

of a certain flour-mill situated at _____, and hereinafter called "the said mill": And whereas the said mill-owners have agreed to supply flour, and such by-products as aforesaid, to the association in accordance with the provisions hereafter contained:

Now this deed witnesseth that the parties hereto do hereby, in consideration of the mutual covenants and agreements hereinafter contained and implied, mutually covenant and agree in manner following, that is to say,—

1. The term "associated mill" as herein used shall mean any flour-mill from which the association shall for the time being be bound or entitled to procure flour under any agreement with the "mill-owners" as defined by the articles of association of the said company; and the other definitions contained in the said articles of association shall, so far as applicable, apply hereto. The term "flour" shall include flour and the by-products of its manufacture.

2. For the purpose of this agreement, and for all other purposes connected with the business of the association, the capacity of the said mill shall be deemed and taken to be an output of _____ half-sacks of flour per hour. In case of mill-owners joining the association after the first day of March, 1903, the capacity of their mills, for the purpose of any agreement made with them, shall be fixed by an expert or experts appointed by the directors of the association. The capacity of any associated mill may in any special case or cases, with the consent of the board of directors, differ from the actual working-capacity, and with the like consent may be varied from time to time.

3. "Proportionate quantity of flour" shall mean a quantity which bears the same proportion to the total quantity supplied during any one month to the association by all the associated mills as the fixed capacity of the said mill bears to the total fixed capacity of all the associated mills.

4. The said mill-owners shall sell to the association, and the association shall purchase from the said mill-owners at the current rate fixed as hereinafter defined, less five pounds per centum, or such lesser sum as the directors may fix, a proportionate quantity of flour in every calendar month from the _____ day _____, 190____, inclusive, for consumption in the Colony of New Zealand, unless and until the said association shall be wound up or dissolved, or this agreement terminated, in manner provided by section 17 hereof.

All sales of flour and its by-products for export beyond the Colony of New Zealand which the said mill-owners shall be desirous of effecting may be made through the association at a price to be mutually agreed on, and the said mill-owners in such case shall pay to the said association a commission of $2\frac{1}{2}$ per cent. on the amount of such sales.

5. At the end of each calendar month the general manager of the association shall cause an adjustment to be made of the flour supplied by all the associated mill-owners for consumption in New Zealand, and the proper proportionate quantity duly allotted to each mill-owner; and any mill-owner who shall be found to have not received orders to the extent of his proportionate quantity shall receive compensation from the association for such shortage of orders: Provided always that the said mill-owners shall not be bound to accept compensation for more than 25 per cent. of the shortage of the month's proportionate allotment, the amount of such compensation to be ascertained by calculating as nearly as possible the gross profit per ton on flour during the month, and deducting the cost of manufacture, which shall include workmen's wages, coal, oil, and sacks for flour, but not the use of machinery or mill, or interest on capital, and which, for the purpose of this agreement, is hereby fixed at seventeen shillings and sixpence per ton of 48 bushels of wheat, as per example in the schedule hereto attached, and all mill-owners who have executed orders in excess of their proportionate quantity shall pay to the association compensation calculated on the above basis: Provided also that if the said mill-owners shall fail to give notice to the general manager of the association on or before the fifteenth day of the month following such adjustment of the quantity for which they claim compensation, then and in such case the said mill-owners shall be deemed to have elected to accept compensation for the whole of the shortage, and shall forthwith be paid accordingly.

6. If in any month during the currency of this agreement the said mill-owners from any cause (except the act of God) are unable or refuse to execute orders for flour received from the association in and towards the supply of their proportionate quantity or any part thereof, then in such case the general manager of the association shall be entitled to purchase from any other associated mill a sufficient quantity of flour to cover such orders, and the said mill-owners shall pay to the association any loss that may be occasioned to the association by reason thereof, and the tonnage of such orders shall be included in the proportionate quantity to be supplied for that month by the said mill-owners, and no compensation shall be paid to the said mill-owners in respect of short deliveries until such time as they give formal notice of their ability and willingness to execute orders in the usual way.

7. The association will at all times hereafter carry on the business of purchasing and selling flour in New Zealand on as extensive a scale as is reasonably possible consistently with the provisions of the articles and with the objects of the association.

8. The general manager of the association for the time being, after consultation with each director and with the consent in writing or by telegram of a majority of the directors, or with the sanction of a resolution of the board of directors, shall from time to time fix the prices at which flour shall be supplied to and purchased by the association in manner aforesaid in each of the towns or districts in which any associated mill or mills shall be situated, and in fixing the price in each town or district the cost of wheat and other matters that ought reasonably to be taken into consideration shall be considered, so that as nearly as possible the price payable to each mill-owner shall be fixed on an equitable basis as between the mill-owners who are members of the association. When there is more than one associated mill in any such town or district the general manager shall apportion the local trade rateably between the said mills according to the fixed