

Stock and bonds of these loans, and the dividends payable from time to time in respect thereof, will be exempt from all British taxation, present or future, if it is shown, in the manner directed by the Treasury, that they are in the beneficial ownership of a person who is neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Ireland. Further, the dividends payable from time to time in respect of stock and bonds of these loans will be exempt from British income-tax, present or future, if it is shown, in the manner directed by the Treasury, that these stock or bonds are in the beneficial ownership of any person who is not ordinarily resident in the United Kingdom of Great Britain and Ireland, without regard to the question of domicile. Where a bond belongs to a holder 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.

The books of the loans will be kept at the Bank of England and at the Bank of Ireland. Dividends on stock will be paid by warrant which will be sent by post. Dividends on bonds will be paid by coupon.

Stock will be convertible into bonds to bearer at any time by means of transfer, and bonds to bearer will be exchangeable for stock without payment of any fee.

Powers of attorney for the transfer of inscribed stock, and deeds for the transfer of registered stock, will be free of stamp duty.

"Fully-paid allotments" will be issued in one or other of the following forms as applicants may direct:—

1. "Certificates of inscription" of stock transferable, in the stock-transfer books.
2. "Register certificate" of stock transferable by deed.
3. "Bond certificates" exchangeable in due course for bond[s] to bearer.

"Instalment allotments" will be issued in the form of "allotment letters," which may either be retained until they are fully paid or may be exchanged for scrip certificates to bearer.

The instalment payable in respect of "instalments allotments" may be paid in full on or after the 2nd March, 1917, under discount at the rate of 4 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 payment of any instalment by its proper date, the deposit and any instalments previously paid will be liable to forfeiture. Arrangements have been made whereby holders of allotment letters will be able to make further payments, without additional charge, at offices of the principal banks throughout the United Kingdom.

Dividends due 15th April, 1917, and 1st June, 1917, in respect of allotment letters, bond certificates, and scrip certificates will be paid by coupon.

Allotment letters and scrip certificates, if paid in full, may be exchanged for stock on or after the following dates—viz., 5 per Cent. War Loan 1929/1947, on or after the 2nd May, 1917; 4 per Cent. War Loan 1929/1942, on or after the 13th March, 1917; or they may be retained to be exchanged for bonds to bearer as soon as these can be prepared.

Stock will be transferable in any sums which are multiples of a penny. Bonds to bearer will be issued in denominations of £50, £100, £200, £500, £1,000, and £5,000.

Conversion of—

- £4 10s. per Cent. War Loan 1925/1945.
- £5 per cent. exchequer bonds due 5th October, 1919–1921.
- £5 per cent. exchequer bonds due 1st December, 1920.
- £6 per cent. exchequer bonds due 16th February, 1920.

Holders of the above issues in fulfilment of the options granted in the several prospectuses relating thereon may convert their holdings in whole or in part as on the 16th February, 1917, and receive in lieu thereof £5 per Cent. War Loan 1929–1947 and [or] £4 per Cent. War Loan 1929–1942 at the rate of £105 5s. 3d., or £5 per Cent. War Loan 1929–1947 for each £100 converted, or £100 £4 per Cent. War Loan 1929–1942 for each £100 converted.

Holders desiring to convert must give notice in the prescribed form to the Bank of England not later than the 16th February, 1917, but the actual conversion in the bank's books will not be completed until Monday, the 2nd July, 1917. Between the 17th February, 1917, and the 30th June, 1917, inclusive, holdings to be converted will be unchanged as regards amount and description, except that holdings which are to be