



# HBOS Group Reorganisation Act 2006

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# HBOS Group Reorganisation Act 2006

## CHAPTER i

An Act to make new provision for the regulation and management of the Governor and Company of the Bank of Scotland upon its registration as a public company under the Companies Act 1985; to provide for the transfer of the undertakings of Capital Bank plc, Halifax plc and HBOS Treasury Services plc to the Governor and Company of the Bank of Scotland; to provide for the transfer of the assets of the Clerical, Medical and General Life Assurance Society to Clerical Medical Investment Group Limited; and for connected purposes.

[21st June 2006]

### WHEREAS—

- (1) By an Act of the Parliament of Scotland passed in the fifth year of the reign of His Majesty King William the Third dated 17 July 1695 entitled “An Act of Parliament for Erecting a Bank in Scotland” the Governor and Company of the Bank of Scotland (“the Bank”) was incorporated “for the carrying on and managing of a publick bank”:
- (2) Powers of increasing its capital stock were conferred on the Bank and further provisions for the management and administration of its affairs were made by the following Acts of Parliament: 14 George III chapter 32, 24 George III session 2 chapter viii, 32 George III chapter 25, 34 George III chapter 19, 44 George III chapter xxiii, the Bank of Scotland Act 1873 (c. xcix), the Bank of Scotland Act 1920 (c. xxxi), the Bank of Scotland Order Confirmation Act 1954 (c. lvi), and the Bank of Scotland Order Confirmation Act 1970 (c. xxxiv); and the business and affairs of the Bank are regulated, managed, administered and carried on under and by virtue of those Acts (“the Bank of Scotland Acts 1695 to 1970”):
- (3) The Bank is now a wholly owned subsidiary of HBOS plc (“HBOS”), a public limited company incorporated in Scotland under the Companies Act 1985 (c. 6):
- (4) Capital Bank plc (“Capital Bank”) is a public limited company incorporated in England under the Companies Act 1929 (c. 23) that is a wholly owned subsidiary of the Bank which carries on and whose subsidiary companies carry on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:

- (5) Halifax plc (“Halifax”) is a public limited company incorporated in England under the Companies Act 1985 (c. 6) that is a wholly owned subsidiary undertaking of HBOS and which carries on and whose subsidiaries carry on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:
- (6) HBOS Treasury Services plc (“Treasury Services”) is a public limited company incorporated in England under the Companies Act 1985 that is a wholly owned subsidiary of the Bank which carries on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:
- (7) The Clerical, Medical and General Life Assurance Society (“the Society”) was formed by a Deed of Settlement dated 14 February 1827 for the purposes of making or effecting assurances on lives and survivorships and other related activities:
- (8) By the Clerical, Medical and General Life Assurance Acts 1850 (c. ix) and 1887 (c. x), provision was made with regard to the administration and finances of the Society, in place of the Deed of Settlement, which was repealed; by the Clerical, Medical and General Life Assurance Act 1961 (c. xii), the persons assured became members of the Society; and by the Clerical, Medical and General Life Assurance Act 1974 (c. xi), the Society was incorporated:
- (9) By a scheme made on 31 December 1996 in accordance with Schedule 2C to the Insurance Companies Act 1982 (c. 50), the long-term business of the Society was transferred to Clerical Medical Investment Group Limited (“CMIG”), a subsidiary of HBOS Insurance & Investment Group Limited, which is a wholly owned subsidiary of HBOS, with the exception of certain assets of the Society that could not be transferred by such a scheme and are presently held by the Society on trust for CMIG:
- (10) For the better conduct of the business of HBOS and its subsidiaries and in order to enable the Bank to carry on its business to the best advantage it is expedient—
  - (a) that the Bank be registered as a public company under Chapter 2 of Part 22 of the Companies Act 1985;
  - (b) to repeal, amend or replace various provisions of the Bank of Scotland Acts 1695 to 1970 regulating the Bank’s affairs that have become in many respects outmoded having regard to present-day requirements and practice, and to make further provision for the regulation and management of the Bank; and
  - (c) to provide for the fusion of the undertakings of the Bank, Capital Bank, Halifax and Treasury Services by the transfer to the Bank of the undertakings of Capital Bank, Halifax and Treasury Services:
- (11) For the better conduct of the business of HBOS and its subsidiaries and in order to enable CMIG to carry on its business to the best advantage it is expedient to provide for the transfer to CMIG of the remaining assets of the Society and the dissolution of the Society:
- (12) It is expedient that the Bank should be able to effect at the same time as the registration, the changes to the provisions concerning the regulation and management of the Bank, and the fusion of the undertakings:

- (13) It is expedient that the fusion of the undertakings should be effected economically and without interference with the conduct and continuity of the businesses carried on by HBOS and its subsidiaries:
- (14) It is expedient that the other provisions in this Act be enacted:
- (15) The objects of this Act could not have been attained without the authority of Parliament:

May it therefore please your Majesty that it may be enacted, and be it enacted, by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

## PART 1

### INTRODUCTORY

#### 1 Citation

- (1) This Act may be cited as the HBOS Group Reorganisation Act 2006.
- (2) This Act and the Bank of Scotland Acts 1695 to 1970 may be cited together as the Bank of Scotland Acts 1695 to 2006.

