

2. In all matters herein set forth the Controller of the Imperial Government Supplies Department (hereinafter referred to as "the Controller") will act on behalf of the Government.

3. All slipe wool offered to the Government for purchase shall be baled, and each bale shall be branded and numbered in accordance with directions issued to the freezing companies by the Controller.

4. The wool shall be catalogued, grouped, opened, and displayed for valuation in accordance with directions issued to the freezing companies by the Controller.

5. Payment at the following rates will be made by the Government to freezing companies to cover the extra cost of labour employed in displaying wool for valuation:—

When the wool is displayed at freezing companies' stores approved by the Controller for that purpose, 2s. 6d. per bale.

When the wool is displayed in shipping-stores approved by the Controller for that purpose, 5s. per bale.

6. The wool will be examined, classified, and valued by two expert valuers, one of whom shall be appointed by the Government and the other by the freezing company.

7. The wool will be valued in accordance with the prices shown in the Second Schedule hereto.

8. If the two valuers are unable to agree as to the classification and valuation of any wool it will be examined, classified, and valued by a Supervising Valuer appointed by the Government.

9. The term "date of valuation" as herein used means the day of the date of a certificate of valuation signed by the valuers, or, in the event of their disagreement, by the Supervising Valuer.

10. If the company is dissatisfied with the value assigned by the Supervising Valuer it may, at any time within forty-eight hours after the date of valuation, give to the Supervising Valuer a written notice of appeal from that valuation, and such appeal shall, on payment by the appellant of such fee as the Government shall fix, be determined by an umpire appointed by the Government: Provided that in cases where reasonable cause for the delay is shown to the satisfaction of the Supervising Valuer an appeal may be lodged at any time up to seventy-two hours after the date of valuation. The decision of such umpire shall be final.

11. The submission of any slipe wool by a freezing company for valuation in accordance with the foregoing provisions shall be deemed to be the acceptance by that company of an offer by the Government to purchase that wool in accordance with these terms and conditions, and shall constitute a contract between the Crown and the company accordingly, subject, however, to the right of rejection hereinafter provided for.

12. Any wool may on examination by the valuers or Supervising Valuer be rejected as being unmerchantable or not of the nature or quality required by the Government, and wool so rejected will not be purchased by the Government.

13. Payment for all wool so valued will be made by the Government to the freezing company free of exchange on the fourteenth day after the date of valuation.

14. At 2 o'clock in the afternoon of the fourteenth day after the date of valuation the wool so valued shall become the property of His Majesty, and shall thereafter be at the risk of His Majesty in respect of fire, and all loss or damage from any cause other than faults of manufacture or packing, or any breach by the freezing company of its obligations under the agreement of sale and purchase. Prior to 2 o'clock in the afternoon of the said fourteenth day after the date of valuation the wool shall in all respects be at the risk of the freezing company.

15. All wool so purchased by the Government from a freezing company shall be shipped by the company in the usual manner in accordance with the directions of the Controller, consigned to "The Director of Raw Materials," London, or in such other manner or to such other place as the Controller may from time to time direct. On such shipment the company shall deliver to the Controller three stamped copies and one unstamped copy of the bill of lading, with copies of specifications, *pro forma* invoices, and weight-slips, as required by the Controller.

16. Out-of-pocket expenses for wharfage and lighterage incurred by freezing companies in so shipping wool, together with the cost of the bills of lading, will be defrayed by the Government. All other charges on the wool so purchased up to the point of shipment on board ocean steamer will be borne by the freezing company.