

DATE OF CONVERSION.

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

NOTICE TO HOLDERS OF EXISTING SECURITIES.

6. The Board 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 holder of the existing securities to the conversion thereof in accordance with this Order shall, if given, be signified in writing not later than the date of conversion, and when given shall be irrevocable.

NEW SECURITIES.

8. The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities to which this Order applies, together with interest thereon computed at the rate of four and one-quarter per centum per annum, shall be repaid by equal half-yearly instalments over a period of ten years, the first half-yearly instalment to fall due and be paid on the twelfth day of January, one thousand nine hundred and thirty-eight, and subsequent half-yearly instalments to fall due and be paid on every twelfth day of July and twelfth day of January thereafter, the last half-yearly instalment to fall due and be paid on the twelfth day of July, one thousand nine hundred and forty-seven.

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

(3) 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.

(4) Every new debenture shall be signed by two of the members and by the Secretary of the Board, and sealed with the common seal of the Board.

PREMIUMS.

10. The holder of the 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 amounting in the aggregate to ninety-two pounds fourteen shillings.

11. (1) The premium referred to in 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 the sinking fund pursuant to the provisions of the Order in that behalf shall be made by the Board out of the local fund, and charged to the appropriate account.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

12. The principal and interest in respect of new securities shall be payable at such place or places in New Zealand as may be directed by the holder.

SURRENDER OF CONVERTED SECURITIES AND PAYMENT OF INTEREST THEREON.

13. The holder of the existing securities converted into new securities shall surrender the existing securities in exchange for the new securities and shall be entitled to receive on the date of conversion interest on the existing securities for the period ending on the date of conversion.

APPLICATION OF EXISTING SINKING FUND.

14. The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof, so far as it will extend, in or towards making the following payments, in the following order of priority, namely:—

(a) First, in payment, in accordance with the directions of the Board, of any cash premium payments to which any holder is entitled on the conversion of any existing securities to which this Order applies;

(b) Secondly, in payment, in accordance with the directions of the Board, of the costs and charges (not exceeding in the aggregate twelve pounds) of and incidental to the conversion of existing securities to which this Order applies; and

Thirdly, so far as it will extend in repayment as at the date of conversion of the principal secured by the existing securities to which this Order applies.