#### 2 Interpretation

- (1) In this Act, except in Schedule 1 and where the subject or context otherwise requires—
  - “the 1985 Act” means the Companies Act 1985 (c. 6);
  - “account” includes any contract or facility between a person and a transferor company by virtue of which money or any unit of account is, or may be, deposited or borrowed by any person;
  - “appointed day” means a day appointed for the purposes of Part 3 of this Act under section 9 (Appointed day);
  - “appointed undertaking” means such of the undertakings for which a day is appointed as the appointed day, and where a day is so appointed for only part of an undertaking means that part of the undertaking;
  - “the Bank” means the Governor and Company of the Bank of Scotland;
  - “the board of the Bank” means
    - (a) before the registration date, the governor and deputy governor of the Bank and the ordinary directors of the Bank for the time being as a body or their quorum; and
    - (b) on or after the registration date, the directors of the Bank as defined by the regulations;
  - “CMIG” means Clerical Medical Investment Group Limited;
  - “contract” includes any agreement, transaction, arrangement or understanding, whether or not conditional or in writing and whether or not governed by English or Scots law;
  - “convey” has the same meaning as in the Law of Property Act 1925 (c. 20);

- “customer” includes any person having an account or other dealing with a transferor company;
- “document” means anything in any form in which information of any description is recorded;
- “enactment” means any enactment in this Act or in any general or local Act or in any order, rule or regulation made under any Act;
- “existing” means existing, outstanding or in force immediately before an appointed day;
- “financial year” means—
- (a) in relation to a transferor company or, in respect of the period commencing on the registration date, the Bank, a financial year determined in accordance with the provisions of section 223 of the 1985 Act; and
  - (b) in relation to the Bank in respect of the period before the registration date, any period in respect of which the regulations require the preparation of a profit and loss account;
- “last financial year” means the last completed financial year of a transferor company or of the Bank, as the case may be, before an appointed day;
- “liability” includes a duty and an obligation of any description (whether present or future, actual, contingent or prospective);
- “the note issue enactments” means section 10 of the Bank Charter Act 1844 (c. 32), sections 1, 3 to 12, 14 and 16 of the Bank Notes (Scotland) Act 1845 (c. 38), section 11 of the Stamp Act 1854 (c. 83) and section 9 of the Currency and Bank Notes Act 1928 (c. 13);
- “property” means property and assets of every description (whether present or future, actual or contingent), and includes property and assets held on trust or in a fiduciary capacity and security interests, rights, benefits and powers of every description;
- “the registration date” has the meaning given in section 3 (commencement on registration of the Bank under the Companies Act 1985);
- “the regulations” means the regulations for the management and administration of the Bank for the time being in force in accordance with—
- (a) before the registration date, section 6 of, and the Second Schedule to, the Bank of Scotland Act 1920 (c. xxxi); or
  - (b) on and after the registration date, section 7 (management and administration of the Bank) of this Act;
- “seal” includes a common seal and also any official seal which may be kept pursuant to section 39 or 40 of the 1985 Act;
- “security interest” includes a mortgage or charge (in each case whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, indemnity, right of set-off, counterclaim, flawed asset arrangement, commitment or other means of securing payment or discharge of a debt or liability;
- “the Society” means the Clerical, Medical and General Life Assurance Society;
- “transferor company” means Capital Bank plc, Halifax plc or HBOS Treasury Services plc and “transferor companies” means all of them;

“trustee” includes—

- (a) a trustee or custodian trustee of any trust, settlement, covenant, contract or will (whether originally so appointed or not and whether appointed under hand or seal or by order of any court);
- (b) an executor of the will, or administrator of the estate, of a deceased person;
- (c) a judicial trustee appointed by order of any court;
- (d) an attorney for another person; or
- (e) any person acting in a fiduciary capacity;

“undertaking” means the business and all property and liabilities of a transferor company of whatever nature, but does not include—

- (a) any seal or any documents relating to the constitution of that transferor company, or
- (b) those documents comprising registers, indices, or minute books usually required to be kept by that transferor company at its registered office pursuant to the provisions of the 1985 Act;

and “undertakings” means the undertakings of the transferor companies; and

“will” includes a codicil and any other testamentary writing.

- (2) Any reference in this Act to property or liabilities of a transferor company is a reference to property or liabilities—
  - (a) wherever they are situated or arise,
  - (b) whether or not they are capable of being transferred or assigned by the transferor company; and
  - (c) whether the transferor company is entitled or subject to them under the law of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.

## PART 2

### REGULATION AND MANAGEMENT OF THE BANK

#### **3 Commencement on registration of the Bank under the Companies Act 1985**

This Part shall come into force on the day on which the Bank is registered as a public company under Chapter 2 of Part 22 of the 1985 Act (“the registration date”).

#### **4 Name of the Bank**

- (1) Subject to subsection (2) below, from the registration date, the name of the Bank shall be Bank of Scotland plc.
- (2) The Bank may change its name by special resolution in accordance with the 1985 Act.

