

of the premises and the moneys to be made in carrying on the said business, pay and discharge the expenses incurred in and about such management, or in the exercise of any of the powers aforesaid or otherwise in respect of the premises, and all outgoings which they shall think fit to pay, and shall pay the residue of the said rents and profits and moneys to the reserve fund hereinbefore provided: Provided, nevertheless, that the exercise of the powers in this clause shall be subject to the conditions of the said contract.

10. The Trustees may delegate all or any of their powers of management to receiver or agent at such remuneration, or on contract, and generally on such terms as they shall think fit, and without being responsible for any loss, and so that no Trustee shall be compellable by the exigencies of the trust to proceed to New Zealand for the execution of the duties of these presents.

11. If and whenever there shall be standing to the credit of the sinking fund mentioned in clause 3, subsection (3), money or investments of a value in excess of interest for twelve calendar months at the rate aforesaid on such debentures of the said series as shall have been issued and shall for the time being be outstanding, such excess may, at the discretion of the Trustees, be applied by them in the redemption of such debentures by means of drawings in the manner mentioned in the form of debenture contained in the First Schedule hereto, or otherwise on production to the Trustees by the Company of any debenture or debentures of the said series which the Company shall have purchased in the market at a price not exceeding 105 per cent., and shall have thereupon cancelled, the Trustees may, out of the said excess, pay over to the Company an amount equivalent to the money expended by the Company in such purchase.

12. The Company further covenants with the Trustees as follows:—First: That the Company will, after the period of two years and a half for which the payment of interest is secured by the said sum of £93,000 covenanted to be paid to the Trustees as hereinbefore mentioned, pay the interest secured by all and every of the debentures of the said series that shall have been issued and be outstanding, and also the principal moneys secured by such of the said debentures as may become payable, as and when the same shall become due respectively, in accordance with the tenor thereof respectively, and will observe and perform the conditions indorsed thereon respectively. Secondly: That the principal moneys and interest intended to be secured by the debentures having the benefit of the security shall be a first charge on the premises hereby charged in favour of such debentures respectively, and that the said principal moneys and interest shall take precedence over all moneys which may hereafter be raised by the Company by any means whatsoever, and that, as between the several holders thereof (except as herein otherwise provided), the debentures of the said series (including any fresh debentures that may be issued in discharge of and substitution for any of the said debentures, all which fresh debentures are intended to be secured by these presents in like manner as those for which they were substituted), shall rank *pari passu* without any preference or priority by reason of date of issue or otherwise; and, further, that the Company will at all times keep an accurate register of the debentures having the benefit of this security, showing the number and holder of each debenture, and the date of issue, and the date and manner of the discharge, redemption, or purchase of any debentures that may have been discharged, redeemed, or purchased, and that the Trustees and the holders of debentures of the said series or any of them shall be at liberty at all reasonable times to inspect the said register, and to take copies of or extracts from the same or any part thereof. Thirdly: That the Company will, during the continuance of this security, carry on and conduct the business of the Company to the greatest possible advantage; and will keep proper books of account, and therein make true and perfect entries of all dealings and transactions of or in relation to the said business; and that the said books of account, and all other documents relating to the affairs of the Company, or true copies thereof, shall be kept at the registered office of the Company, or at some other proper and convenient place or places in or near to the City of London, and that the same shall at all reasonable times be open for the inspection of the Trustees and such person or persons as they shall from time to time, in writing, for that purpose appoint; and that the Company will, at all times during continuance of this security, give to the Trustees, or to such person or persons as aforesaid, such information as shall be required as to all matters relating to the said business, or any after-acquired property of the Company, or otherwise relating to the affairs thereof. Fourthly: That the Company will perform and observe all the conditions of the said contract with the Queen.

13. The Trustees may at any time, and they shall on the requisition in writing of the holders of one-fifth in value of such of the debentures entitled to the benefit of this security as may for the time being be outstanding, summon a meeting of the holders of such debentures by sending to them seven days' notice thereof in manner required by the conditions of the said debentures for the giving of notices.

Every such meeting shall be held at such time and place, and shall be conducted in such manner, as the Trustees shall from time to time prescribe, except only that votes may always be given either personally or by proxy, and that voting-power shall be strictly in proportion to the nominal amount secured by the debentures held, and in default of prescription such meetings shall be held and conducted, as nearly as may be, in like manner as meetings of the shareholders of the Company. And any resolution passed at any meeting so held as aforesaid directing the Trustees to exercise or abstain from exercising any power, or to do or abstain from doing any act, or allowing the Company any time for the payment of money, or sanctioning any waiving of rights or any compromise, adjustment, or abandonment of any claims against the Company, shall be as binding and effectual on and against all the holders of the said debentures as if such holders had been *sui juris*, and had, for valuable consideration, given such direction, allowance, or sanction. And during the pendency of any meeting, *bonâ fide* called for the purpose of passing any such resolution as aforesaid, the Trustees shall not, even though otherwise required hereunder so to do, exercise any power or do any other act or thing in conflict with or otherwise prejudicing or affecting any proposal to be considered at such meeting: Provided that the provisions of this clause shall not prejudice or