed, as directly referring to the substantive law of that State and not to its conflict of laws rules.
4. Failing any agreement under Rule 27(2), the arbitral tribunal shall apply the law determined by the conflict of laws rules.
5. The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorised the arbitral tribunal to do so.

28. TRADE PRACTICE

The arbitral tribunal shall, in all cases, decide in accordance with the terms and circumstances of the Contract and shall take into account the usages and practices of the trade applicable to the transaction.

29. TERMINATION OF PROCEEDINGS

1. The arbitral proceedings are terminated under Rule 22(1) or by an order of the arbitral tribunal in accordance with Rule 29(2).

2. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when:
 - a) the claimant withdraws his claim, unless the respondent objects thereto and the arbitral tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute;
 - b) the parties agree on the termination of the proceedings;
 - c) the arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.
3. The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of Rules 30, 31 and 32.

30. CORRECTION OF THE AWARD

1. Within fourteen (14) days after the receipt of the Award, either Party, with notice to the other Party may request the arbitral tribunal to correct in the Award any errors in computation, any clerical or typographical errors, or any errors of similar nature.
2. The arbitral tribunal may within fourteen (14) days after the communication of the Award make such corrections referred to in Rule 30(1) on its own initiative.
3. Such corrections shall be in writing.

31. INTERPRETATION OF THE AWARD

1. Within fourteen (14) days after the receipt of the Award, either Party with notice to the other Party, may request that the arbitral tribunal give an interpretation of a specific point or part of the Award.
2. Where the arbitral tribunal considers the request made under Rule 31(1) to be justified, it shall give the interpretation within fourteen (14) days of the receipt of the request and such interpretation shall form part of the award.

32. ADDITIONAL AWARD

1. Within fourteen (14) days after the receipt of the Award, either Party, with notice to the other Party, may request the arbitral tribunal to make an additional Award as to claims presented in the arbitral proceedings but omitted from the Award.
2. Where the arbitral tribunal considers the request for an additional Award to be justified and considers that the omission can be rectified without any further hearings or evidence, it shall make the additional Award within fourteen (14) days after the receipt of the request.
3. The arbitral tribunal may, where it thinks necessary, extend the period of time within which it shall make a correction, interpretation or an additional Award referred to in Rules 30, 31 and 32 respectively.
4. The provisions of Rule 25 shall apply to a correction or interpretation of the Award or to an additional Award.

INTERNAL RULES FOR THE CONDUCT OF ARBITRAL PROCEEDINGS (Rules 33 to 38)

33. CONFIDENTIAL CHARACTER OF ARBITRAL PROCEEDINGS

1. The arbitral proceedings are confidential and such confidentiality shall be respected and observed by the Parties and everyone involved in whatever capacity.
2. The arbitral proceedings are open only to the Parties in dispute, the arbitral tribunal and the MRE.
3. The documents submitted to the arbitral proceedings or drawn up by any Party to the arbitral proceedings in the course of the proceedings shall be communicated only to the Parties in dispute, the arbitral tribunal and to the MRE.

34. COMMITTEE FOR DISPUTE RESOLUTION

1. The “Committee” referred to in these Rules shall be the Committee for Dispute Resolution established by the Management Committee under the MRE Rules and By-laws composed as follows and having the following powers:-
2. The Committee shall comprise of a Chairman and two members. The Chairman may designate a Deputy Chairman to replace him during a session of the Committee.
3. All members of the Committee are appointed by the Management Committee to serve for a term of two years each or until they resign or are replaced by the Management Committee.
4. The Committee meets when convened by its Chairman or the Management Committee.
5. The Committee is empowered to make any decision concerning challenges of arbitrators, including allegations that an arbitrator is not fulfilling his functions.
6. The decisions of the Committee are made unanimously.
7. The Committee’s proceedings are reported to the Management Committee at every meeting of the same.

35. PANEL OF ARBITRATORS

1. The “Panel” referred to in these Rules shall be the panel of arbitrators established by the Management Committee under the MRE Rules and By-laws.
2. The Panel of Arbitrators shall consist of not less than ten members who shall be appointed by the Management Committee for such term of office as the Management Committee so decides. The Management Committee shall be empowered to fill any vacancy on the Panel that may occur from time to time.
3. Members of the Panel of Arbitrators shall be appointed on the basis of independence, suitability and impartiality.

36. JOINDER OF CLAIMS

1. When any Party presents a request for dispute resolution in connection with a legal relationship already submitted to arbitral proceedings under these Rules and pending arbitral proceedings the presiding arbitrator may decide to include that claim in the existing proceedings.
2. Any Party to a legal relationship undergoing arbitral proceedings under these Rules may with the leave of the presiding arbitrator, issue a notice to any other person not already a Party to such proceedings to join such person to such proceedings where such issuing Party's claim against such person is substantially the same as that or connected to that under such proceedings.

37. ENFORCEMENT OF AWARD ON NON - MEMBERS

The Corporation shall neither be responsible nor liable for the enforcement of an award obtained against a non-member but reserve the right to take whatever action it deems fit and necessary against any non-member who refuses to comply with an award made against him.

38. NON-COMPLIANCE BY MEMBERS OF OVERSEAS ARBITRATION AWARDS IN RESPECT OF RECIPROCAL ARRANGEMENTS

Where the Management Committee is satisfied that a member has failed to comply with an arbitration and/or appeal Award made by an overseas rubber trade association, corporation or exchange provided that such overseas organisation has made reciprocal arrangements, in their regulations and/or Rules, to discipline their members in the event of their not complying with an arbitration Award made by this Corporation, the Management Committee may take disciplinary proceedings against such a Member under Rule 20 of the Malaysian Rubber Exchange Rules and any subsequent amendment.

ARBITRATION CHARGES
(Rule 39 – 40)

39. COSTS OF ARBITRATION

1. The arbitral tribunal shall fix the costs of arbitration in the Award. The term "costs" includes only:-
 - a) the fees of the arbitrator (“Arbitrator’s Fee”) to be fixed in accordance with the Schedule of Fees in force; the Schedule of Fees shall be determined by the Management Committee from time to time;
 - b) the costs and expenses of expert advice and of other assistance, if deemed necessary, by the arbitral tribunal; and
 - c) the costs of assistance of the successful Party if such costs were claimed during the arbitral proceedings, and only to the extent that the arbitral tribunal determines that the amount of such costs is reasonable.
2. Notwithstanding Rule 39(1)(a), in any complex case demanding exceptional attention, effort and time of the arbitrators, the arbitral tribunal shall be entitled, subject to the approval of the Management Committee, to an additional fee not exceeding three (3) times as provided for in the Schedule of Fees in force in respect of such arbitration.
3. The costs of arbitration shall in principle be borne by the unsuccessful Party. However, the arbitral tribunal may apportion each of such costs between the Parties if the arbitral tribunal determines that apportionment is reasonable, taking into account the circumstances of the case.
4. With respect to the costs referred to in Rule 39(1)(c), the arbitral tribunal shall be free to determine which Party shall bear such costs or may apportion such costs between the Parties, taking into account the circumstances of the case.
5. When the arbitral tribunal issues an order for the termination of the arbitral proceedings or makes an Award on agreed terms, it shall fix the costs of arbitration referred to in this Rule 39 in the text of that order or Award.

