

11. In respect of each voyage the Company shall pay to the Postmaster-General as a penalty four pounds for every hour in excess of the number of hours mentioned in clause 9 occupied by such voyage; and any such penalty may be deducted by the Postmaster-General from any payments due to the Company under this contract: Provided that no penalty shall be payable by the Company unless the period of actual delivery of the mails at San Francisco or Auckland exceeds the time of delivery provided by this contract by forty-eight hours, and provided also that the Postmaster-General may remit any of such penalties which in his opinion should not be enforced.

12. The sums payable to the Company under this contract shall be in full satisfaction for all services rendered in the conveyance, receipt, and delivery of all Her Majesty's mails which, and all other mails which, may be conveyed under this contract from, to, and at all or any of the ports aforesaid, or otherwise, and shall be payable to the Company at the Treasury, in Wellington, immediately after the due delivery of each mail in the colony, or the advice by cablegram from San Francisco, or by the return mail from thence, of the due delivery of the mail there shall be received, as the case may be.

13. Any subsidy or payment allowed to the colony or the Postmaster-General by the Government of the United Kingdom of Great Britain and Ireland, or by any other Australasian Colony or dependency, or any of the Polynesian Islands, for the conveyance of mails over the aforesaid routes, shall be paid over to the Company, after deducting any payments made or expenses (if any) incurred by the Postmaster-General for the conveying mails to or from any or either of the ports or places hereinbefore appointed for the receipt or delivery of mails.

The Company shall also be entitled to the benefit of and to receive any subsidies or payments which it may induce any Government other than as aforesaid to agree to pay for the conveyance of mails over the aforesaid routes, after deducting any payments made or expenses (if any) incurred by the Postmaster-General for the conveying mails to and from any and either of the ports or places aforesaid, provided the arrangements for the services in respect of any such subsidy shall be approved by the Postmaster-General; but the direct liability of the Postmaster-General under this contract is expressly limited to payment for the conveyance of its outward mails at the rate hereinbefore provided.

14. The Company shall provide, to the satisfaction of the Postmaster-General, on board all steam-vessels employed under this contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings; and every such place of deposit shall be rendered and kept vermin-proof.

15. The Company shall also provide, to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several vessels employed under this contract, and on being required to do so by the Postmaster-General, shall at its own cost erect or set apart in each of the said vessels on the spar deck a separate and convenient room for such purposes; and all such furniture, lamps, fittings, and other conveniences shall be from time to time cleansed and kept in repair, and the oil for the lamps supplied, by the servants of and at the cost of the Company. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mails between the mail-room and the sorting-room, and also render such other assistance as may from time to time be needed, without charge.

16. In the event of the Government of the United States of America not defraying one-half the cost of conveying from San Francisco to New York all mails sent from Auckland to San Francisco for transmission to London then such half-cost shall be paid and borne by the Company; and if the Postmaster-General shall at any time be called upon to pay or bear more than one-half such cost, all moneys in excess thereof shall be charged to the Company, and may be deducted by the Postmaster-General from any moneys payable to the Company under this contract.

17. If the Postmaster-General shall think fit to intrust the charge and custody of the mails, to the master or commander of any vessel to be employed under this contract, and in all cases where the officer or other person appointed to have charge of the mail shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge, take due care of, and the Company shall be responsible for the receipt, safe custody, and delivery of the said mail at the several appointed places in the respective ports, as part of the services hereby contracted to be rendered. The master or commander shall also make the usual Post Office declaration, and furnish such journal returns and other information, and perform such other services in relation to the care and delivery of such mails as the Postmaster-General or his officers shall from time to time reasonably require.

18. The Company and all commanding and other officers in charge of the vessels employed under this contract shall at all times punctually attend to the orders and directions of the Postmaster-General or his officers or agents, as to the mode, time, and place of landing, transshipping, delivering, and receiving the mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

19. The Company shall have no claim to any postage nor to any sum on account thereof for mails carried in any vessel employed in the service under this contract, or on account of any services rendered, except as herein specially provided to be paid.

20. The Company shall provide suitable first-class accommodation, including a cabin or state-room, for the exclusive use of a mail officer or agent for the Postmaster-General and for one assistant for such Postmaster-General on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties; and such officer or agent and assistant shall be victualled by the Contractors as chief-cabin passengers without charge either for their passages or victualling; and whilst the vessel stays at any port excepting the ports of Auckland and San Francisco, to or from which the mails are conveyed, such officers, agent, and assistant shall be allowed to remain on board and shall be victualled as aforesaid.