



SECTION IV NON-MERCHANT HANDLER RULES

RULE 1

RESPONSIBILITY:

CLAUSE 1 – Non-merchant handlers, whether members or not, if they trade under the Association rules, shall be subject to these Rules, Arbitrations and Appeals.

CLAUSE 2 – Non-merchant handlers shall be held responsible for their mistakes. When trading, they shall keep both parties to the contract duly informed of all conditions and terms affecting the transaction and they shall be responsible for any misrepresentations which they shall make to either buyer or seller.

CLAUSE 3 – A sale shall not be deemed completed until buyer's and seller's names have been mutually approved, and in case the sellers and/or buyers do not accept the names of the other party, if it is agreed between the dissenting party and the non-merchant handler, the non-merchant handler shall act as a "Del Credere Agent", and shall so state on his confirmation.

CLAUSE 4 – Bids and offers made through non-merchant handlers, unless otherwise specified, shall only be valid for reply by five o'clock p.m., local time, of the same day.

CLAUSE 5 – Non-merchant handler's contracts shall specifically state that the Rules and By-Laws of the Western Cotton Shippers Association apply. Omission of such reference to the Rules shall not preclude their applicability to the contract, when non-merchant handler or either party to the contract is a member of this Association.

RULE 2

COMMISSIONS:

CLAUSE 1 – Non-merchant handlers shall be allowed to charge a commission:

- a) On all sales they negotiate.
- b) Unless otherwise specified, if 5 days prior to the date of sale the non-merchant handler shall have displayed to the buyer the actual samples of cotton that is subsequently sold to the buyer.



- c) If they initiate a trade between buyers and sellers, even though the final consummation of the transaction is negotiated direct between the contracting parties, but only if the sale is made within 5 days of such initiative advice.
- d) On the bales that are accepted on sales sold subject to approval of the cotton.
- e) On follow-on business, done within 5 days of the original trade, even though negotiated direct between the seller and the buyer.

CLAUSE 2 – Commissions shall not be due if the transaction is not fulfilled on account of a mistake of the non-merchant handler.

CLAUSE 3 – If a trade is cancelled between the original buyer and seller for any reason whatsoever, with the assistance of the original non-merchant handler, the non-merchant handler shall be entitled to full commission from the original seller.

RULE 3

SAMPLES:

CLAUSE 1 – Samples shall be representative of the bale and shall be shown with the lower side uppermost.

CLAUSE 2 – Buyers shall have the right to demand that redrawn samples be sent to them straight from the compress, warehouse or yard; the cost of resampling to be borne by the buyer. The original sale samples shall be sealed and held by the non-merchant handler until arrival of the redrawn samples. If the redrawn samples do not show up equal to the original samples, the seller shall make good any loss to the buyer.

CLAUSE 3 – Where cotton is sold on actual samples, the non-merchant handler shall issue resampling instructions as soon as possible, but within 24 hours from the time of sale, and after receipt of the redrawn samples, the shipper shall be allowed 48 hours in which to class up the cotton and issue his shipping instructions. In case, however, a buyer is in urgent need of the cotton he shall be allowed to ship it on the original samples; but if it is found, upon arrival of resamples, which shall be drawn by a disinterested party before shipment, that the cotton is not equal to the original samples, the seller shall be responsible to the buyer for the difference in quality.