

SCHEDULE 3 – INTEREST RECONCILIATION ACCOUNTS

Interest in respect of Reconciliation Accounts, as provided for in Clause 20.4, shall be calculated in accordance with the following provisions:

1. For the first day after the Invoice Date of the Initial Account, the following calculation shall be used by the Company in preparing a Reconciliation Account:

$$T1 = (Vr - Vr-1) \times (I1 \times 1/365) + (Vr - Vr-1)$$

2. For all subsequent days until the Invoice Date of the Reconciliation Account, the following calculation shall be used by the Company in preparing a Reconciliation Account:

$$Tn+1 = Tn \times (In \times 1/365) + Tn$$

where:

Tn = amount due under a Reconciliation Account, including interest calculated on a daily compound basis

r = run number. For an Initial Settlement Run $r = 0$, and for a Final Settlement Run, $r = 4$

In = the Barclays Bank plc daily declared base interest rate for the Working Day prior to day n

Vr = amount due from run calculation r , excluding interest due, and

n = day number count

3. For the purpose of calculating the daily interest rates in the above calculations, the number of days in a leap year shall be deemed to be 365.
4. For the avoidance of doubt, the Invoice Date of the Initial Account shall be when $n = 0$.