6. No additional fees may be charged by the arbitral tribunal for correction or interpretation or additional Award under Rules 30 to 32.

40. FEES AND CHARGES

1. The Arbitrator's Fee, the Corporation's fees and the filing fees laid down by the Management Committee, shall be determined by the arbitral tribunal in accordance with the Schedule of Fees in force at the time of commencement of the arbitration.
2. a) Upon the submission of a request for arbitration, the claimant shall pay a non-refundable case filing fee prescribed in the Schedule of Fees.

b) Within five (5) business days of the date of notification of acceptance of a request for arbitration by MRE pursuant to Rule 3(2):
 - i. the claimant shall deposit in full the Corporation's and Arbitrator's Fees payable by it, as directed by MRE; and
 - ii. the respondent shall deposit in full the non-refundable case filing fee for counter claim, Corporation's Fee and Arbitrator's Fee payable by it, as directed by MRE (collectively, "Respondent Claim Deposit").
- c) If the claimant or respondent fails to make the fees payable by it in accordance with Rule 40(2)(b), MRE shall so inform all the Parties in order that one or more of them may make the required payment and shall set a time limit for the payment of such fees. Any Party is free to pay the whole of the fees in respect of the claim or the counterclaim (as the case may be) should the other Party fail to pay its share.

- d) If the respondent fails to make payment of the Respondent Claim Deposit in accordance with Rule 40(2)(b)(ii) and the claimant:
- (1) makes payment of the Respondent Claim Deposit on its behalf in accordance with Rule 40(2)(c),
 - i. the arbitral proceedings in respect of the claimant's claim(s) against the respondent shall proceed; and
 - ii. the respondent shall have the right to file its statement of defence but shall not have the right to file or proceed with any counterclaim against the claimant in that arbitral proceeding. For the avoidance of doubt, the aforesaid shall be without prejudice to the respondent's right to bring the same counterclaim in another proceeding.
 - (2) does not make payment of the Respondent Claim Deposit on its behalf in accordance with Rule 40(2)(c), the request for arbitration and any statement of claim filed, as well as the claimant's claims thereunder, shall be deemed withdrawn upon the expiry of such time limit
- (e) If the respondent makes payment of the Respondent Claim Deposit in accordance with Rule 40(2)(b)(ii), it shall be entitled to file a counterclaim (if any) against the claimant under Rules 14 and 15.

41. GENERAL AND DEFINITIONS

1. These Rules shall govern the resolution of all disputes, claims, grievances and controversies between Buyers and Sellers.
2. Unless the context otherwise requires, the following words and expressions in these Rules shall be defined as follows:-

“arbitral tribunal” means a panel of three arbitrators presiding a dispute;

“Arbitration Agreement” means an agreement by the Parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not;

“Arbitrators Fees” means fees as defined in Rule 39(1)(a);

“Associate Member” means a Member registered in that Category under the Malaysian Rubber Exchange (Amendment) Rules 1997;

“Award” means an award or judgement made under these Rules;

“Category” means any category of membership of the Corporation constituted under the Malaysian Rubber Exchange (Amendment) Rules 1997;

“Claim Deposit” means the full Corporation fee and Arbitrators’ fee payable as directed by MRE;

“Claimant” means any person initiating recourse to arbitration as defined in Rule 3(1);

“Class” means any class of membership of the Corporation constituted under the Malaysian Rubber Exchange (Amendment) Rules 1997;

“Committee” means the Committee for Dispute Resolution appointed by the Management Committee;

“The Corporation” means the Malaysian Rubber Exchange (MRE) constituted under the Malaysian Rubber Exchange (Incorporation) Act 1962 (Act 402);

“Cost of Arbitration” is defined in Rule 39(1);

“Dispute” may arise between Parties as to their rights, duties, obligations or liabilities in respect of physical rubber contract;

“Management Committee” means the Management Committee established under Section 17 of the Malaysian Rubber Board (Incorporation) Act 1996, to manage the Malaysian Rubber Exchange;

“Member” means a person whose name appears in the Register as a member in any Class or Category and includes any two or more persons whose names are registered together as Joint Members;

“Notice of Challenge” means a written notice sent by a Party to the challenged arbitrator and the other party along with the reasons of the challenge;

“Panel” means the panel of arbitrators appointed by Malaysian Rubber Exchange from time to time pursuant to the Malaysian Rubber Exchange Rules and By-laws;

“Party” or “Parties” mean the Buyers and the Sellers and, as relevant, includes their respective officers and employees;

“Provisions” means the provisions in the Malaysian Rubber Exchange Arbitration Rules;

“Respondent” means the other party involved in the arbitration as defined in Rule 3(1);

“Rule or Rules” means the Malaysian Rubber Exchange Arbitration Rules, Part C of the Trading By-laws;

“Schedule of Fees” means the schedule issued by MRE from time to time, setting out the case filing fees, Corporation fees, Arbitrator’s fees, Special Fee and other fees payable by the Parties in respect in Arbitration under these Rules;

Any pronoun shall be understood to be gender-neutral; and

Any singular noun shall be understood to refer to the plural in the appropriate circumstances.

FORM NO. VIII

**REQUEST FOR DISPUTE RESOLUTION
(Pursuant to Rule 3 of the MRE Arbitration Rules)**

To:

Chairman
Malaysian Rubber Exchange
4th Floor, Bangunan Getah Asli (Menara)
148 Jalan Ampang
50450 Kuala Lumpur
MALAYSIA.

Dear Sir/Madam

I/We* _____ (as Claimant) hereby
request for a resolution with regard to the dispute with
_____ (as Respondent),
particulars of which are as follows:

(i) Names and addresses of the parties.

Buyers: _____

Sellers: _____

(ii) Reference to the disputed contract

Date of Contract and
Contract No. : _____
Contract Quantity : _____
(Price) : _____
(Type and Grade) : _____
Special conditions (if any) : _____

(iii) Nature of claims (Including amount if any)

(iv) Relief or remedy sought

(v) Please state the Arbitration Clause or Agreement. (if applicable)

Attached please find five (5) copies of our statement of claim** for your kind perusal.