## **5 Effect of registration and change of name**

- (1) Neither—
  - (a) the registration of the Bank as a public company under Chapter 2 of Part 22 of the 1985 Act, nor
  - (b) a change in the name of the Bank under section 4 (name of the Bank)shall affect any rights or obligations of the Bank (including the Bank's rights under the note issue enactments) or render defective any legal proceedings by or against it.
- (2) Any legal proceedings that might have been continued or commenced against the Bank by its former name may be continued or commenced against it by its new name.

## **6 Powers and objects of the Bank**

- (1) The business and objects of the Bank as set out in Schedule 1 shall be deemed to be the statement of the objects of the Bank for the purposes of Chapter 1 of Part 1 of the 1985 Act (company formation).
- (2) The business and objects of the Bank as so deemed may be altered under section 4 of the 1985 Act (resolution to alter objects) as if they were part of a memorandum of a company under that Act.

## **7 Management and administration of the Bank**

- (1) Subject to subsection (2) below the regulations of the Bank shall be the draft regulations approved on behalf of the board of the Bank on 26 November 2004, a certified copy of which—
  - (a) has been deposited in the office of the Clerk of the Parliaments, House of Lords and in the Private Bill Office of the House of Commons, and
  - (b) bears the title “Regulations of Bank of Scotland plc”,as the board of the Bank may modify, alter, revoke or add to them from time to time before the registration date.
- (2) The Bank may by special resolution in accordance with the 1985 Act alter the regulations, and any alteration so made shall be as valid as if originally contained in the regulations and be subject in like manner to alteration by such a special resolution from time to time.

## **8 Repeals**

- (1) Subject to the following provisions of this section, the enactments set out in Part 1 of Schedule 2 to this Act shall be amended or repealed to the extent set out in that Schedule.
- (2) The Bank shall retain all existing assets and rights vested in it and be subject to all liabilities to which it was subject immediately prior to the registration date, save in so far as such rights or liabilities are inconsistent with the provisions of this Part.

- (3) Subject to sections 6 and 7 above, and subsection (4) below, the holders of the Bank's capital stock shall continue to have the same rights and be subject to all liabilities and obligations to which they were subject immediately prior to the registration date.
- (4) The Bank's capital stock shall be reclassified as share capital of the respective amounts, classes and nominal amounts specified in the regulations.

### PART 3

#### TRANSFER OF UNDERTAKINGS

##### **9 Appointed day**

- (1) The board of the Bank may appoint a day to be the appointed day for an undertaking for the purposes of this Part and may appoint different days as the appointed day for different parts of an undertaking.
- (2) No day may be appointed under subsection (1) above that falls before the registration date.
- (3) Before an appointed day, the Bank shall publish a notice in the London Gazette, the Edinburgh Gazette and the Belfast Gazette of the day, stating that it is an appointed day for the purposes of this Act and the appointed undertaking.
- (4) The publication of a notice under subsection (3) above shall be conclusive evidence of that appointed day for the purposes of this Act, and a photocopy or other reproduction, certified by an authorised officer of the Bank, of a page or part of a page of the London Gazette, the Edinburgh Gazette or the Belfast Gazette containing the notice shall be conclusive evidence of publication of the notice.

##### **10 Vesting of undertakings in the Bank**

- (1) On an appointed day the appointed undertaking shall, by virtue of this Act and without further assurance, be transferred to the Bank to the intent that the Bank shall succeed to the relevant undertaking as if in all respects the Bank were the same person as the transferor company.
- (2) Where the transfer of any property or liability comprised in an undertaking is governed by the law of any country or territory outside the United Kingdom, the transferor company shall, if the Bank so requires, take all necessary steps for securing that the transfer to and vesting in the Bank of the property or liability is fully effective under the law of that country or territory.

## 11 Provision as to trust property and wills

- (1) Any property transferred to the Bank by virtue of this Act which immediately before the appointed day was held by a transferor company, whether alone or jointly with any other person, as trustee, shall, on and from the appointed day, be held by the Bank alone or, as the case may be, jointly with such other person in the same capacity upon the trusts, and with and subject to the powers, provisions and liabilities, applicable thereto respectively.
- (2) The following—
  - (a) any existing instrument or order of any court under or by virtue of which any property became or may become vested in a transferor company as trustee; and
  - (b) any provision therein, or any existing contract for the payment to, or retention by, a transferor company of remuneration for its services in any such capacity,shall, subject to subsection (4) below, on and from the appointed day, be construed and have effect, so far as the context permits, as if for any reference therein to the transferor company, other than a reference (however worded and whether express or implied) to the terms and conditions of, or to a rate, charge, tariff or scale of fees of, the transferor company, there were substituted a reference to the Bank.
- (3) The following—
  - (a) any will made before an appointed day which has not been proved in any part of the United Kingdom before the appointed day; and
  - (b) any will made on or after an appointed day, being a will which appoints a transferor company to be a trustee or recipient of any property as trustee,shall, subject to subsection (4) below, be construed and have effect as if for any reference therein to the transferor company as such trustee or recipient or otherwise in connection with such appointment, not being a reference (however worded and whether express or implied) to terms and conditions of, or to a rate, charge, tariff or scale of fees of, the transferor company, there were substituted a reference to the Bank.
- (4) Any right which was exercisable by the transferor company to alter the terms and conditions or the rate, charge, tariff or scale of fees of that transferor company shall on and after the appointed day be exercisable by the Bank.
- (5) No testamentary gift shall be adeemed by reason only of the operation of any of the provisions of this Act.

