

has been cancelled, the French Government shall seek in agreement with the Canadian Government a conversion basis which would provide Canadian holders of credit vouchers with benefits equivalent to those which would have accrued from the foregoing provisions of this Article.

Each redemption payment shall be made as soon as possible after each of the due dates mentioned in Article 9 below and not later than fifteen days after such date.

Should any redemption payment be delayed it will be made on the first or the fifteenth day of the month; the rate of exchange provided for in the fifth paragraph of this Article shall be that of the immediately preceding fifteenth or first day of the month. In this case both fixed and additional interests shall continue to accrue till the date of payment in accordance with the provisions of Article 6. With regard to fixed interest the basis of calculation for the application of the exchange-guarantee shall be the same as for the principal.

Any Canadian holder of a credit voucher shall be entitled at the due date of each redemption payment to request that one-third, two-thirds or the whole of the redemption payment be deferred at his option to one or several of the later due dates.

If the whole or part of a redemption payment is deferred the corresponding amount of the Premium on Redemption shall also be carried forward and there shall be no alteration in the amount of either payment.

The option mentioned above shall be final with respect to the due date to which it relates and shall be exercised in accordance with the procedure provided for in the annex hereto establishing the means of giving effect to the present Terms of Settlement.

If a Canadian holder of credit vouchers does not draw the total amount of his due redemption payments, the French Government may nevertheless pay to him, or cause to be paid to him on each due date, the whole or any part of the redemption due to him on the date concerned.

Amounts carried forward at the request of a Canadian holder of credit vouchers under the above provisions shall only yield interest at the fixed rate of 3%, without any exchange-guarantee, transferable in accordance with the provisions of Article 6.

ARTICLE 8

In effecting redemption in accordance with the provisions of Article 7, account shall be taken of the exchange-guarantee provided for in Article 7 and the redemption premium provided for in Article 6. The latter shall at the time of any redemption payment be the subject of a payment on account corresponding in amount to the redemption premium allowed in respect of the C.N.E. bonds drawn by lot for redemption on the due date.

If the redemption by drawing by lots has not yet begun at any of the due dates set for redemption payments, the payment on account of the redemption premium shall be calculated as accurately as possible by the methods provided for in Article 13 of the Law of April 8, 1946, as modified by Article 4 of the Law of August 12, 1948. At the expiry of the period of redemption the C.A.A. shall make a final adjustment of the redemption premium by distributing, in proportion to the nominal value of the original Canadian-owned credit vouchers as adjusted in accordance with the provisions of Article 5 above, an amount equal to the difference between:

- (a) the total amount of the redemption premiums allotted to the C.A.A. by the C.N.E. on the bonds corresponding to the total initial value of the credit vouchers issued to Canadian claimants which have been