



**THE ENERGY COMPANIES (SOUTHPOWER LIMITED) VESTING
ORDER 1993**

CATHERINE A. TIZARD, Governor-General

ORDER IN COUNCIL

At Wellington this 26th day of April 1993

Present:

THE HON. DOUG KIDD PRESIDING IN COUNCIL

PURSUANT to section 47 (1) of the Energy Companies Act 1992, Her Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, and on the recommendation of the Minister of Energy, hereby makes the following order.

ORDER

1. Title—This order may be cited as the Energy Companies (Southpower Limited) Vesting Order 1993.

2. Interpretation—(1) In this order, unless the context otherwise requires,—

“The Act” means the Energy Companies Act 1992:

“The Board” means the Central Canterbury Electric Power Board:

“The company” means Southpower Limited.

(2) Expressions not defined in this order but defined in the Act have, in this order, the meanings so defined.

3. Appointment of date for vesting of undertaking of Board in successor company—The 30th day of April 1993 is hereby appointed as

the date on which the undertaking of the Board shall, by virtue of section 47 (1) (a) of the Act, vest in the company.

4. Equity securities to be issued by company—(1) The equity securities that shall be issued by the company consequent upon the vesting in it of the undertaking of the Board shall be 21,999,900 fully paid up ordinary shares of \$1.00 issued at a premium of 50 cents each on the terms specified in the articles of association of the company.

(2) The equity securities referred to in subclause (1) of this clause shall be issued as follows:

- (a) 12,099,912 to the Christchurch City Council:
- (b) 8,579,989 to the Selwyn District Council:
- (c) 1,319,999 to the Banks Peninsula District Council.

(3) The equity securities referred to in subclause (1) of this clause shall be issued on the 30th day of April 1993.

5. Debt securities to be issued by company—(1) The debt securities that shall be issued by the company consequent upon the vesting in it of the undertaking of the Board shall be 20,900,000 mandatory convertible notes of \$1.00 each fully paid up.

(2) The convertible notes referred to in subclause (1) of this clause shall be issued on the following terms:

- (a) The convertible notes shall rank behind all secured and unsecured creditors of the company for payment:
- (b) Interest on the convertible notes shall be payable quarterly in arrears at 1 percent above the 90 day FRA rate applicable at the commencement of that quarter as shown on Reuters screen BKBM:
- (c) The convertible notes shall be transferable without any necessity to transfer shares, but subject to the articles of association of the company:
- (d) The company may, on the expiry of 30 days after giving notice to every person who holds any of the convertible notes of its intention to do so, convert all or any proportion of the convertible notes into shares in the company:
- (e) Every notice given for the purpose referred to in paragraph (d) of this subclause shall state whether the company elects to convert the convertible notes into ordinary shares or preference shares:
- (f) If a notice given for the purpose referred to in paragraph (d) of this subclause does not relate to all of the convertible notes that are issued at the time that the notice is given, then the same proportion of each holder's convertible notes shall convert pursuant to the notice:
- (g) Any holder of convertible notes may give notice to the company that the holder wishes to have some or all of the holder's convertible notes converted into preference shares in the company:
- (h) The company may elect not to accept a notice of conversion of the type referred to in paragraph (g) of this subclause by giving the person who gave the notice in writing to that effect within 30 days after the date of the notice of conversion and the notice of conversion shall then be void and of no effect:

- (i) Where the company receives a notice of the type referred to in paragraph (g) of this subclause and does not give a notice of the type referred to in paragraph (h) of this subclause in respect of the first-mentioned notice, then, 30 days after the date of the first-mentioned notice, the convertible notes to which that first-mentioned notice relates shall be converted into preference shares:
- (j) Where any of the convertible notes are converted into preference shares, the preference shares shall be issued on the following terms:
 - (i) The preference shares shall be redeemable on the expiry of 10 years from the date of their issue or such earlier date as the company determines:
 - (ii) All preference shares shall be redeemed pro rata:
 - (iii) Dividends shall be paid quarterly at a rate that is 1 percent above the 90 day FRA rate applicable at the commencement of that quarter, as shown on Reuters screen BKBM:
 - (iv) The preference shares shall rank ahead of ordinary shares in a winding up:
 - (v) The company shall have the right to convert the preference shares into ordinary shares on the basis of 2 fully paid up ordinary shares for every 3 preference shares, on giving to the holder 30 days' notice in writing of its intention to do so:
- (k) On the date on which any convertible notes are to convert, the company shall convert the convertible notes as follows:
 - (i) If the conversion is to be to ordinary shares, by allotting 2 fully paid up ordinary shares for every 3 convertible notes converted:
 - (ii) If the conversion is to be to preference shares, by allotting 1 preference share for every 1 convertible note converted:
- (l) Every holder of convertible notes shall, on request to the company, be entitled to receive a certificate or certificates for that holder's convertible notes, duly executed under seal by the company:
- (m) If the company is wound up prior to conversion of the convertible notes, the company shall be in default and the convertible notes shall become immediately due and payable in cash:
- (n) No convertible notes, and no preference shares issued consequent upon the conversion of any of the convertible notes, shall carry rights to bonus issues or cash issues made by the company.
- (3) The debt securities referred to in subclause (1) of this clause shall be issued as follows to the following persons:
 - (a) 11,495,000 to the Christchurch City Council:
 - (b) 8,151,000 to the Selwyn District Council:
 - (c) 1,254,000 to the Banks Peninsula District Council.
- (4) The debt securities referred to in subclause (1) of this clause shall be issued on the 30th day of April 1993.

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the order, but is intended to indicate its general effect.

This order is made pursuant to section 47 (1) of the Energy Companies Act 1992. The order appoints 30 April 1993 as the date on which the energy undertaking of the Central Canterbury Electric Power Board shall vest in its successor company, Southpower Limited. The order—

- (a) Specifies the equity securities and debt securities that shall be issued by the company consequent upon the vesting in it of the undertaking of the Board; and
- (b) Specifies the persons to whom those equity securities and debt securities shall be issued.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 29 April 1993.
This order is administered in the Ministry of Commerce.