## 12 Supplementary provisions as to transfer

- (1) Without prejudice to the generality of the foregoing provisions of this Act but subject to any provision of this Act to the contrary, the following provisions shall have effect in relation to the appointed undertaking.
- (2) Every existing contract relating to the appointed undertaking to which a transferor company is a party shall be construed and have effect on and from the appointed day—
  - (a) as if the Bank had been a party thereto instead of the transferor company;

- (b) as if, subject to subsection (5) below, for any reference (however worded and whether express or implied) to the transferor company there were substituted a reference to the Bank;
  - (c) as if any reference (however worded and whether express or implied) to the directors, officers, representatives or employees or to any director, officer, representative or employee of the transferor company were a reference (as the case may require)—
    - (i) to the directors, officers, representatives or employees of the Bank; or
    - (ii) to such director, officer, representative or employee of the Bank as the Bank may nominate for that purpose; or
    - (iii) in default of nomination, to the director, officer, representative or employee of the Bank who corresponds as nearly as may be to the first mentioned director, officer, representative or employee; and
  - (d) (where the contract relates to property or liabilities which are for the time being only partly transferred to the Bank by virtue of this Act) as if the contract, to the extent to which it is enforceable by and against the transferor company, constituted two separate contracts—
    - (i) one of which is enforceable by and against the Bank only as regards the part of the property or, as the case may be, liabilities so transferred to it; and
    - (ii) the other of which is enforceable by and against the transferor company only as regards the part of the property or, as the case may be, liabilities not so transferred to the Bank.
- (3) Paragraphs (b) and (c) of subsection (2) above shall, on and from the appointed day, apply to any enactment other than the provisions of this Act and to any provision of any existing contract to which the transferor company was not a party as they apply to a contract to which subsection (2) above applies.
- (4) Paragraphs (a), (b) and (c) of subsection (2) above shall, on and from the appointed day, apply to any provision of any other existing document (not being a contract or a will) as they apply to a contract to which subsection (2) above applies.
- (5) Paragraph (b) of subsection (2) above shall not apply to the name or title of any rate, charge, tariff, scale of fees, terms or conditions of a transferor company which includes the initials, the name or part of the name of that transferor company but, on or after the appointed day, the Bank may change the name or title.
- (6) An offer or invitation to treat made to or by a transferor company before the appointed day shall be construed and have effect on and after the appointed day in relation to the appointed undertaking as an offer or invitation to treat, as the case may be, made to or by the Bank.

- (7) Any account between the transferor company and a customer in relation to the appointed undertaking shall, on the appointed day, become an account between the Bank and the customer subject to the same conditions and incidents as before; and such account shall be deemed for all purposes to be a single continuing account.
- But nothing in this subsection shall affect any right of the transferor company or the Bank or of the customer to vary the conditions or incidents subject to which any account is kept.
- (8) For the purpose of construing and giving effect to any contract which—
- (a) has effect or continues to have effect on, or on and after, an appointed day; and
  - (b) makes reference to a rate, charge, tariff or scale of fees or to terms or conditions published, determined or ascertained from time to time by a transferor company,
- the Bank shall have the same rights under that contract as the transferor company had to publish, determine, ascertain, vary or amend rates, charges, tariffs, scales of fees, terms or conditions, and any such rates, charges, tariffs, scales of fees, terms or conditions published, determined, ascertained, varied or amended by the Bank shall apply in place of those which could have been published, determined, ascertained, varied or amended by the transferor company.
- (9) Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to or by a transferor company in relation to an appointed undertaking (whether in writing or not and whether or not in relation to an account) shall have effect on and from the appointed day as if given to or, as the case may be, by the Bank.
- (10) Any negotiable instrument, cheque, warrant, draft, letter of credit or order for payment of money, in relation to an appointed undertaking, drawn on or by, or given to, or accepted or endorsed by, the transferor company, or payable at any place of business of the transferor company, whether so drawn, given, accepted, endorsed or payable before, on or after the appointed day, shall have the same effect on and from that day—
- (a) as if it had been drawn on or by, or given to, or accepted or endorsed by, the Bank; and
  - (b) if relevant, as if the place of business at which it is payable were a place of business of the Bank.
- (11) Any document, claim or demand addressed on or before or after the appointed day to a transferor company pursuant to an existing contract which relates to the appointed undertaking shall be deemed to have been addressed to the Bank.
- (12) The custody of any document or record, goods or other thing held by a transferor company as bailee relating to an appointed undertaking shall pass to the Bank on the appointed day, and the rights and obligations of the transferor company under any contract of bailment relating to any such document or record, goods or thing shall on that day become rights and obligations of the Bank.

