

DATE OF CONVERSION.

5. The date from which the conversion of existing securities into new securities shall take effect shall be the first day of September, one thousand nine hundred and thirty-six.

NOTICE TO HOLDERS OF EXISTING SECURITIES.

6. The local authority shall cause a notice in the form numbered (1) in the Second Schedule hereto, together with a copy of this Order, to be forwarded by registered letter not later than the date of conversion to every holder of existing securities to which this Order applies.

CONSENT TO CONVERSION.

7. The consent of the holders of the existing securities to the conversion thereof in accordance with this Order shall, if given, be specified in writing not later than the date of conversion, and when given shall be irrevocable.

NEW SECURITIES.

8. (1) The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities held at the date of conversion by or on behalf of the Provident Life Assurance Company, Limited, and not repaid in accordance with the provisions of paragraph (a) of sub-clause three of clause ten of this Order, together with interest thereon computed at the rate of four per centum per annum, shall be repaid by equal half-yearly instalments over a period of twenty-five years, the first half-yearly instalment to fall due and be paid on the first day of March, one thousand nine hundred and thirty-seven, and subsequent half-yearly instalments to fall due and be paid on every first day of September and first day of March thereafter, the last half-yearly instalment to fall due and be paid on the first day of September, one thousand nine hundred and sixty-one.

(2) The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities held at the date of conversion by or on behalf of the Dunedin Savings-bank and not repaid in accordance with the provisions of paragraph (b) of sub-clause three of clause ten of this Order, together with interest thereon computed at the rate of four per centum per annum, shall be repaid by equal half-yearly instalments over a period of twenty-five years, the first half-yearly instalment to fall due and be paid on the first day of March, one thousand nine hundred and thirty-seven, and subsequent half-yearly instalments to fall due and be paid on every first day of September and first day of March thereafter, the last half-yearly instalment to fall due and be paid on the first day of September, one thousand nine hundred and sixty-one.

(3) No premium shall be payable in respect of the conversion into new securities of any existing securities to which this Order applies.

9. (1) New securities for the amount of each half-yearly instalment referred to in the preceding clause shall be issued in the form of debentures in the form numbered (2) in the Second Schedule hereto.

(2) Every new debenture shall be payable at such place in New Zealand as may be required by the holder.

(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.

DISPOSAL OF EXISTING SINKING FUNDS.

10. (1) The existing sinking funds of the loans specified in the first column of the First Schedule hereto shall be held by the Public Trustee as one aggregate fund and applied by him in accordance with the following provisions of this clause.

(2) Out of the aggregate fund the Public Trustee shall retain as a sinking fund for those existing securities issued in respect of any of the loans specified in the first column of the First Schedule hereto to which this Order does not apply a sum which in the opinion of the Public Trustee shall, with the accumulations of interest thereon, suffice to redeem at par on the first day of May, 1938, the whole of such existing securities.

(3) Out of the balance of the aggregate fund there shall be paid in accordance with the directions of the local authority the costs and charges (not exceeding in the aggregate four hundred pounds) of and incidental to the conversion of the existing securities to which this Order applies, and, subject thereto, the balance of such aggregate fund shall be divided into two parts, the first of which shall bear to the second the same proportion which the principal secured by the existing securities to which this Order applies, and which are held at the date of conversion by the Provident Life Assurance Company, Limited, bears to the principal secured by the existing securities to which this Order applies and which are held at the date of conversion by the Dunedin Savings-bank. The said parts shall be applied as follows:—

(a) As to the first part, in repayment as at the date of conversion of the principal secured by such of the existing securities to which this Order applies as are then held by the said Provident Life Assurance Company, Limited; and

(b) As to the second part, in repayment as at the date of conversion of the principal secured by such of the existing securities to which this Order applies as are then held by or on behalf of the Dunedin Savings-bank.

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