

commenced between Great Britain and any Foreign Power then during its continuance the High Commissioner for New Zealand or such expert as may be appointed by him in that behalf acting in conjunction with any person appointed in that behalf by the Company may fix and determine a special price (being not less than the then current Company's price) per thousand rounds and state the time during which such special price shall continue to be paid and the special price so fixed and determined shall for the time being be in substitution for the Company's price which but for this proviso would be payable.

3. The minimum quantity of ammunition which the Governor shall buy from the Company shall during each year of the term of this Contract be Nine million six hundred thousand (9,600,000) rounds of .303 service ball ammunition and One million two hundred and fifty thousand rounds of .303 blank ammunition and the Company binds itself to supply the same in the manner and subject to the conditions of these presents PROVIDED that if during the term of this Contract the Governor intends to make any change in the calibre of the arm with which the New Zealand Defence Forces are now equipped (being the arm for which the aforesaid ammunition is to be supplied) he shall give to the Company two years' notice of such intention in order to enable the Company to prepare machinery and tools for the manufacture of the same quantity of ammunition per annum for the new arm and from the date of the expiry of such notice or from such other date as the parties hereto may by memorandum in writing appoint the ammunition to be supplied by the Company during the residue of the term of this Contract shall be ammunition for the new arm as specified in such notice in lieu of ammunition for the present arm as hereinbefore specified and the provisions of this Contract shall operate and be construed accordingly PROVIDED FURTHER that such notice shall not be given after the expiry of the seventh year of the said term of fifteen years.

4. The Company agrees to purchase and take from the Governor and the Governor agrees to supply to the Company from time to time as reasonably required all powder cordite and other explosives required for the manufacture of all ammunition under this Contract at the actual cost thereof to the Government delivered at the Mount Eden Magazine near Auckland.

5. Before the Governor shall be required to accept the final delivery of any ammunition under this Contract he shall be entitled to have the same tested by a Government Official appointed by him from time to time for such purpose and the Governor shall be deemed to have taken final delivery of any instalment or portion of the said ammunition when (but not until) the required tests have been carried out and the ammunition has been finally approved by a certificate in writing to that effect from the said Official such tests to be carried out and completed within a reasonable time after delivery of the ammunition to the Government Magazine at Mount Eden near Auckland.

6. All ammunition to be supplied under this Contract and the materials employed in the manufacture thereof shall be according to the specifications for the time being issued by His Majesty's War Office for the same class of ammunition and shall be subject to the same tests as ammunition being supplied to the British Government by Contractors for the use of His Majesty's Imperial Forces.

7. All tests of ammunition to be supplied under this Contract shall be carried out in Auckland.

8. The Governor shall bear the expense of all aforesaid tests of ammunition except in respect of such tests as result in the rejection of any lot of ammunition.

9. The Official representing the Governor as aforesaid shall have the power to reject any ammunition which shall be found not to comply with the specifications aforesaid for such class of ammunition or not to satisfactorily fulfil the aforesaid tests and ammunition so rejected shall not be paid for.

10. The Company shall be entitled to be represented by a duly authorized official of the Company when ammunition is being examined or tested as hereinbefore provided and the said Official representing the Governor shall and will for this purpose give due notice to the Company or its representatives in New Zealand of the intention to hold such examination and testing from time to time.

11. In case the ammunition supplied or any part thereof aforesaid is rejected and is not replaced with ammunition fulfilling the required tests and conditions within a period of three months from the service of notice in this behalf on the Company or its representatives in New Zealand the Governor shall have the right of purchasing the same quantity of ammunition elsewhere and any extra cost or expense thereby incurred shall be paid by the Company.

12. The ammunition shall be made up in packages containing ten rounds each and the Company shall mark the base of all the cartridges with the Company's trade-mark and R.L. mark of cartridges *i.e.* Mark VI unless a change in ammunition is made during the term of Contract in which case the mark of the new cartridge shall be substituted for Mark VI. The wrappers or boxes or cases in which such cartridges are packed shall be marked in any manner that may be required by the Governor.

13. The Governor or an officer duly appointed by him shall during working-hours have the right of entry to the Company's Works.

14. The Company shall not nor will assign or sublet this Contract or any part thereof without the consent in writing of the Governor first had and obtained.

15. In case the Company fails to execute any order for ammunition at the time and in the manner provided for by this Contract (whether ordinary supply under the foregoing provisions hereof or special supply under clause 20 hereof) or in case the Company assigns or sublets this Contract or any part thereof without the consent in writing of the Governor being first obtained or in case the Company fails in the observance or performance of any of the provisions or conditions to be observed or performed by the Company contained in clauses four (4) and eleven (11)