- (13) Any security interest held immediately before the appointed day in relation to an appointed undertaking by the transferor company, or by a nominee or agent of or trustee for that transferor company, as security for the payment or discharge of any debt or liability shall, on and from that day—
- (a) be held by the Bank or, as the case may require, by that nominee, agent or trustee for the Bank; and
  - (b) be available to the Bank, (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that debt or liability of the appointed undertaking.
- (14) In relation to any security interest transferred to the Bank by or under this Act and any liabilities thereby secured, the Bank shall be entitled to the same rights and priorities and be subject to the same obligations and incidents to which the transferor company would have been entitled and subject if it had continued to hold the security interest.
- (15) Without prejudice to the generality of subsection (14) above, in any case where any existing liability subsists between a transferor company and the Bank, in respect of which—
- (a) that transferor company or the Bank, or
  - (b) a nominee or agent of or trustee for that transferor company or the Bank, holds a security interest or a counterclaim in respect of which there is a security interest, that liability and, where appropriate, the counterclaim shall, for the purpose of enforcing or realising that security interest, be deemed to continue in effect notwithstanding the transfer to the Bank.
- (16) Any security interest referred to in subsections (13) to (15) above which extends to future advances or liabilities shall, on and from the appointed day, be available to the Bank (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as it extends immediately before that day to future advances or liabilities.
- (17) Where by virtue of this Act any property or liability of a transferor company becomes property or a liability of the Bank, the Bank and all other persons shall, on and from the appointed day, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that property or liability as if it had at all times been property or a liability of the Bank.
- (18) Any right of action and any remedy available in consequence thereof—
- (a) which accrues, arises or becomes enforceable or available before an appointed day by or against the transferor company and which relates to the appointed undertaking; or
  - (b) which would, but for this Act, accrue, arise or become enforceable or available by or against a transferor company, on or after the appointed day and which relates to the appointed undertaking,
- may, subject to the provisions relating to the appointed undertaking in this Act, be enforced or availed of to the same extent by or against the Bank on or after the appointed day.

- (19) Any legal proceedings, applications to any authority or other proceedings for the resolution of a dispute pending or current immediately before an appointed day by or against the transferor company and which relate to the appointed undertaking may be continued by or against the Bank.
- (20) Any judgment, order or award obtained by or against a transferor company which relates to the appointed undertaking and which is not fully satisfied before the appointed day shall, on that day, to the extent to which it is enforceable by or against that transferor company, become enforceable by or against the Bank.
- (21) On an appointed day the Bank—
- (a) shall succeed to all the rights, liabilities and obligations of the transferor company in respect of data which is comprised in the appointed undertaking and which is subject to the Data Protection Act 1998 (c. 29);
  - (b) shall become the data controller of any data which is comprised in the appointed undertaking and which is subject to the Data Protection Act 1998 in place of the transferor company, and shall be deemed to have been the data controller of all such data at all material times when data was processed;
  - (c) shall be under the same duty by virtue of any law as the transferor company was under to respect the confidentiality and privacy of any person and shall be bound by any specific notice given or request made by the data subject which was binding on the transferor company and which required the transferor not to use data for marketing purposes.
- (22) In any consent given by a data subject in respect of such data as is mentioned in subsection (21)(a) above, any reference to the transferor company (or to any subsidiary or holding company of the transferor company or any subsidiary of such a holding company) shall be deemed to include a reference to the Bank and any subsidiary or holding company of the Bank and any subsidiary of such a holding company.
- (23) In subsection (22) above, “holding company” and “subsidiary” shall have the meanings set out in sections 736 and 736A of the 1985 Act.

### **13 Office-holders**

No director, secretary or auditor of a transferor company shall by virtue only of this Act become a director, secretary or, as the case may be, auditor of the Bank.

### **14 Accounting provisions**

- (1) In this section—
- “the 1991 Regulations” means the Bank Accounts Directive (Miscellaneous Banks) Regulations 1991 (S.I. 1991 No. 2704);
  - “accounts” means all accounting records, any other accounts, statements of account, financial statements or directors’ reports required to be prepared by, and in accordance with, the provisions of the 1985 Act or the 1991 Regulations;

“individual accounts” means the accounts of an individual company prepared in accordance with—

- (a) section 226 of and Schedule 4 to the 1985 Act,
- (b) section 255 of and Part I of Schedule 9 to that Act, or
- (c) the 1991 Regulations; and

“shareholder funds” means the called up share capital and the reserves of the transferor company.

