

(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. (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 Fourth 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 (a) the whole of the premiums to which any person (other than the State Advances Superintendent) is entitled under the last preceding clause, and (b) such portion (if any) of the aggregate amount of premiums to which the State Advances Superintendent, as holder of any existing securities, is entitled as may be required to reduce to the nearest multiple of five pounds the aggregate amount of principal represented by the new securities (including new securities issued by way of premium) to which the said Superintendent is entitled, and may, if it thinks fit, pay in cash the whole or any part of the balance of any such aggregate amount of premium.

(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 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.

CONSOLIDATED 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 consolidated sinking fund, of which the Public Trustee shall be the Commissioner.

(2) For such purpose the local authority shall permanently appropriate and shall pay to the Commissioner of the consolidated sinking fund on each of the maturity dates specified in the Third Schedule hereto, a contribution of six hundred and fifty-eight pounds, increased in respect of each contribution by a sum equal to four and one-quarter per centum of the aggregate amount of new securities redeemable up to and including the maturity date immediately preceding that on which such contribution is payable, and reduced by the aggregate of the sums which during the twelve 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 subsections four, five, and six of section ninety-five 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 issued in respect of any loan in the First Schedule hereto for which a sinking fund was provided, 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 Public Trustee shall be the Commissioner.

(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 existing securities in respect of which such existing sinking fund is held, and shall pay such sum to the Commissioner yearly and every year until the maturity date of such unconverted securities, or until the Commissioner is 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 section 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 FUNDS.

22. For the purposes of the next two succeeding clauses the sinking fund of every loan in the First Schedule hereto some only of the existing securities issued in respect of which are held by the Public Trustee shall be divided into