Thank you.

Signature of claimant

Date: _____

c. c. _____ (Respondent)

* Delete where appropriate

** The statement of claim shall include the following particulars:

- (a) The names and addresses of the Parties (b) a statement of the facts supporting the claim;
(c) the points at issue and (d) the relief of remedy sought

FORM NO. VIII A

**APPOINTMENT OF ARBITRATOR BY CLAIMANT
(Pursuant to Rule 6 of the MRE Arbitration Rules)**

To:

Chairman
Malaysian Rubber Exchange
4th Floor, Bangunan Getah Asli (Menara)
148 Jalan Ampang
50450 Kuala Lumpur
MALAYSIA

Dear Sir/Madam

Contract No. : _____

I / we* are pleased to appoint Mr./Ms.* _____ as
our Arbitrator for the above dispute.

Thank you.

Signature of Claimant

Date: _____

c. c. _____ (Respondent)

* *Delete where appropriate*

Note:

Any objection from the Respondent to the appointment of the arbitrator by the Claimant must be submitted in writing to the Committee for Dispute Resolution, c/o Malaysian Rubber Exchange within 15 days from the date of service of this form.

FORM NO. VIII B

**APPOINTMENT OF ARBITRATOR BY RESPONDENT
(Pursuant to Rule 6 of the MRE Arbitration Rules)**

To:

Chairman
Malaysian Rubber Exchange
4th Floor, Bangunan Getah Asli (Menara)
148 Jalan Ampang
50450 Kuala Lumpur
MALAYSIA

Dear Sir/Madam

Contract No. : _____

With reference to the request for dispute resolution from _____ (as Claimant) dated _____, I/We* are pleased to appoint Mr./Ms.* _____ as the second Arbitrator.

Attached please find five copies of our statement of defence ** for your kind perusal.

Thank you.

Signature of Respondent

Date: _____

c. c. _____ (Claimant)

** Delete where appropriate*

*** The statement of defence shall reply to:*

- (a) a statement of the facts supporting the claim;*
- (b) the points at issue; and*
- (c) the relief of remedy sought by the claimant.*

Note:

Any objection from the Claimant to the appointment of the arbitrator by the Respondent must be submitted in writing to the Committee for Dispute Resolution c/o Malaysian Rubber Exchange within 15 days from the date of service of this form.

SCHEDULE 1

Recommended Arbitration Clause

It is recommended that parties who wish to refer their Disputes to Malaysian Rubber Exchange (MRE) for arbitration to include the following arbitration clause in their contract for physical rubber at the time the contract is entered into:-

“The parties may first attempt to resolve any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof by way of good faith negotiation, failing which, such dispute shall be referred by either party to and finally resolved by arbitration administered by the Malaysian Rubber Exchange (MRE) in accordance with the MRE Arbitration Rules 2016 under MRE By-law 8. The award of the MRE shall be final and binding upon the parties.”

By-law 9 - Recognised forms of Contract

The Corporation establishes and recognises the forms of contract and the contract terms applicable thereto hereinafter set out as being suitable for the purposes of the rubber trade and any contract expressed to be subject to the By-laws of the Corporation shall also be subject to these contract terms insofar as they are applicable; except where they are permitted to be and are modified or excluded by the parties in writing.

The forms of Contract are:

- | | |
|---|--|
| (a) Contract No. 1 - Local Delivery | (See Appendix I
for Contract Terms) |
| (b) Contract No. 2 - FOB Physical Rubber | (See Appendix II
for Contract Terms) |
| (c) Contract No. 3 - FOB Ordinary
[Guarantee] for RSS | Deleted |
| (d) Contract No. 4 - FOB Ordinary
[Guarantee] for SMR | Deleted |
| (e) Contract No. 5 - Local Delivery
For Preserved Rubber Latex | (See Appendix III
for Contract Terms) |

By-law 10 - Savings

If at any time it appears to the Management Committee that circumstances have arisen in respect of any transaction effected under the By-laws or contract terms which require some action to be taken or procedure followed which is not specifically provided for in the By-laws or contract terms the Management Committee may give such directions as to the actions to be taken or procedure to be followed as shall appear just and equitable and shall notify all interested parties thereof, and such parties shall give effect to and be bound by the same.

APPENDIX I

MRE CONTRACT NO. 1

LOCAL DELIVERY

October 2016

MRE CONTRACT NO. 1

LOCAL DELIVERY

TERMS

A contract for local delivery in the form set out herein and subject to the following contract terms may be made by an Ordinary or Associate Member with another Ordinary or Associate Member.

1. Shipping Instruction/Delivery Order

Unless otherwise mutually agreed, the Buyer shall within (15) days before the delivery month specified in the contract, send to the Seller a written notice of Delivery Schedule with the requisite particulars of contract No., Buyer's Purchase Order No, contracted price, type/grade, quantity, Date of Delivery and the place to deliver.

2. Confirmation of Delivery Schedule

Unless otherwise mutually agreed, upon receipt of a notice from the Buyer, the Seller shall within (5) working days confirm the Delivery Schedule in writing.

3. Payment

Unless otherwise mutually agreed, the Buyer shall pay the Seller in accordance to the payment terms (including mode and schedule of payment) of the Contract signed.

4. Consequences of Failure to Comply with these Contract Terms

Unless otherwise mutually agreed,

(a) If a Buyer :-

- (i) fails to give notice in accordance with Contract Term 1; or
- (ii) fails to receive and accept any bona fide delivery or replacement of rubber; or

- (iii) fails to make payment in accordance with Contract Term 3 ;
 - (iv) then in any such case, the rubber shall be invoiced back by the Seller to the Buyer and on invoicing back the contract or part of the contract shall be deemed to have been closed.
- (b) If a seller :-
- (i) fails to give notice in accordance with Contract Term 2; or
 - (ii) fails to deliver in accordance with Contract Term 2; or
 - (iii) fails to replace any rubber properly rejected by a Buyer;
 - (iv) then, the rubber in respect of which such failure has occurred shall be invoiced back by the Buyer to the Seller and on invoicing back the contract or portion of the contract shall be deemed to have been fulfilled.

5. Cess

- (a) All cesses which are due upon delivery shall be collected and paid by the Seller in accordance with the Cess Order.
- (b) In the event of any delay on delivery, any additional cess that may fall due by reason of the aforesaid delay shall be paid by the party requesting for the aforesaid delay.

6. Quantity

Delivery quantities shall be as agreed by Buyer and Seller in the Contract. Disputes arising over variances between specified quantities and quantities actually delivered shall be settled between Buyer and Seller, or, failing such agreement, subject to arbitration. The word 'ton' shall mean a metric ton of one thousand (1,000) kilogrammes. The expression 'about' when used to define quantities contracted for, shall mean that no excess or deficiency between contracted and shipped weights shall be greater than one half ($\frac{1}{2}$) per cent of the contract quantity. The excess or deficiency over one half ($\frac{1}{2}$) per cent up to and including 1 per cent shall be invoiced or invoiced back as the case may be, at the market price at time of delivery. If the excess or deficiency be greater than one (1) per cent and failing agreement between Buyer and

Seller, the whole of the excess or deficiency over the contract quantity or any monthly portion thereof shall be invoiced or invoiced back, as the case may be, at a price fixed by arbitration at the country where the contract is domiciled.

7. Weighing

The point of weighing of the rubber shall be as per specified in the contract.

- a) Any difference so ascertained between delivered and received weights (excluding theft, pilferage and damage in transit) shall be for Seller's account and be invoiced back at contract price. Received Weights, if taken, shall be certified by a sworn weigher, or similar authority (weights of samples to be included), or mutually agreed weight bridge. These weights shall be furnished to the Seller within two (2) business days of goods arrival.
- b) If a weight deficiency is found which exceeds one half ($\frac{1}{2}$) per cent of the invoiced weight the cost of weighing shall be borne by the Seller, otherwise it shall be borne by the Buyer.
- c) Excess or deficiency of the weight of a bale shall not be greater than three (3) per cent of the standard weight stipulated in the contract, even if the total quantity delivered is within the allowance provided in Clause 1 'Quantity'. This stipulation shall not apply to sampled bales clearly marked as such.

8. Insurance

Terms of Insurance shall be as agreed between Buyer and Seller at the time of contract.

9. Packaging Specification

Packaging to be agreed by Buyer and Seller at the time of entering into this contract and in all cases to be fit for transportation.

10. Quality

- a) Quality to conform to the latest published technical specification at time of contract of the grade of rubber sold, or as agreed between Seller and Buyer. In each case, every lot is to be accompanied by a Specification and/or Test Certificate, which must be dated not earlier than nine (9) months prior to the date of delivery.
- b) The rubber must be essentially free of mould but traces of dry mould on block surfaces shall not be objected to. White flecks scattered in the rubber shall not be objected to but virgin rubber is not permitted. In case of complaints in respect of excessive mould or virgin rubber, samples shall be submitted in accordance with Contract Term 11(c) (iii).
- c) Should the buyer have reason to doubt the quality of the delivered rubber, notification must be given to the seller within two (2) business days upon receipt of the rubber his intention to claim and sampling shall be in accordance to Contract Term 11.

11. Sampling

- a) The sample or samples drawn in support of a claim on the quality of the rubber shall be cut with a clean knife through the entire block normal to the largest surface area and unless the piece is to be tested immediately, it shall be placed in an airtight container, which shall be sealed immediately and kept sealed until it is tested. Such sample or samples may be drawn by a recognised sampler or jointly by buyers and sellers representatives.
- b) If the Seller has not named his representative, the labels of the samples shall be signed and sealed by Buyer in conjunction with an independent recognised sampler and shall be accepted by the Seller.
- c) Any delivery may be sampled for quality either in respect of individual blocks, pallet or the whole delivered quantity.

- (i) If sampling is in respect of individual blocks a sample of rubber weighing between six hundred (600) grammes and one thousand (1,000) grammes shall be taken from the block.
- (ii) (a) If sampling is in respect of the delivered quantity as a whole, and is in single blocks, then ten (10) per cent of the total number of blocks, subject to a minimum of two (2) blocks and a maximum of twenty (20) blocks, shall be taken at random.

(b) In each instance a piece weighing not less than one hundred and fifty (150) grammes shall be taken from each sampled block as in Contract Term 11(a) above. When testing for quality all such pieces shall be blended and homogenised together by the analyst agreed upon and tested in duplicate.
- (iii) In testing for volatile matter only, a sample weighing one hundred and fifty (150) grammes may be taken as a continuous piece from any part of the bale and need not be sampled as specified under Clause 7(a). For rejection of a palletised consignment a minimum of four (4) samples (weighing 150 grammes each), from four (4) separate blocks from at least two (2) units should be drawn and tested individually. The average results of the testing on these samples for volatile matter shall be used to determine the acceptance of the consignment.

12. (A) Claims in respect of the Technical Specification

- (i) In the event of claim failing amicable settlement, samples shall be tested by an analyst mutually agreed between Buyer and Seller. Failing which Rubber Research Institute of Malaysia laboratory of the Malaysian Rubber Board will be appointed as analyst. The result of the above analysis will be final and binding on both parties.
- (ii) If the quality of any block, pallet or the whole delivery is below the Technical Specification, then that block, pallet or whole delivery shall be deemed to be a non-bona fide delivery, and Buyers shall have the option to claim rejection of that block, pallet or whole delivery quantity. This option is to be exercised within three (3) business days after receipt of the analyst's report by the Buyer.

12. (B) Claims in respect of Packaging Conditions

- (i) If any block, palette or whole delivery do not conform to the Packaging Specifications Clause of this Contract, such rubber shall be surveyed by recognised surveyors as agreed between Buyers and Sellers or jointly between Buyer's and Seller's representatives. The Survey Report to include a Clause relating to external damage to packing.
- (ii) Where the Report shows that condition is caused by factors not related to handling in transit then such rubber shall be accepted and, failing an amicable settlement, an allowance shall be decided by the MRE Arbitration Tribunal, provided Arbitrators are of the opinion that the rubber as delivered was a bona fide fulfilment of the contract. If Arbitrators decide that any block, palette or whole delivery is a *non-bona fide* delivery in respect of packaging condition, Buyers shall have the option to claim rejection of that block, palette or whole delivery quantity. This option is to be exercised within three (3) business days after receipt of the Award.

12. (C) Claims – General

- (i) Each delivery load shall be treated separately in respect to a claim, this shall not affect performance of the balance quantity in the same contract.
- (ii) Sample or samples in support of the claim must be produced by Buyer to Seller or his authorised representative, within three (3) days of the date of receipt at buyers' factory. This period may be extended by agreement between the parties or at the discretion of the Arbitrators, if the delay is due to circumstances over which the final Buyer has no control.
- (iii) The cost of sampling, supervision, analysis, despatch of samples and all reasonable expense and charges of Buyer's representatives shall be paid by the Seller if a claim is sustained except in the case where such charges equal or exceed the amount of the Award when Arbitrators shall have the discretion to award these charges against either party.