- (2) For the purposes of the accounts of the transferor company and the Bank, the transfer of an appointed undertaking to the Bank shall be taken to have been effected immediately after the last financial year of the transferor company and to have been a vesting in the Bank of all the property, rights and liabilities in the appointed undertaking to which the transferor company was entitled or subject immediately before the end of that year.
- (3) The amount to be attributed to any asset and any liability which is taken by virtue of subsection (2) above to have been vested in the Bank immediately after the last financial year of the transferor company shall be the amount attributed to the asset or liability for the purposes of the accounts of the transferor company for its last financial year.
- (4) The amount to be included in the accounts of the Bank in respect of any item shall be determined as if anything done by the transferor company after its last financial year (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, earning any profit or suffering any loss, or by carrying any amount to any provision or reserve, or otherwise) had been done by the Bank.
- (5) Without prejudice to the operation of this Act, the transfer to the Bank of the appointed undertaking shall be deemed not to give rise to any transaction required by section 221 of the 1985 Act to be entered in the accounts of the Bank or the transferor company.
- (6) In respect of every item (excluding shareholder funds) shown in the balance sheet or profit and loss account of the Bank forming part of its individual accounts for its financial year in which an appointed day occurs, the corresponding amount for the last financial year of the Bank required to be shown in that balance sheet or profit and loss account by—
  - (a) section 226 of and Schedule 4 to the 1985 Act,
  - (b) section 255 of and Part I of Schedule 9 to that Act, or
  - (c) the 1991 Regulations,shall include any amount corresponding to that item shown by the transferor company in its balance sheet or profit and loss account forming part of its individual accounts for its last financial year.

## 15 Distributable profits or reserves of the Bank

Without prejudice to the provision of section 14 (accounting provisions) of this Act, for the purpose of ascertaining on an appointed day what profits or reserves, if any, are capable of lawful distribution by the Bank, any profits or reserves of a transferor company relating to the appointed undertaking which were capable of lawful distribution by that transferor company at the end of its last financial year shall be deemed to have become capable of lawful distribution by the Bank immediately after that last financial year.

## 16 Pension scheme

- (1) In this section “pension scheme” has the same meaning as in section 150 of the Finance Act 2004 (c. 12).
- (2) No pension scheme under which the Bank or a transferor company is the sole employer, the principal employer or a participating employer shall by reason only of the operation of any of the provisions of this Act be terminated or wound-up, in whole or in part.
- (3) In respect of an officer or employee of a transferor company or the Bank, no right to participate in or to qualify himself or any of his dependants to receive benefits under, and no pensionable service for the purposes of, a pension scheme—
  - (a) under which the transferor company or the Bank is the sole employer, the principal employer or a participating employer; and
  - (b) of which the officer or employee is a member immediately before the appointed day,

shall be terminated, interrupted or otherwise affected by reason only of the operation of any of the provisions of this Act.

- (4) The trust deeds, rules and other documents and instruments constituting, governing or otherwise relating to any pension scheme to which the provisions of this section apply shall have effect subject to and in accordance with the provisions of this section.

## 17 Evidence of transfer

- (1) The production of a Queen’s Printer’s copy of this Act or a photocopy thereof and such evidence of publication of notice of an appointed day as is specified in subsection (4) of section 9 (appointed day) of this Act shall, for all purposes, be conclusive evidence of the transfer to, and vesting in, the Bank of the relevant undertaking or relevant part of an undertaking, in accordance with the provisions of this Act.
- (2) Without prejudice to the generality of subsection (1) above, any such copy of this Act shall, in relation to any registered securities within the meaning of the Stock Transfer Act 1963 (c. 18) transferred to the Bank by virtue of this Act, operate for all the purposes of the said Act of 1963 as a duly executed stock transfer in respect of the transfer of such securities from a transferor company to the Bank.

- (3) Without prejudice to the generality of subsection (1) above—
- (a) any document made or executed on or after an appointed day whereby the Bank, whether alone or jointly with another person—
    - (i) conveys or transfers, or purports to convey or transfer, to any person (whether for consideration or not), or
    - (ii) applies to be registered as the holder or proprietor of, any property held by a transferor company immediately before the appointed day, whether alone or jointly with another person, shall be sufficient evidence that the interest of the transferor company has been transferred to the Bank, alone or jointly, under this Act; and
  - (b) where there is any other transaction by the Bank on or after the appointed day in connection with, or in relation to, any property or liability which is property or a liability of a transferor company immediately before the appointed day, it shall be deemed in favour of—
    - (i) any other party to the transaction, or
    - (ii) any person claiming through or under him,that the Bank has full power and authority for that transaction as if the property or liability had been transferred to it under this Act.
- (4) Without prejudice to the generality of subsection (1) above—
- (a) any document made or executed on or after an appointed day whereby the transferor company, whether alone or jointly with any other person—
    - (i) conveys or transfers, or purports to convey or transfer, to any person (whether for consideration or not), or
    - (ii) applies to be registered as the holder or proprietor of, any property held by it immediately before the appointed day, whether alone or jointly with another person, shall be as effective as if that property had been conveyed, transferred or registered by the Bank; and
  - (b) where there is any other transaction by a transferor company on or after the appointed day in connection with, or in relation to, any property or liability which is property or a liability of the transferor company immediately before the appointed day, that transaction shall be as effective as if it had been a transaction by the Bank.
- (5) The following—
- (a) a certificate given by or on behalf of the Bank at any time before the dissolution of a transferor company and whether given before, on or after the appointed day, and
  - (b) a certificate given by or on behalf of the Bank after the dissolution of that transferor company
- that any property or liability of the transferor company specified in the certificate will be or has been transferred, as the case may be, to the Bank under this Act shall be conclusive evidence for all purposes of the fact so certified.
- (6) Nothing in this section affects the liability of a transferor company or the Bank to the other of them in respect of anything done, or purported to have been done, by either of them in connection with, or in relation to, any property or liabilities.

