

10. Audit reports or observations made by auditors of the Canadian Government in connection with the training of Bundeswehr units in Canada pursuant to this agreement shall be communicated to the head of the German Administrative Office.

11. All matters connected with the implementation of this agreement, including the determination of budgetary matters, other than those which may be resolved through correspondence, shall be resolved during a joint meeting to be held as required but at least annually.

PART II—*Training*

12. Training undertaken pursuant to this agreement shall take place between May and October, inclusive, annually and shall consist of exercises involving mechanized elements totalling approximately seven hundred officers and men and lasting approximately three weeks per exercise.

13. The Federal Republic of Germany may train up to sixteen battalions annually. Not more than two battalions may train at CFB SHILO at any one time without prior agreement between the Federal Ministry of Defence and National Defence Headquarters. The first such battalions may commence training on 1 May, 1974.

14. Training may involve the live firing of all conventional and training natures of ammunition and may include a variety of battle runs by day and by night all of which shall be commensurate with safety.

15. The Bundeswehr shall have access to, but not necessarily exclusive use of, the CFB SHILO training area. Bundeswehr training shall be conducted within mutually agreed defined and marked areas to assure public safety. The requirements of Canadian safety regulations shall be met.

16. a. To support the Bundeswehr program the Federal Ministry of Defence is permitted to set up a permanent military liaison staff and a German Administrative Office at CFB SHILO. Details regarding the planned liaison staff and the Administrative Office shall be communicated to the Canadian Chief of Defence Staff. The liaison staff and the German Administrative Office may be expanded during the course of the training season.

b. The German Liaison Staff will be headed by an army officer. This officer shall be responsible for the execution of the German training program at CFB SHILO. The German Administrative Office shall be responsible for carrying out all Bundeswehr administrative tasks at CFB SHILO.

c. The head of the German Liaison Staff and the head of the German Administrative Office will co-operate with the Base Commander CFB SHILO.

17. Nothing in this Annex should be taken to prevent negotiation of additional training in Canada between the Federal Ministry of Defence and the Department of National Defence under the terms and conditions of this agreement.