- (iv) Final notice in writing of the claim, stating the grounds of the complaint, must be given by Buyer to Seller or his authorised representative within three (3) business days of the expiry of the period stipulated above for the production of sample or samples otherwise the claim will be null and void.
- (v) Factory in this contract shall include premises used for storage by the proprietor of the factory whether or not the same shall be in the curtilage of the factory.
- (vi) In the event of rejection the Seller shall, within ten (10) business days of the receipt of the approved analyst's report or the Award, notify the Buyer by receipt-acknowledged telefax or e-mail, naming the warehouse to which the rubber is to be returned together with any instructions regarding sampling, weighing and insurance. The Buyer shall carry out such instructions without undue delay and also insure the goods in transit. Buyer shall be entitled to debit Seller with the cost of returning the goods to warehouse, including insurance in transit. The cost of receiving the Rubber into warehouse and of working and sampling shall be for Seller's account.

13. Frustration of Contract

- (i) Should Seller be prevented from fulfilling his obligations hereunder during the period stipulated herein by reasons of act of God, act of Sovereign, government or parliament, consequences of hostilities or warlike operations, blockade, political or civil disturbances or insurrections, riots, strikes, lock-outs, combination of workmen or any other cause beyond his control which he could not reasonably have been expected to anticipate and such cause or causes continue for a period of twelve (12) calendar months from the commencement thereof, any obligations hereunder relating to the contract shall be deemed cancelled and no claim by either party against the other in respect of loss or damage arising out of such cancellation. Any pre-payment or deposit to either party in respect of this contract should be returned within five (5) business days from the date of the cancellation of contract.
- (ii) Should such cause or causes continue for a period of less than twelve (12) calendar months any outstanding delivery shall be delivered and any outstanding obligations hereunder shall be

fulfilled as soon as possible after such cause(s) cease(s) to operate but in no event later than six (6) calendar months after such cessation.

14. Arbitration

Any controversy or claim arising out of or relating to this contract, or the breach, thereof, shall be settled by arbitration in accordance with MRE By-law 8.

MALAYSIAN RUBBER EXCHANGE
CONTRACT No. 1

LOCAL DELIVERY CONTRACT

FORM No. 1

.....
(Date)

Messrs.,

We have this day sold subject to the terms of the Rules,
bought from you
By-laws and Contract Terms of the Malaysian Rubber Exchange the
undermentioned Rubber.

Contract No:

Particulars of Rubber
Price
Type/Grade
Quantity
Packing
Specification (if any)
Place of Delivery
Date of Delivery
Others

.....
(Signature)

.....
(Name of Company)

We acknowledge that we have thisday of
....., received from you contract
No. dated the day of,
from the sale to you of the undermentioned Rubber,
purchase from you

Particulars of Rubber
Price
Type/Grade
Quantity
Packing
Specification (if any)
Place of Delivery
Date of Delivery
Others

And we hereby confirm the above Contract.

.....
(Signature)

.....
(Name of Company)

APPENDIX II

MRE CONTRACT NO. 2
FOB PHYSICAL RUBBER CONTRACT

October 2016

MRE CONTRACT NO. 2

FOB PHYSICAL RUBBER CONTRACT

TERMS

Contracts for the sale and purchase of rubber in the form set out herein and subject to these contract terms may be made between members or between members and non-members.

1. Shipping Marks

Shipping Marks shall be as instructed by the Buyer in accordance with Malaysian Government regulations. No other marks shall appear without buyer's consent but any slight variation in marks (other than quality marks) shall not avoid the contract.

2. Warranty of Quality and Claim

The Seller warrants the quality described in the contract and also warrants the rubber free from mould in excess of such mould, if any, as is allowed in such quality description and the Seller is liable for excess mould ascertained at destination not caused by damage in transit provided that the Seller shall be under no liability in respect of :-

- (a) his warranty of quality, if the rubber is not shipped to ultimate destination within 30 days from the date of the seller's receipt of payment;
 - (b) his warranty against excess mould, if the rubber is not shipped to ultimate destination within 7 days from the date of the Seller's receipt of payment;
 - (c) his warranty against excess mould, if the period of transit of the rubber, in case of shipment to a destination in China or Japan exceeds 22 days or in case of shipment to a destination in Europe exceeds 45 days or in case of shipment to a destination in United States of America or Canada or elsewhere exceeds 52 days, counting from the date of the carrying ship's departure from the last port of call in Malaysia to the date of final discharge at destination;
- or

- (d) any claim unless such claim states the grounds of the complaint and is lodged with the seller or his representative within 28 days of final discharge at destination, or within 7 business days after the expiration of the time limit specified in a further contract if a claim has been made in due time under such further contract.

"Final discharge at destination" when used in these contract terms shall mean the date of discharge of the rubber on the quay or otherwise in accordance with the customs of port of discharge, but in the case of destination in South America the expression shall mean final release of the rubber by customs provided that samples produced to an arbitrator or arbitrators in Kuala Lumpur in accordance with the provisions of Contract Term 12 are accompanied by an official document or official copy of an original document proving the date of such final release by customs.

3. Payment

Unless otherwise mutually agreed, the Buyer shall pay the Seller in accordance to the payment terms (including mode and schedule of payment) of the Contract signed.

4. Freight

The Seller may pay the freight from Ocean Port to destination on behalf of the Buyer and shall be entitled to be reimbursed by the Buyer immediately.

5. Excess Freight

Any excess freight and/or any penalty for oversized bales imposed by any Freight Conference shall be for account of the Seller.

6. Savings in Freight

Any savings in freight on account of packing (such packing being allowed by the contract or by these contract terms) shall be for account of the Seller.

7. Export Duty and Cess

Export duty and cess in whatever form on the date of shipment shall be borne by the Seller provided that if the Buyer and Seller have agreed to

delay shipment, any additional export duty or cess by reason of the delayed shipment shall be borne by the Buyer.

8. Shipment Quantities

Shipment shall be in lots of not less than 5 tonnes, unless the contract calls for a smaller quantity.

9. Shipping Documents

Shipping Documents shall include the Bill of Lading or Warehouse Receipt, Quality and Weight Guarantee, Weight Notes and Certificate of Origin, if required. If a Certificate of Origin is required by the Buyer the cost of same shall be borne by the Buyer.

10. Proof of Date of Shipment

- (a) The date on the Bill of Lading shall be proof of the date of shipment in the absence of conclusive evidence to the contrary.
- (b) A Bill of Lading dated in the month immediately following the contract month of delivery shall be accepted as proof of good delivery provided it contains a warranty endorsed on the face of the Bill of Lading and signed by the Ship's Owners or on their behalf by their authorised agent to the effect that the ship commenced loading in the port of shipment in the contract month of delivery and has been continuously loading therein until the date of shipment

11. Shut Out

If shipping or delivery instructions have been given by the Buyer and the rubber is shut out from shipment through no fault of the Seller, the Seller shall immediately inform the Buyer who shall nominate another steamer which permits loading within the contracted delivery month, or make other mutual arrangements.

12. Loss in Weight

- (a) Any claim for loss in weight shall be lodged with the Seller or his representative in accordance with the provisions of Contract Term 2(d).

- (b) If the rubber is shipped under a further contract conditions of such further contract relating to loss in weight shall apply.
- (c) In all other cases the Seller shall be responsible for all the loss in weight during transit excluding theft and pilferage :-
 - (i) exceeding ½% for all grades of Ribbed Smoked Sheets; and
 - (ii) exceeding 1% for all other types and grades provided that if the loss exceeds ½% but no more than 1% the Seller shall be responsible only for the excess loss over ½%.

Any loss in weight shall be invoiced back at buyer's contract price. Claims shall be supported by Llyods Agents Weight Certificate or Sworn Weighers Certificate agreed by the Seller's representative. Weighing shall take place in a public warehouse unless otherwise stipulated in the contract or, if in Australia, at a factory or bonded warehouse.

13. Arbitration

- (a) Any controversy or claim arising out of or relating to this contract, or the breach, thereof, shall be settled by arbitration in accordance with MRE By-law 8.
- (b) Subject to MRE By-law 8, such disputes arising prior to shipment and disputes arising after shipment other than a shipment made under a further contract or unless otherwise agreed, shall be arbitrated upon in Malaysia at such place as the arbitrator(s) shall decide, in accordance with MRE By-law 8.

14. Payment of Approved Claims

Claims approved by seller's representative at destination shall be settled and shall bear interest in like manner and shall be paid at the rate of exchange as if it were an award in an arbitration and the party failing to pay within 3 business days of presentation of a debit note accompanied by a duly authenticated copy of the approved claim shall be dealt with under Rule 22.

MALAYSIAN RUBBER EXCHANGE
CONTRACT No. 2

FOB PHYSICAL RUBBER CONTRACT

FORM No. 1

.....
(Date)

Contract No:

We have this day entered into the abovementioned contract for the following rubber (Hevea Braziliensis):

Quantity
Type and Grade
Price per kilo FOB
Delivery Period
Port of Shipment
Others

Subject to the contract terms of the Malaysian Rubber Exchange FOB Physical Rubber Contract.

.....
(Seller's/appointed agent's
agent's signature)

.....
(Buyer's/appointed
signature)

.....
.....
.....
(Name and address of Seller)

.....
.....
.....
(Name and address of Buyer)

MALAYSIAN RUBBER EXCHANGE
CONTRACT No. 2

QUALITY AND WEIGHT GUARANTEE

FORM No. 2

.....
(Date)

Messrs.
.....

Dear Sirs,

Quality and Weight* Guarantee No.

We hereby guarantee the quality and weight of the undernoted shipment on arrival at port of destination, namely in accordance with the terms and conditions of the Malaysian Rubber Exchange FOB Physical Rubber Contract and subject to the following :-

- (1) this rubber is to be sampled separately from any other shipment under the same leading marks.
- (2) any claim under this guarantee must be submitted to our representatives
.....
..... who reserve the right to refer the claim to arbitration.

- * (3) we also guarantee the quality of the rubber to conform with the technical specifications of

Particulars of Shipment

Contract No: Vessel:
Port of Loading: Bill of Lading Date :
Destination: Quality :
Shipper's No: Packer's No:
Marks & Nos : Quantity:

Detailed Weight Note

Number of lot (s)	Number of pallets	Gross Weight (kilos)	Nett Weight
			(Kilos)

Yours faithfully,

.....

[*Cancel where unnecessary]

APPENDIX III

MRE CONTRACT NO. 5
LOCAL DELIVERY FOR PRESERVED RUBBER LATEX

October 2016

MRE CONTRACT NO. 5

LOCAL DELIVERY FOR PRESERVED RUBBER LATEX

TERMS

Contracts for the sale and purchase of preserved rubber latex in the form set out therein and subject to these contract terms may be made between members or between members and non-members.

1. Marking

Marks where applicable shall be as instructed by the Buyer in accordance with Malaysian Government regulations. No other marks shall appear without Buyer's consent but any slight variation in marks (other than quality marks) shall not void the contract.

2. Contract Quantity

- (a) Contracts made under these contract terms shall be for specified quantities only and delivery quantities suitable for the transport of Latex in full drums or bulk. Disputes arising over variances between specified quantities and quantities actually delivered shall be settled between Buyer and Seller or, failing such agreement, subject to arbitration.
- (b) The word "ton" shall mean a metric ton or "tonne" of 1,000 kilogrammes wet weight.
- (c) (i) For deliveries in drums, no excess or deficiency between contracted and delivered weights shall be greater than ½% of the contract quantity or any portion of a contract. The excess or deficiency over ½% up to an including 2% shall be invoiced or invoiced back as the case may be, at the contract price. Should the excess or deficiency be greater than 2% the whole of the excess or deficiency over the contract quantity or any portion thereof calculated in round weights shall failing agreement between Buyer and Seller be invoiced or invoiced back as the case may be at a price fixed by arbitration.

- (ii) For deliveries in bulk, no excess or deficiency between contracted and delivered weights still be greater than 1% of the contract quantity or any portion of a contract. The excess or deficiency over 1% up to and including 2% or 5 wet tonnes whichever is the lower shall be invoiced or invoiced back as the case may be at the contract price. Should the excess or deficiency be greater than 2% or 5 wet tonnes whichever is the higher (except for single delivery load contracts where the excess or deficiency shall be on a 2% basis only) the whole of the excess or deficiency over the contract quantity or any portion thereof calculated in round weights shall failing agreement between Buyer and Seller be invoiced or invoiced back as the case may be at a price fixed by arbitration.

3. Payment

Unless otherwise mutually agreed, the Buyer shall pay the Seller in accordance to the payment terms (including mode and schedule of payment) of the Contract signed.

4. Weighing

- (a) The Latex is to be invoiced at nett transported weights and weighing shall be on a per delivery load basis and :-
 - (i) for deliveries in drums, should the difference in transported and delivered weights (excluding theft, pilferage and damage in transit) exceed ½% but not over 2% this difference in weight in excess of ½% but not over 2% shall be invoiced or invoiced back as the case may be at the contract price. The nett delivered weights to be estimated by weighing gross 10% of the drums and deducting the marked tare. Weighing shall normally be on per drum basis in any one weighing operation and weights are to be recorded to the nearest 200 grammes.
 - (ii) for deliveries in bulk, should the difference in transported and delivered weights (excluding theft, pilferage and damage in transit) exceed 1% but not over 2% this difference in weight in excess of 1% but not over 2% shall be invoiced or invoiced back as the case may be at the

contract price. Weights are to be recorded to the nearest kilogramme.

