

SCHEDULES

SCHEDULE 3

FINANCIAL STRUCTURE OF SUCCESSOR COMPANIES

Initial Government holding in companies

- 2 (1) As a consequence of the vesting in a relevant successor company, at a time when it is wholly owned by the Crown and in accordance with any restructuring scheme, of any property, rights and liabilities, that company shall issue such securities of the company as the Secretary of State may from time to time direct—
- (a) to the Treasury or the Secretary of State; or
 - (b) to any person entitled to require the issue of the securities following their initial allotment, in accordance with directions of the Secretary of State, to the Treasury or the Secretary of State.
- (2) The Secretary of State shall not give a direction under sub-paragraph (1) above at a time when the relevant successor company in question has ceased to be wholly owned by the Crown.
- (3) Securities to be issued in pursuance of this paragraph shall be issued at such time or times, and (subject to sub-paragraph (4) below) on such terms, as the Secretary of State may direct.
- (4) Any shares of a relevant successor company issued in pursuance of this paragraph—
- (a) shall be of such nominal value as the Secretary of State may direct; and
 - (b) shall be issued as fully paid and treated for the purposes of the Companies Act 1985 as if they had been paid up by virtue of the payment to the company of their nominal value in cash.
- (5) The Secretary of State may not exercise any power conferred on him by this paragraph, or dispose of any securities issued or of any rights to securities initially allotted to him in pursuance of this paragraph, without the consent of the Treasury.