

amounts of £100, £500, and £1,000 as may be agreed between the Company and the first holder. The holders of debentures of the said series are and will be entitled *pari passu* to the benefit of an indenture of charge upon the Company's property, dated , 1889, and made between the Company of the one part and Beaumont William Lubbock and others as Trustees of the other part. And this debenture is subject to all the provisions and conditions in the said indenture.

2. Annexed to this debenture are forty coupons, each providing for the payment of a half-year's interest, and such interest will be payable only on presentation and delivery of the coupons referring thereto.

3. The principal moneys and interest hereby secured will be paid at the Bank of Messrs. Robarts, Lubbock, and Co., 15, Lombard Street, London, E.C., or at the registered office in London of the Company, without regard to any equities between the Company and the original or any intermediate holder of this debenture.

4. If the principal moneys hereby secured shall under the provisions of the said indenture or of this debenture become payable before the expiration of twenty years from the date of the issue hereof, the person presenting this debenture for payment must surrender therewith the coupons representing subsequent interest, the Company nevertheless paying the proportion of interest for the fraction of the current half-year.

5. The delivery to the Company of this debenture and of each of the said coupons shall be a good discharge for the principal moneys and the interest therein respectively specified, and the Company shall not be bound to take notice of any trust affecting such moneys, or be affected by express notice of the title or claim of any other person than the bearer to such moneys or instruments: Provided nevertheless that when registered as hereinafter provided the receipt of the registered holder, his executors or administrators, shall alone be a good discharge for such principal moneys.

6. If at any time default shall be made in payment of the interest secured by any debenture forming part of the said series, and for the time being outstanding for four calendar months after such interest shall have become payable, or if an order shall be made or an effective resolution be passed for the winding-up of the Company, or if a distress or execution be levied or sued out, upon, or against any of the chattels or property of the Company, or if the Company commit any breach of or incur any forfeiture or penalty under the contract of the 3rd August, 1888, or under the terms of the Acts of Parliament in the said indenture mentioned, or commit any breach of the covenants therein contained, then the principal moneys hereby secured shall immediately become payable.

7. The Company may at any time redeem this debenture by purchasing the same in the Company's name in the market at any price not exceeding £105 for every £100 of principal moneys hereby secured.

8. The Company may redeem any debenture of the said series at the like price upon ascertaining the debentures to be so redeemed by drawings to be held in the presence of some Notary Public, any such drawing to be on the 1st May, and three calendar months' previous notice thereof to be given by advertisement in two London daily newspapers, and immediately after this debenture has been drawn notice thereof shall be given by the Company by like advertisement.

9. The first issue of debentures of the said series is limited to a principal sum of £745,000, and no further issue thereof shall be made until the portion of the Company's works comprised in the railway-line from Brunner-ton to Reefton shall have been fully constructed, completed, and equipped as provided by the said indenture, or until the whole of the said first issue of debentures has been fully paid off, or the said sum of £745,000, with interest, has been paid to the Trustees of the said indenture as therein provided.

10. This debenture is, except when registered, transferable by delivery, and all persons may act accordingly; but the Company shall, on the application of the holder for the time being of this debenture, and on presentation hereof and receipt of such fee not exceeding 2s. 6d. as the Directors may from time to time determine, enter into the register of debentures the name and address of such holder, or his nominee, and the number of this debenture and the memorandum of such registration shall be inscribed hereon, and signed by the Secretary, and this debenture when registered shall be transferable only by instrument of transfer and registration in the books of the Company; and the Company shall, on the application of any registered holder, and on presentation of this debenture, when so registered, cancel any such registration and the inscribed memorandum, and thereupon this debenture shall again become transferable by delivery.

11. A register of the debentures shall be kept at the Company's registered office in London, wherein there will be entered the names, addresses, and descriptions of the registered holders and particulars of the debentures held by them respectively.

12. The Company shall not be bound to enter in the register notice of any trust, and in the case of joint registered holders the principal moneys hereby secured shall be deemed to be owing to them upon a joint account.

13. No transfer shall be registered during the seven days immediately preceding the days by the said coupons fixed for payment of interest.

*The Second Schedule referred to in the Foregoing Indenture containing a Description of the Properties specially referred to in the Prospectus of Issue as security for the Repayment of the said Sum of £745,000, but without thereby limiting the Generality of the Charge effected by the Foregoing Indenture.*

(1.) The portions of the said railway constructed out of the first issue of share-capital, including the rolling-stock equipment and surveys.

(2.) The further portions of the said railway intended to be constructed and equipped according to contract out of the proceeds of the present issue of debentures.