PROVIDED ALWAYS any difference exceeding 2% shall be invoiced or invoiced back as the case may be at a price to be mutually agreed between Buyer and Seller or failing which the price will be referred to Arbitration.

- (b) In the event of the Buyer claiming an adjustment by reason of the nett delivered weights differing from the nett transported weights, as provided for in the foregoing Contract Term 3(a), he shall so notify the Seller within forty-eight (48) hours of the receipt of the Latex and :-
 - (i) for deliveries in drums, provide within seven (7) calendar days of the receipt of the Latex, a copy of the nett delivered weights certified by both Buyer's and Seller's representatives.
 - (ii) for deliveries in bulk, provide within four (4) calendar days of the receipt of the Latex, a copy of the nett delivered weights certified by both Buyer's and Seller's representatives.
- (c) If a weight deficiency is found and it exceeds $\frac{1}{2}\%$ or 1% as the case may be of the invoiced weight the cost of weighing shall be borne by the Seller, otherwise it shall be borne by the Buyer.
- (d) In the event of the Seller disputing the Buyer's claim for adjustment by reason of the nett delivered weights differing from the nett transported weights, as provided for in the foregoing Contract Terms 3(a) and (b):-
 - (i) the Seller shall within forty-eight (48) hours of the receipt of the Buyer's claim request the Latex be weighed by a third party to be mutually agreed between Buyer and Seller.
 - (ii) the latex shall be weighed by the third party so agreed in the presence of both Buyer's and Seller's representatives and the weights so recorded shall be final.
 - (iii) if a weight deficiency is ascertained to justify the Buyer's claim for adjustment the cost of weighing by the third party

including any incidental expenses thereto shall be borne by the Seller. If no weight deficiency is found such cost and expenses shall be borne by the Buyer.

PROVIDED ALWAYS THAT the Latex for which the weights are under dispute remains untempered in the original container or containers as delivered.

5. Insurance and Transportation

Terms of insurance and transportation shall be as agreed between Buyer and Seller at the time of the contract.

6. Cess

- (a) All cesses which are due upon delivery shall be collected and paid by the Seller in accordance with the Cess Order.
- (b) In the event of any delay on delivery, any additional cess that may fall due by reason of the aforesaid delay, shall be paid by the party requesting for the aforesaid delay.

7. Delivery

- (a) Terms and schedule of delivery shall be as agreed between Buyer and Seller at the time of contract.
- (b) A copy of the Delivery Order shall accompany each lorry or vehicle together with a copy of the preliminary analysis report. A copy of the final analysis report shall be delivered to the Buyer.
- (c) For the purpose of delivery, the working hours per working day shall be 8.30 a.m. to 5.00 p.m. on weekdays and 8.30 a.m. to 1.00 p.m. on the day preceding a weekend. No delivery shall take place on weekends or Gazetted Public Holidays unless the parties so agree. In like manner, the parties may agree to extend or vary the working hours. Any demurrage incurred shall be for the account of the Buyer. Demurrage in this context shall mean to be for any detention of a lorry or vehicle beyond the normal time period for the discharge of the Latex.

8. Packing

Where the Latex is to be delivered in drums, it shall be in new DRUMS containing about 205/206 kilos, nett wet weight, each.

9. Quality

- (a) Technical specifications shall be in accordance with ISO 2004 or ASTM 1076 or as agreed at the time of the Contract.
- (b) The Dry Rubber Content to be 60 per cent by weight (unless otherwise agreed between Buyer and Seller and specifically stated herein) which figure shall be taken to mean that any excess over 60% shall not be charged to the Buyer and the Buyer shall have no claim against the Seller for any deficiency below 60 per cent and down to 59.8 per cent. In the case of Latex sold with a DRC other than 60% the Seller shall not be liable for a claim if the deficiency is proportionately no greater than that permitted for 60% DRC Latex.
- (c) If the DRC on a per delivery load basis is below 59.8% but not below 59% a percentage allowance shall be made by Seller to Buyer, which allowance shall be that proportion of the contract price equivalent to the amount by which the DRC falls short of the invoiced DRC. If the DRC is below 59% the Buyer shall have the option to be exercised only after analysis has been made as laid down in the subsequent paragraph, of rejecting the Latex and claiming default or of accepting it with an allowance, provided that the Latex has not been removed from the warehouse or factory called for in the contract. In the event of the Buyer deciding to accept the Latex with an allowance there shall be subtracted from the established DRC a figure which shall be the amount by which it falls short of 59% and this shall be regarded as the DRC for the purpose of calculating the percentage allowance to be given by Seller to Buyer.

This allowance shall be that proportion of the contract price equivalent to the amount by which the notional DRC, as arrived at above, falls short of the invoiced DRC, expressed as a percentage of the invoiced DRC.

- (d) The DRC to be ascertained to the nearest 0.01% by the Latex Coagulation Method of the ISO by an approved independent analyst mutually agreed by Seller and Buyer.
- (e) The Latex to be completely fluid, free from putrefactive odour, reasonably white in colour and commercially free from extraneous matter. In the event of a claim arising, from any cause whatsoever, failing an amicable settlement, it shall be referred to arbitration.

10. Sampling

- (a) Such sample or samples shall be drawn by an approved sampler or jointly by Buyer's and Seller's representatives at a point as agreed in the Contract. If the Seller has not named his representative, the labels of the samples shall be signed and sealed by Buyer in conjunction with an independent recognised sampler and shall be accepted by the Seller.
- (b) Where delivery is in drums :
 - (i) Drums representing 10 per cent of the delivery subject to a minimum of one, shall be selected at random.
 - (ii) Latex in individually selected drums to be adequately blended/homogenised in accordance with the latest ISO method or the ASTM method, as agreed at the time of contract.
 - (iii) One half litre shall be drawn from each of these drums and bulked.
 - (iv) From the quantity so bulked, five samples, each of not less than one half litre shall be drawn into separate bottles (of non-absorbent inner surface chemically resistant to Latex). Each bottle shall be filled full, sealed air-tight and labelled, stating the distinctive numbers of the drums opened. (In the event of sampled drums being less than five in number, adequate Latex shall be taken to provide five samples).
- (c) Where delivery is in bulk :
 - (i) Separate sampling shall be undertaken for every individual container.

