

SCHEDULE 1

PAYMENTS OF CAPITAL AND INTEREST IN RESPECT OF ONE HALF OF THE SUM OF THE CAPITAL VALUES SPECIFIED IN ARTICLES 3 AND 5

PART II

3.—(1) Interest shall accrue from 13th April 1995 to 13th April 1996 on the outstanding balance for the time being of the first amount specified in column 2 of Table A (“the first amount”) at the rate of 4.25 per cent per annum.

(2) Interest which accrues under sub-paragraph (1) shall not be added to the outstanding balance of the first amount but shall be paid by the Secretary of State in accordance with the following provisions of this paragraph.

(3) Where paragraph 2 requires the Secretary of State to make a payment in respect of the first amount the Secretary of State shall also, on the same date, make a payment in respect of the interest which has accrued or is accruing in respect of that amount under sub-paragraph (1), and the amount of any payment under this paragraph shall be determined in accordance with the following provisions of this paragraph.

(4) Any payment to be made under this paragraph shall be such amount as is determined by the Secretary of State after consultation with the actuaries and notified to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.

(5) The Secretary of State shall make a determination on or before 13th April 1995 of the payments to be made under this paragraph, and shall, so far as reasonably practicable, determine the amounts so that each of the payments to be made is equal.

(6) Where, in respect of the first amount, the final payment under paragraph 2 has been made but the sum of the payments made under this paragraph and the interest which has accrued under sub-paragraph (1) are not equal then—

- (a) if the sum of the said payments is less than the said interest the Secretary of State shall, as soon as is reasonably practicable, pay an amount equal to the shortfall; and
- (b) if the sum of the said payments exceeds the said interest the excess shall be deducted from any other amount payable to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.