

sections included in the said notice, and in providing the plant for the same, and shall either themselves enter into or procure some respectable and responsible person or persons, to be approved by the Governor, to enter into a proper contract with the Governor in substitution, as regards such section or sections, of these presents, then the Governor will give possession to the person or persons entering into such contract with him of the said railway, or the section or sections thereof of which he shall so have taken possession, and of the plant belonging thereto respectively.

32. If and whenever the Contractors shall make default in properly maintaining any railway or any section thereof when completed (other than such as may have been taken possession of by the Governor under any provision hereof), or in properly providing the plant for the same, and keeping the plant provided in good and sufficient working order and condition, or in properly working and using the said railway or section, as the case may be, it shall be lawful for the Governor to direct the necessary repairs to be done, as well to such railway or section, as to the said plant, and to supply any plant which ought to have been but shall not have been supplied, and to replace any of the plant that may be worn out by others of the same or a similar description, and dispose of the old plant, and, at the cost of the Contractors, to enter upon, use, and work so much of such railway or section, as the case may be, and the plant belonging to the same, as the Governor shall, from time to time, think fit to use and work. And the Contractors will upon demand repay to the Governor all moneys expended by him in and about any of the matters aforesaid, provided that if by the moneys which shall be received from such working and using of such railway or section, and from the disposal of all plant, or by the Contractors, the Governor shall, within six calendar months, have been repaid all moneys expended by him under this clause, the Contractors shall be reinstated in the possession of the said railway or section and plant, provided also that the Governor will, until the expiration of such period, from time to time render to the Contractors accounts of his receipts and payments under this clause.

33. The Contractors will in all things abide by, comply with, and conform to all the laws and regulations for the time being in force in New Zealand, and also all such general regulations and by-laws for the maintenance of order and securing the safety of the public, as the Governor shall from time to time frame and establish, and will make compensation and satisfaction to all persons who, according to law, may be entitled to compensation or satisfaction for or in respect of any injury or loss sustained by them in their person, property, or otherwise, through or in consequence of any negligence or wrongful act whatsoever on the part of the Contractors in making the said railway, or any part thereof, or in working or carrying on traffic thereupon.

34. The Contractors will not assign or sublet this contract, or any part thereof, without the approval of the Governor, but with such approval and subject to such conditions as he may impose, they may assign or sublet the same, or any part thereof, to one or more company or companies in England or in the said colony, in which case such company or companies shall enter into a formal contract or formal contracts with the Governor to secure the due observance and performance by it or them of the stipulations herein contained, and in any such contract or contracts provisions shall be made that the Governor shall have a right from time to time to appoint an *ex-officio* director upon the board of directors of each such company in London or elsewhere in England, and also upon the board (if any) in the colony, and that each of such *ex-officio* directors shall rank as and be one of the board of directors of the company, and be entitled in all things to act as such, and to exercise at his discretion a right of veto at all proceedings whatsoever of the board (except proceedings for the purpose of communicating with the legal advisers of the company), and shall not be removable except by order of the Governor; no such director, however, being entitled to any salary from the company; and also the company shall record and keep in proper books for the purpose full and particular accounts of all their transactions and proceedings, so as at all times to exhibit thereby fully and truly the state of their affairs and proceedings, and also that any person or persons appointed by the Governor in that behalf shall, at all reasonable times, have full access to the books, accounts, papers, and documents of the company (except communications with the legal advisers of the company on matters in difference between the Governor and the company), and power to make copies of or extracts from the same; and also that as between the Governor and the company or companies respectively, only such charges of management shall be allowed out of or against revenue account as shall from time to time be approved by the Governor; and in any such contract or contracts provision shall be made for such sums for expenses of direction and management of the company during the construction of a railway, being added to the total cost, as shall be approved by the Governor: Provided that this clause shall not prevent the employment by the Contractors of competent sub-contractors in the execution of the works under them, or in the maintenance of the same.

35. The Governor will grant to the Contractors land situate in such locality or localities as the Governor shall in his discretion think fit, at the rate of three-quarters of an acre for every pound sterling of "the total cost" of each and every section completed and open for public traffic as aforesaid, according to the accounts as made up and approved as aforesaid, up to the time of opening the same for public traffic, and one-fifth part of the whole quantity of land so to be granted shall be suitable for settlement, and for settlers to take immediate possession of. Such portions of the land suitable for settlement as are from time to time required for immigrants shall be granted as and when required. The residue of the land in respect of each section of a railway shall be granted on the giving of the Engineer's certificate of the completion thereof. When a railway shall have been decided upon the Governor will set apart the land out of which the grants in respect of the same are to be made. And if, after the Contractors shall have entered upon the making of any section and before the same shall be completed, the Governor can conveniently do so, he will provide all such land as aforesaid, and permit the Contractors to occupy, use, and enjoy the same, but no grant of such land, except what is required for immigrants, shall be made until the Engineer shall have certified as last aforesaid.

36. The Governor will from the time of the opening of any railway or any section thereof for public traffic, and thenceforth half-yearly until the expiration of forty years, to be computed from the time of the commencement of each said railway, or until the payment at an earlier period by the Governor for the right and interest of the Contractors in such railway, or any section or sections