- (ii) Samples shall be drawn in accordance with the latest ISO method or ASTM method, as agreed at the time of contract.
 - (iii) From the composite sample so combined and blended, five samples, each not less than one half litre shall be drawn into separate bottles (of non-absorbent inner surface chemically resistant to Latex). Each bottle shall be filled full, sealed air-tight and labelled, stating the distinctive numbers and/or marks of the container(s).
- (d) Two samples shall be retained by Buyer's representative and three samples shall be retained by Seller's representative, each to send one sample to an approved Independent Analyst, mutually agreed by Seller and Buyer, or the Rubber Research Institute of Malaysia of the Malaysian Rubber Board, the remaining to be kept for use in the event of arbitration and/or appeal against arbitration award.

11. Claims

- (a) In the event of a claim, other than a claim for rejection, failing amicable settlement, samples shall be tested by an approved Independent Analyst, as mutually agreed by Buyer and Seller, or Rubber Research Institute of Malaysia of the Malaysian Rubber Board. If this analysis is to be final and binding on other parties then their agreement must also be obtained.
- (b) If the quality is not in accordance with the contractual specification as confirmed by an approved Independent Analyst or Rubber Research Institute of Malaysia of the Malaysian Rubber Board, then Buyer shall accept the Latex with a fair allowance to be decided upon by arbitration, provided Arbitrator(s) are of the opinion that the Latex as delivered was bona fide fulfillment of the Contract. Should Arbitrator(s) decide that the Latex as delivered was non-bonafide, they shall fix an allowance and Buyer, if he has so claimed, shall have the option, to be exercised within seven (7) calendar days from the issue of the Award, of rejecting the Latex and claiming default or accepting it with the allowance as the Arbitrator(s) shall so award.
- (c) Sealed sample or samples in support of the claim must be produced by Buyer to the Seller or his authorised representative

within fourteen (14) calendar days of the date of delivery. The cost of sampling, supervision, analysis, despatch of samples promptly and all reasonable expenses and charges of Buyer shall be paid by the Seller if a claim is sustained except in the case where such charges equal or exceed the amount of the Award when Arbitrator(s) shall have the discretion to award those charges against either party.

- (d) Final notice in writing of the claim, stating the grounds of the complaint must be given by Buyer to the Seller or his authorised representative within seven (7) calendar days of the expiry of the period stipulated above for the production of sample or samples. Any claim lodged prior to the production of sample or samples will, if not so finalised become null and void. If a claim still remains in dispute at the end of a period of six (6) weeks from the date of delivery, it shall be the responsibility of the Buyer to submit it to arbitration for settlement. Failure to take this step within fourteen (14) calendar days of the expiry of this period shall render the claim null and void.
- (e) The Seller further agrees that the destination for the purpose of inspecting the goods shall be deemed to be the place of delivery named in the Contract. While in the place of delivery, the goods shall be at Buyer's risk.
- (f) Place of delivery in this Contract shall mean factory and include premises used for storage occupied by the proprietor of the factory for the purpose of the factory whether or not the same shall be the cartilage of the factory.
- (g) For deliveries in drum only, in the event of the Buyer claiming rejection the Seller may within seven (7) calendar days request that a second sample or samples be taken in the presence of Buyer's and Seller's representatives, as per Contract Term 8, and shall be tested by the Rubber Research Institute of Malaysia of the Malaysian Rubber Board. Should Seller not name his representative at the time of requesting the second samples, then the labels of the samples shall be signed and sealed by Buyer in conjunction with an independent recognised sampler and shall be accepted by the Seller. This result shall be final and binding on all parties.

The cost of second sampling, supervision, analysis, discharge of samples promptly and all reasonable expenses and charges of Buyer shall be paid by the Seller if a claim for rejection is sustained.

- (h) In the event of final rejection the Seller shall within seven (7) calendar days of the receipt of the approved analyst's report or the Award, notify the Buyer by cablegram/telex/fax naming the warehouse to which the Latex is to be returned together with any instructions regarding sampling, weighing and insurance. The Buyer shall carry out such instructions without undue delay and also insure the Latex in transit. Buyer shall be entitled to debit Seller with the cost of returning the drums to warehouse, including insurance in transit. The cost of receiving the Latex into warehouse and of working and sampling shall be for Seller's account.
- (i) Where the Latex is delivered to a factory or factories without passing through a warehouse, or when part of the consignment is delivered to warehouse and remainder is delivered to a factory or factories without passing through a warehouse neither the onward movement of the goods nor the breaking of quantity by distribution of one contract quantity between two or more factories shall be deemed an acceptance by the Buyer so as to cause the Buyer to lose thereby his right of claim or rejection.

12. Frustration of Contract

Should Seller be prevented from fulfilling his obligations hereunder during the period stipulated herein by reason of act of God, act of sovereign, government or parliament, consequences of hostilities or warlike operations, blockade, political or civil disturbances or insurrections, riots, strikes, lock-outs, combination of workmen or any other cause beyond his control which he could not reasonably have been expected to anticipate and such cause or causes continue for a period of twelve calendar months from the commencement thereof, any obligations hereunder relating to deliveries the fulfillment of which is thus prevented and payment therefore shall be cancelled and no claim shall lie by either party against the other in respect of loss or damage arising out of such cancellation.

Should such cause or causes continue for a period of less than twelve calendar months any outstanding obligations hereunder shall be fulfilled

as soon as possible after such cause(s) cease(s) to operate but in no event later than six calendar months after such cessation.

13. Arbitration

Any controversy or claim arising out of or relating to this contract, or the breach, thereof, shall be settled by arbitration in accordance with MRE By-law 8.

GLOSSARY

The word "**container**" used in reference to delivery in bulk shall mean tanks, tank cars, lorry tanks, railway tanks or flexi-bags.

A "**recognised sampler**" is one which is included in the List of Recognised Samplers maintained by the Secretariat of the International Rubber Association.

An "**approved independent analyst**" is one which is included in the List of Approved Independent Analysts maintained by the Secretariat of the International Rubber Association.

MALAYSIAN RUBBER EXCHANGE
CONTRACT No. 5

LOCAL DELIVERY CONTRACT FOR PRESERVED RUBBER
LATEX

FORM No. 1

.....
(Date)

Messrs.
.....

Contract No :

We have this day sold to you/bought from you* subject to the terms of the Rules, By-laws and Contract Terms of the Malaysian Rubber Exchange the undermentioned Latex.

Type of Latex
Quality
Quantity
Delivery Period
Price
Packing
Place of Delivery
Terms of Payment
Others

Other terms and conditions :

.....
Signature and Name of Company

We hereby confirm the above Contract.

.....
Signature and Name of Company

*Delete where applicable.