## **18 Dissolution of transferor companies**

- (1) A transferor company shall by virtue of this Act be dissolved on the day on which, in pursuance of a request made by or on behalf of the Bank at any time after the whole of that company's undertaking has been transferred to the Bank by virtue of this Act or otherwise, the registrar of companies strikes that transferor company off the register.
- (2) Notwithstanding section 654 of the 1985 Act (property of dissolved company to be bona vacantia), on the day on which a transferor company is struck off the register under subsection (1) above all seals and documents of or relating to the company not transferred to the Bank by virtue of the foregoing provisions of this Act shall, by virtue of this section, be transferred to the Bank and, where they are required to be kept at a place in England, shall be kept by the Bank at such a place.

## **19 Evidence: documents**

All documents which would before the appointed day, have been evidence in respect of any matter for or against a transferor company shall be admissible in evidence in respect of the same matter for or against the Bank.

## **20 Application of Bankers' Books Evidence Act 1879**

- (1) In this section "books" shall be construed in accordance with section 9(2) of the Bankers' Books Evidence Act 1879 (c. 11).
- (2) On and from an appointed day, the said Act of 1879 shall apply to the books of a transferor company transferred to the Bank by virtue of this Act, and to entries made in those books before the appointed day, as if such books were books of the Bank.
- (3) For the purposes of section 4 of the said Act of 1879, books so transferred to the Bank shall be deemed to have been the ordinary books of the Bank at the time of the making of any entry therein which purports to have been made before the appointed day, and any such entry shall be deemed to have been made in the usual and ordinary course of business.

## **21 Savings in respect of transfers of property**

- (1) The transfer of any property or liability by virtue of this Act shall not—
  - (a) constitute a purchase or creation of an interest in land for the purposes of section 30 (2) of the Landlord and Tenant Act 1954 (c. 56) or constitute a relevant disposal within the meaning of section 4 of the Landlord and Tenant Act 1987 (c. 31) for the purposes of that Act; or
  - (b) constitute an assignment, transfer, devolution, alienation, parting with possession or other disposition of or dealing with property or of an interest in property for the purposes of any provision in any instrument, contract or order of any court concerning that property or that interest; or
  - (c) give rise to any forfeiture; or
  - (d) invalidate or discharge any contract, security interest or other thing; or
  - (e) require further registration in respect of any security interest; or

- (f) cause or enable the benefit of any contract, permission, licence or privilege enjoyed by the transferor company or the Bank to be lost or surrendered or otherwise affected, or require the disposal by the transferor company or the Bank of any interest, otherwise than as provided for in this Act; or
  - (g) relieve any person under an obligation to the transferor company of a corresponding obligation to the Bank, or
  - (h) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise have been the case under, any contract or instrument to which the Bank or the transferor company is a party or by which it is bound; or
  - (i) allow any party to any contract to which the Bank or the transferor company is a party to terminate that contract when he would not otherwise have been able to terminate it; or
  - (j) operate so as to merge any leasehold interest in the reversion expectant on it; or
  - (k) entitle any party to any contract to which the Bank or the transferor company is a party to vary the terms of that contract when he would not otherwise have been able to vary those terms or confer a right of benefit on him which he would not otherwise have had; or
  - (l) confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, on any party to any contract to which the transferor company or the Bank is a party when any such greater or lesser rights, benefits or obligations would not otherwise have been conferred or imposed.
- (2) Paragraphs (c) to (l) of subsection (1) above shall apply to subsidiaries of the transferor company and subsidiaries of the Bank as they apply to the transferor company and the Bank respectively.

## **22 Right to issue bank notes**

The transfer to the Bank of an appointed undertaking by virtue of this Act shall have no effect on the Bank's rights under the note issue enactments.

## **23 Transfer of the Society**

- (1) The directors of CMIG may appoint a day to be the appointed day for the undertaking of the Society for the purposes of this Part.
- (2) Where a day is appointed under subsection (1) above the provisions of this Part set out in subsection (3) shall apply as if—
  - (a) the day had been appointed under section 9 (appointed day) above;
  - (b) references in the provisions to the appointed undertaking were references to the undertaking of the Society;
  - (c) references in the provisions to the transferor company or transferor companies were references to the Society; and
  - (d) references in the provisions to the Bank were references to CMIG.

- (3) The provisions referred to in subsection (2) are—  
Section 9(3) and (4);  
Sections 10 and 11;  
Section 12(1) to (6) and (8) to (23);  
Section 13;  
Sections 14 and 15 (save that references to the financial year of the Bank shall be treated as references to a financial year determined in accordance with the provisions of section 223 of the 1985 Act); and  
Sections 16 to 19 and 21.
- (4) On the day appointed under subsection (1) above—  
(a) the Society shall be dissolved; and  
(b) the enactments set out in Part 2 of Schedule 2 shall be repealed.

