

(2) The aforesaid first part of the existing sinking fund shall be applied by the Commissioner thereof in or towards making the following payments, in the following order of priority, namely:—

- (a) First, in transferring to the Commissioner of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of the loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by those unconverted securities which are held by the Public Trustee bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan;
- (b) Secondly, as far as it will extend to the nearest multiple of five pounds in repayment as at the date of conversion of the principal secured by the existing securities held by the Public Trustee; and
- (c) Thirdly, in transferring the balance to the Commissioner of the sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

Interest up to the date of conversion on any existing securities so repaid in accordance with paragraph (b) of the last preceding subclause shall be paid by the local authority out of the local fund.

(3) The aforesaid second part of the existing sinking fund shall be applied by the Commissioner thereof, so far as it will extend, in or towards making the following payments, in the following order of priority, namely:—

- (a) First, in transferring to the Commissioner of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of the loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by those unconverted securities which are held by persons other than the Public Trustee bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan; and
- (b) Secondly, in transferring the balance to the Commissioner of the sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

SECURITIES HELD BY TRUSTEES.

23. The provisions of sections twenty-two, twenty-three, and twenty-four of the New Zealand Debt Conversion Act, 1932-33 (relating to the adjustment of premiums as between capital and income and to the powers of trustees and other persons in relation thereto), shall apply with respect to existing securities converted into new securities in accordance with this Order in the same way as they apply with respect to securities converted under that Act, save that the references in the said section twenty-two to the first day of April, one thousand nine hundred and thirty-three, shall be construed as references to the day following the date of conversion.

BROKERAGE.

24. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.

FIRST SCHEDULE.

LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Methven Water-supply Loan, 1926	£ 5,000	Per Cent. 6	Per Cent. 4½	1st December, 1962.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loan Conversion Order, 19 , of debentures or other securities issued in respect of the following loan [Particulars of loan].

Notice is hereby given to the holders of debentures or other securities issued by the [Name of local authority] in respect of the above-mentioned loan that it is intended to convert all such debentures or other securities (except those in respect of which dissent is duly signified) into new debentures having new maturity dates and bearing interest at 4½ per cent. per annum.

The conversion will take effect from [Date of conversion].

Application for conversion must be made in writing and be accompanied by the securities to which it relates.

Dissent from the conversion of any existing debentures or other securities may be signified by the holder by notice in writing delivered to [Name or designation and address of at least one person authorized to receive dissents] on or before the day of , 19 .