

thousand (250,000) rounds service blank ammunition and the Company binds itself to supply the ammunition in the manner and subject to the conditions of these presents PROVIDED that if during the term of this contract the Governor-General intends to make any change in the cartridge or 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 one year's 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 fourteenth year of the said term of fifteen years PROVIDED FURTHER that if in any one year the Company shall fail to supply and deliver the minimum quantity hereinbefore stipulated for that year then the Company shall not have any right to compel the Governor-General to accept delivery in the next or any subsequent year of the amount short-delivered in the previous year unless the Governor-General shall request the Company so to do and the price shall be the price fixed for the year in which delivery is actually made.

5. The Company agrees to purchase and take from the Governor-General and the Governor-General agrees to supply to the Company from time to time as reasonably required all powder nitro-cellulose 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 and all such explosives shall be purchased by the Governor-General from the Hercules Powder Company for loading service ammunition under the terms of this contract. Samples from each batch of powder to be supplied shall be sent by the New Zealand Government to the Woolwich Arsenal at the makers' expense to undergo proof. Samples from each batch when ready for proof shall be taken by a Representative of the New Zealand Government and the whole batch duly sealed by him and samples forwarded to Woolwich at the makers' expense. The powder must not be shipped by the Hercules Powder Company until the proof has been completed and the Government has duly notified the Hercules Powder Company in writing or by cable that the powder is according to specification and of satisfactory quality PROVIDED that in the event of any batch of the explosives from Hercules Powder Company failing to pass proof the Governor-General may purchase elsewhere the quantity required at that time. Should the Governor-General decide to adopt cordite as the propellant for service ammunition the Governor-General shall not be bound to purchase supplies of cordite from the Hercules Powder Company unless the said company can supply cordite in the quantities and of the quality required at a cheaper price than that at which the supply can be produced elsewhere. The Company shall pay for each lot of explosives so delivered hereunder within one month from the date of such delivery.

6. Before the Governor-General shall be required to accept 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-General 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.

7. 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 Imperial Forces.

8. All tests of service ammunition to be supplied under this contract shall be carried out in Auckland.