

SURRENDER OF CONVERTED DEBENTURES AND PAYMENT OF INTEREST THEREON.

9. The holder of any existing debentures converted into new debentures shall not be entitled to demand payment of any interest (or in the case of any existing debentures payable by instalment, any instalment of principal and interest) payable in respect of the existing debentures, or to receive the new debentures or any interest thereon, until he has surrendered the existing debentures to the Commissioner.

10. Subject to the provisions of the last preceding clause, the interest on any such existing debentures for the period ending on the date of conversion shall be payable not later than one month from the date of conversion.

NEW DEBENTURES.

11. (1) New debentures shall be issued in the form numbered (2) in the Second Schedule hereto.
 (2) Every new debenture shall be for a sum of ninety pounds, one hundred pounds, or any amount 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 Commissioner, 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.

12. (1) The rate of interest payable on new debentures shall be three per centum per annum.
 (2) The interest on new debentures shall be payable half-yearly on the first day of April and the first day of October in each year.
 13. (1) Any new debenture for one thousand pounds or any amount in excess of one thousand pounds may, if the person entitled thereto so desires, be issued without coupons, and in any such case the interest thereon shall be payable by cheque. If any such new debenture is issued without coupons and default is made by the local authority in payment of any interest on any such debenture (whether or not a cheque has been issued for such interest), such interest shall be deemed to be a sum secured by a coupon which has not been paid upon due presentation thereof for payment.
 (2) Except as provided in the last preceding subclause, 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.
 (3) The signatures to coupons may be made by facsimiles thereof in lithograph or otherwise.

MATURITY DATES.

14. (1) Every new debenture shall be redeemable at par on such one of the maturity dates set out in the Third Schedule hereto as is specified in that behalf in the debenture.
 (2) Subject to the express wish of any holder who desires to have the maturity date of his debentures postponed, the maturity dates of the new debentures shall as nearly as practicable be in the same chronological order as the maturity dates of the existing debentures in conversion of which they are respectively issued.
 (3) The allocation of new debentures between those persons entitled to receive debentures maturing on any date set out in the Third Schedule hereto shall, if the Commissioner so decides, be determined by ballot. Such ballot shall be conducted at such place and under such conditions as may be determined by the Commissioner. The allocation of the new debentures as determined by such ballot shall be final and binding on all holders concerned.

PREMIUMS.

15. No premium or discount shall be allowed in respect of the conversion of any of the existing debentures to which this Order applies.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

16. The principal and interest in respect of new debentures shall be payable at such place or places in New Zealand as may be determined by the Commissioner, provided, however, that where any existing debentures confer on the holder thereof the right to receive payment of interest or principal in Australia and such right has not been surrendered by the holder, the Commissioner may in issuing new debentures in conversion of such existing debentures provide for the continuation of such right.

CONSOLIDATED SINKING FUND FOR NEW DEBENTURES.

17. (1) In order to provide funds for the repayment of the new debentures the local authority shall forthwith make provision for the creation 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 first day of January following the date of conversion up to and including the first day of January, one thousand nine hundred and seventy-eight a contribution of £3,276, increased in respect of each contribution, by a sum equal to three per centum of the aggregate amount of new debentures redeemable up to and including the first day of April preceding the date on which such contribution is payable.
 (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:
 Provided that in respect of any securities transferred to the Public Trustee by the Commissioners of any existing sinking fund pursuant to the provisions of clause eighteen hereof the Public Trustee may, pending the repayment of the moneys secured by such securities, make such charges for the collection of interest payable thereunder and otherwise for the management or realization of such securities as are for the time being prescribed in that behalf by regulations under the Public Trust Office Act, 1908.

APPLICATION OF EXISTING SINKING FUNDS.

18. The existing sinking fund of every 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, namely:—
 (a) Firstly, in payment in accordance with the directions of the Commissioner of any cash payments required to reduce the holding of any individual holder to a suitable multiple of £10.
 (b) Secondly, in transferring the balance to the Commissioner of the consolidated sinking fund hereinbefore required to be created for the new debentures, to be held as part of that sinking fund.

CONSOLIDATED SPECIAL RATE.

19. (1) As a security for the new debentures the local authority shall forthwith, by resolution gazetted (in the form numbered (4) in the Second Schedule hereto), make and levy two special rates over the whole of the district of the local authority to provide for the payment of interest, sinking fund, and other charges in respect of the new debentures. One of such special rates shall be made and levied in respect of the conversion of the existing debentures issued by the Thames Borough Council and shall be levied on the unimproved value of all rateable property of the said district, and the other special rate shall be made and levied in respect of the conversion of the existing debentures issued by the Thames Harbour Board and shall be levied on the capital value of all rateable property of the said district: