

The rates of passages provided herein are understood to be applicable to the vessels' ordinary accommodations only; and the rates of freight, except where specifically mentioned, do not provide for cool-storage or other special stowage. In the event of any disturbance of normal conditions which in the opinion of the Postmaster-General is sufficient to materially increase the expense of running the vessels used for services under this contract, the Postmaster-General may authorize a percentage increase of the foregoing fares and freights:

Provided that no discrimination shall be made as regards tariff rates for either freights or passengers in any manner directly or indirectly against any New Zealand port, or against the New Zealand Government railways, or against any New Zealand merchant or shipper.

5. The Company shall at all times maintain all vessels used for services under this contract, with their machinery, tackle, and equipment, in first-class condition, as required by Lloyd's Registry.

6. The mails shall be conveyed thirteen times in the year (once every four weeks) from Wellington to San Francisco by way of Auckland, Rarotonga, and Papeete, and from San Francisco to Wellington by way of Papeete and Rarotonga, and the service shall be deemed to have commenced with the despatch of the "Aorangi" from Wellington on the nineteenth day of October, one thousand nine hundred and ten, which shall be deemed to be the first appointed day. The vessels respectively employed to convey the mails shall leave the said Port of Wellington on the appointed days (computed as aforesaid), and at such hours on the appointed days, as may from time to time be agreed to between the Postmaster-General and the Company, or as, in the absence of agreement, may be directed by the Postmaster-General.

7. If upon the expiry of the period of one year, the term provided for the duration of this agreement, the Company, whether by reason of delay or otherwise, shall not in that time have completed thirteen round voyages in accordance with the last foregoing clause, and a further voyage or further voyages shall have been or ought to be commenced in accordance therewith, such voyage or voyages shall be continued or completed, and the mails embarked and delivered during and at the completion of the same, without any further payment to the Company than is hereinafter provided for; and this agreement shall be deemed to subsist and be enforceable in all respects until the said thirteen round voyages have been completed, notwithstanding that before the completion of such voyages the period of one year shall have elapsed.

8. The Company, at its own expense, shall deliver and take the mails to and from the steamers and the shore, at convenient places to be from time to time appointed by the Postmaster-General, in the respective ports from and to which the mails are to be conveyed, and also shall convey the same and the officers having charge of them to and from the steamers and the shore as may be necessary, in suitable boats furnished with suitable coverings for the mails, and properly equipped and manned; and shall from time to time convey the officers or agents of the Postmaster-General to and from the steamers and the shore at any of the said ports as often as may be necessary in the execution of their duties respectively.

9. If the Postmaster-General or his officers or agents shall in event of emergency deem it requisite for the public service that any vessel should be delayed at Auckland beyond the appointed hour of departure, it shall be lawful for the Postmaster-General or such officers or agents to order such delay for the period specified in the order, not exceeding twenty-four hours, by letter addressed to the commander of the vessel and delivered to him or to any person appearing to be in charge, or left for him at the office of the Company in the port or on board the vessel, three hours at least before the hour appointed for departure; and every such order shall be obeyed by the Company, its officers, and servants. In every case where a vessel is delayed at Auckland pursuant to such order as aforesaid, demurrage at the rate of five pounds an hour shall be paid to the Company for each hour's delay after the first six hours.

10. In order to insure, as far as practicable, the due carrying of the mails from San Francisco to New Zealand under this contract, the Company shall delay the departure of any of its vessels from San Francisco for such period as the Postmaster-General directs, not exceeding forty-eight hours after the time of departure fixed as aforesaid, in order to await the arrival of the mails from London to Australia and New Zealand.

Such direction shall be by letter from the Postmaster-General's officer or agent at San Francisco, addressed to the Company, and delivered at its office in San Francisco at least three hours before the hour appointed for the departure of the vessel. In every case where a vessel is delayed at San Francisco pursuant to such direction as aforesaid, demurrage at the rate of five pounds per hour shall be paid to the Company by the Postmaster-General for each hour's delay after the first six hours. In the case of each vessel so delayed the demurrage in respect thereof shall be paid at the Treasury in Wellington, or at the Company's office at Dunedin, on receipt by the Postmaster-General of advice of the amount payable.

11. If from any cause whatsoever, at any time or times hereafter, one of the vessels for this service shall not be at the Ports of Wellington or of Auckland, ready to put to sea in due time to perform the services hereby contracted to be performed, the Company shall pay as liquidated damages to the Postmaster-General in respect of every mail that shall be delayed by reason of any such default as aforesaid the sum of two hundred pounds, and the further sum of fifty pounds for every successive twenty-four hours which shall elapse between the time at which the mail shall be appointed to leave the port and the time at which the vessel conveying the same shall leave the port, whether such vessel shall be one of those aforesaid or any other vessel which the Postmaster-General shall think fit to employ or to sanction being employed for the purpose: Provided that the Postmaster-General shall have power to remit or reduce any of the sums payable as in this clause mentioned if he shall be satisfied that any such default as aforesaid was attributable to causes over which the Company had no control: Provided also that the maximum amount to be paid by the Company under this clause in respect of such defaults for any one voyage shall not exceed one thousand pounds.