

proportion to the aggregate amount of principal secured by all the new securities as the sum set opposite that date in the Third Schedule hereto bears to the total amount specified in that Schedule.

(3) Subject to the foregoing provisions of this clause and to the express wish of any holder who desires to have the maturity date of his securities postponed, the maturity dates of the new securities shall as nearly as practicable be in the same chronological order as the maturity dates of the existing securities in conversion of which they are respectively issued.

#### PREMIUMS.

17. The holder of any existing securities to which this Order applies 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 Fourth Schedule hereto.

18. (1) Every premium to which any person is entitled under the last preceding clause shall be satisfied by payment of the amount thereof in cash.

(2) 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.

#### PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

#### SINKING FUND FOR NEW SECURITIES.

20. (1) In order to provide funds for the repayment of the new securities the local authority shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which such persons as the local authority appoints shall be the Commissioners.

(2) For such purpose the local authority shall permanently appropriate and shall pay to the Commissioners of such sinking fund on each of the maturity dates specified in the Third Schedule hereto a contribution of two thousand one hundred and sixty-one pounds, increased in respect of each contribution by a sum equal to two and one-eighth per centum of the aggregate amount of new securities redeemable up to and including the maturity date preceding that on which such contribution is payable, and reduced by the aggregate of the sums which during the six months preceding the date of payment of such contribution have, pursuant to the provisions of the next succeeding clause, been paid to any sinking fund for unconverted securities.

(3) The provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

#### SINKING FUND FOR UNCONVERTED SECURITIES.

21. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities to which this Order applies issued in respect of the loan specified in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the securities in respect of which such existing sinking fund is held, and shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund.

#### APPLICATION OF EXISTING SINKING FUND.

22. (1) As the whole of the securities issued in respect of the loan specified in the first column of the First Schedule hereto are not existing securities to which the Act applies the existing sinking fund of such loan shall be divided into two parts the first of which shall bear to the second the same proportion which the amount of the outstanding existing securities to which the Act applies bears to the amount of the outstanding securities to which the Act does not apply. The first part of such sinking fund shall be applied by the Commissioners thereof in accordance with the provisions of clause twenty-three hereof as if the existing securities issued in respect of the loan and to which the Act applies were the loan to which that clause applies and such first part of the sinking fund were the sinking fund of such separate loan; and the second part of such sinking fund shall be retained by the Commissioners thereof as a sinking fund for these securities issued in respect of the loan to which the Act does not apply.

23. (1) Subject to the provisions of clause twenty-two hereof, the existing sinking fund of the loan in the First Schedule hereto, shall be applied by the Commissioners thereof in accordance with the following provisions of this clause.