

## RIGHT TO APPLY FOR OR DISSENT FROM CONVERSION.

7. The holder of any existing securities to which this Order applies may make application to the local authority in writing for the conversion of such securities into new securities in accordance with this Order. Every application under this clause shall be accompanied by the securities to which it relates.

8. If the holder of any existing securities to which this Order applies does not, within the time and in the manner provided by this Order, signify his dissent from the conversion of such securities into new securities, the existing securities shall be converted into new securities in the same manner as if application had been made under the last preceding clause.

9. Dissent from the conversion of any existing securities may be signified—

(a) At any time before the expiration of fourteen days from the date of conversion ;

or

(b) If the holder of the securities (or, where the holder is a trustee, any person whose consent would, but for this Order, be required for conversion) is during the whole of the time between the date of the publication of this Order in the *Gazette* and the expiration of the period referred to in the last preceding paragraph absent from New Zealand, at any time before the expiration of three months from the date of conversion ; or

(c) In the case of any particular holder, within such further time as the local authority may, on account of special circumstances, in its discretion allow.

10. The dissent of the holder of any existing securities from the conversion of those securities into new securities shall be signified in writing, and shall be deemed to be signified when such writing is received by the local authority or by any person authorized by the local authority to receive it.

## SURRENDER OF CONVERTED SECURITIES, AND PAYMENT OF INTEREST THEREON.

11. The holder of any existing securities converted into new securities (whether the conversion is on application or after failure to dissent) shall not be entitled to demand payment of any interest payable on the existing securities, or to receive the new securities or any interest thereon, until he has surrendered the existing securities to the local authority.

12. Subject to the provisions of the last preceding clause, the interest on the outstanding principal represented by any such existing securities for the period ending on the date of conversion shall be payable not later than one month from the date of conversion.

## NEW SECURITIES.

13. (1) New securities shall be issued in the form of debentures in the form numbered (2) in the Second Schedule hereto.

(2) Every new debenture shall be for a sum of five pounds, twenty-five pounds, fifty pounds, one hundred pounds, or any sum in excess of one hundred pounds.

(3) All new debentures shall be numbered consecutively, and as between the holders thereof shall rank equally.

(4) Every new debenture shall state on its face the fact that the holder has no claim in respect thereof upon the Government or public revenues of New Zealand.

(5) Every new debenture shall be signed by the Chairman, countersigned by the Treasurer or some other officer appointed by the local authority for the purpose, and sealed with the common seal of the local authority.

## INTEREST AND COUPONS.

14. (1) The rate of interest payable on new securities shall be four and one-quarter per centum per annum.

(2) The interest on new securities shall be payable half-yearly on the first day of June and the first day of December in each year.

15. (1) Separate coupons for each amount of interest payable on any debenture, in the form numbered (3) in the Second Schedule hereto, and numbered consecutively for each debenture, shall be attached thereto.

(2) The signatures to coupons may be made by facsimiles thereof in lithograph or otherwise.

## MATURITY DATE.

16. Every new security shall be redeemable at par on the first day of December, one thousand nine hundred and forty-four.

## PREMIUMS.

17. (1) The holder of any existing securities bearing interest at a rate which, as reduced in accordance with Part I of the Act, does not exceed the rate of interest payable on the new securities shall on the conversion of such securities be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities.

(2) The holder of any existing securities bearing interest at a rate which, as reduced in accordance with Part I of the Act, exceeds the rate of interest payable on the new securities shall on the conversion of such securities be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities, and, in addition thereto, shall be entitled to receive a premium on such principal computed in accordance with the Third Schedule hereto.

18. (1) Subject to the provisions of this clause as to payment in cash, every premium to which any person is entitled under the last preceding clause shall be satisfied by issuing to him additional new securities for the amount of such premium, or so much thereof as is not paid in cash, as the case may be.

(2) The local authority shall pay in cash the amount (if any) required to reduce to the nearest multiple of five pounds the aggregate amount of all such premiums to which any person is entitled, and may, if it thinks fit, pay in cash the whole or any part of the balance of any such aggregate amount.

(3) All payments of cash in accordance with the last preceding subclause that are not made out of any sinking fund pursuant to the provisions of this Order (if any) in that behalf shall be made by the local authority out of the local fund, and charged to the appropriate account.

(4) The power of the local authority to issue new securities in accordance with this Order shall be deemed to include the power to issue any additional new securities required for the purposes of this clause.

## PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

19. The principal and interest in respect of new securities shall be payable in New Zealand.