

on the 1st. March 1920 the dividend payable on that date in respect of "Fully-paid Allotments" applied for on or before the 21st June 1919.

Stock and Bonds of the undermentioned Issues will be accepted at par as the equivalent of cash in payment, in whole or in part, for "Fully-paid Allotments" of this Issue:—

£4 10s. per cent. War Loan, 1925-1945.

£5 per cent. Exchequer Bonds, 1919, 1920, 1921 and 1922.

£6 per cent. Exchequer Bonds, 1920.

£4 per cent. National War Bonds, 1st, 2nd, and 3rd Series.

£5 per cent. National War Bonds, 1st, 2nd, and 3rd Series.

Where the Stock or Bonds surrendered do not represent the exact sum required to pay for an Allotment (which must be a multiple of £50), the requisite balance must be provided in cash. Interest accrued to 21st June 1919 will be paid on holdings surrendered, and the Bonds issued in lieu of such holdings will receive on the 1st March 1920 the dividend payable on that date in respect of "Fully-paid Allotments" applied for on or before the 21st June 1919. In the case of the £6 per cent. Exchequer Bonds, 1920, an additional payment will be made representing interest at 1 per cent. from the 21st June 1919 to the 16th February 1920, upon the holdings surrendered.

NOTE.—Applications paid for, in whole or in part, by the surrender of Stock inscribed or Bonds registered in the Books of the Bank of Ireland must be forwarded to the Bank of Ireland, Dublin.

Stock registered in the Books of the General Post Office, and Bonds issued by the General Post Office, will not be accepted at the Bank of England. They will be accepted at the Post Office under the arrangements set forth in the separate Prospectus issued by H.M. Postmaster-General.

The Principal and Interest of the Bonds will be a charge on the Consolidated Fund of the United Kingdom.

His Majesty's Government undertake to set aside at the close of each half-year a sum equal to 2½ per cent. on the nominal amount of the Bonds originally created. After deducting therefrom the amount required for payment of Interest on the Bonds for the half-year, the balance of the sum so set aside will be carried to a Sinking Fund, which will be applied by means of annual drawings to the redemption of the Bonds at par (including Bonds which have been surrendered to the Commissioners of Inland Revenue for death duties as hereinafter provided), the Bonds to be redeemed in each year being determined by lot and paid off on the 1st September in such year in accordance with regulations made by the Treasury. The numbers of the Bonds drawn for redemption on each occasion will be advertised in the London Gazette not less than two months prior to the date of redemption. Interest on Bonds drawn for repayment will cease from the date on which the Bonds become repayable. The first drawing will be that for the Bonds to be redeemed on the 1st September 1920.

Bonds of this Issue will be accepted at their face value by the Commissioners of Inland

Revenue as the equivalent of cash, with due adjustment on account of interest, in satisfaction of amounts due on account of Death Duties, provided that the Bonds surrendered have formed part of the Estate passing on death of the deceased continuously up to the date of death from the date of the original subscription or for a period of not less than six months immediately preceding the date of death. Bonds surrendered under these provisions will be held for account of His Majesty's Government until drawn for redemption as provided in the preceding paragraph.

Bonds of this Issue and the interest payable from time to time in respect thereof will be exempt from all British Taxation, present or future, so long as it is shown in the manner directed by the Treasury that they are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Ireland.

Further, the interest payable from time to time in respect of Bonds of this Issue will be exempt from British Income Tax, present or future, so long as it is shown in the manner directed by the Treasury that the Bonds are in the beneficial ownership of persons not ordinarily resident in the United Kingdom of Great Britain and Ireland, without regard to the question of domicile. Where Bonds are in the beneficial ownership of a person entitled to exemption under these provisions, the relative Coupons will be paid without deduction for Income Tax or other taxes if accompanied by a declaration of ownership in such form as may be required by the Treasury.

Bonds of this Issue may be registered in the Books of the Bank of England. For this purpose the Bonds must be lodged at the Bank to be endorsed with particulars of registration, after which they will be re-delivered to the registered holders. Registered Bonds will be "Transferable by Deed" and may be re-converted into Bonds to Bearer by means of transfer.

Dividends will in all cases be paid by means of Coupons attached to the Bonds, whether registered or to bearer.

Bonds with Coupons attached for the dividend due 1st March 1920, and subsequent dividends will be issued in respect of "Fully-paid Allotments." Bonds issued in respect of applications paid for, in whole or in part, by the surrender of Stock or Registered Bonds will in all cases be registered in the names of the holders in whose names the surrendered holdings stood. Allotments made in respect of applications paid for, in whole or in part, by the surrender of Bearer Bonds will in all cases be made in Bearer form.

Allotment Letters with Coupon attached for the dividend due 1st March 1920 will be issued in respect of "Instalment Allotments," and, when paid in full, may be exchanged on and after the 1st March 1920 for Bonds with Coupons attached for subsequent dividends.

The Instalments payable in respect of "Instalment Allotments" may be paid in full on or after the 8th August 1919, under discount at the rate of 3½ per cent. per annum. Where payment in full is made between two instalment dates, discount will be calculated as from the instalment date next succeeding the date of such full payment. In case of default in the