## PART 4

### MISCELLANEOUS

#### 24 Application

- (1) In this Act as it applies to Scotland—  
“assignment” includes an assignation;  
“bailee” includes a custodian, custodian or a holder on deposit or pledgee and  
“contract of bailment” includes any other contract regulating the deposit, custody, loan or hire of things;  
“convey” includes the transfer of any interest in property and the execution and delivery of any disposition, deed or other instrument or document by which any property, or any estate, interest, security or other right in or over property, is constituted, completed, disposed, assigned, transmitted or discharged;  
“debenture” includes a floating charge or any instrument containing a floating charge;  
“forfeiture” includes irritancy;  
“guarantee” includes a caution, whether proper or improper;  
“judgment” includes a decree and an extract of a document registered in the Books of Council and Session which is enforceable as a writ of execution;  
“judicial trustee” includes a judicial factor;  
“land” includes heritable and leasehold property;  
“mortgage” includes a standard security, an assignation or disposition *ex facie absolute* and any contract qualifying the same, a bond and disposition or assignation in security, a cash credit bond and disposition or assignation in security, an assignation in security and any real right or burden of whatever kind in the nature of a security interest whether or not constituted in respect of a heritable property;  
“reversion” means the interest of the landlord in land subject to a lease or the interest of the lessee of land who is the landlord under a sublease;

“security interest” includes an irrevocable mandate, a bond, right of retention and a right of compensation; and

“will” includes a trust disposition and settlement and any instrument taking effect on the death of any person whereby any part of his estate is disposed of, or under which a succession thereto arises.

(2) In the application of this Act to Scotland—

- (a) all security interests expressed to be in favour of a transferor company transferred to the Bank by virtue of this Act shall, on and from the appointed day, have the same effect in favour of the Bank up to the maximum amounts secured thereby respectively in all respects as if they had been originally granted in favour of the Bank for such maximum amounts;
- (b) to enable the Bank to complete a title, if thought fit, to any property transferred to, and vested in, it by virtue of this Act, by notice of title or otherwise, or to deduce title, this Act shall be deemed to be, and may be used as, a general disposition, conveyance or, as the case may be, assignation of such property in favour of the Bank;
- (c) the reference in subsection (3) of section 11 (provisions as to trust property and wills) to any will which has not been proved shall be construed as a reference to any will in respect of which the executor has not been confirmed.

(3) In the application of this Act to Northern Ireland—

- (a) for the reference in subsection (1) of section 2 (interpretation) of this Act to the Law of Property Act 1925 (c. 20) there shall be substituted reference to the Conveyancing Act 1881 (c. 41);
- (b) the references in subsection (2) of section 17 (Evidence of transfer) of this Act to the Stock Transfer Act 1963 (c. 18) shall include reference to the Stock Transfer Act (Northern Ireland) 1963 (c. 24 N.I.);
- (c) for paragraph (a) of section 21(1) (savings in respect of transfers of property) of this Act there shall be substituted the following:—
  - “(a) constitute a purchase or creation of an estate for the purposes of section 10(3) of the Business Tenancies (Northern Ireland) Order 1996 (S.I. 1996/725 (N.I. 5)); or”.

## 25 Costs of Act

All costs, charges and expenses preliminary to, and of and incidental to, the preparing for, obtaining and passing of this Act, or otherwise in relation to it, shall be paid by such of the Bank and CMIG in such proportions as the directors of the Bank and the directors of CMIG shall agree.

## SCHEDULES

### SCHEDULE 1

Section 6

#### BUSINESS AND OBJECTS OF THE BANK

##### *Objects of the Bank*

- 1 Without prejudice to the power of the Bank to carry on and manage a public bank (as that term may be from time to time understood or interpreted), the Bank's objects are—
  - (1) To carry on the business of banking and the provision of financial services in all their forms.
  - (2) This includes financial transactions and any other business carried on in any part of the world by—
    - (a) banks;
    - (b) financial houses;
    - (c) financial intermediaries;
    - (d) financial advisers;
    - (e) guarantee companies;
    - (f) financial managers and consultants;
    - (g) financial services companies;
    - (h) merchant banks;
    - (i) investment banks;
    - (j) issuing houses and investment and trust companies;
    - (k) dealers in securities; or
    - (l) other similar businesses.
  - (3) Sub-paragraph (2) above includes,
    - (a) borrowing, raising and taking in money in any way, on any terms and in any currencies, and to employ and use that money;
    - (b) depositing, lending or advancing money, securities or other property (with or without taking security) and generally making or negotiating loans and advances of every kind and providing liquidity support or other financial assistance or facilities on any terms and in any currencies;
    - (c) issuing, subscribing for, guaranteeing that any person will subscribe for, underwriting, buying, selling, discounting, holding, guaranteeing, transferring and dealing with or trading in the following, relating to any person—
      - (i) obligations;
      - (ii) instruments (whether transferable or negotiable or not);
      - (iii) securities (whether transferable or negotiable or not);
      - (iv) bills and drafts; or
      - (v) derivative instruments of whatever nature;
    - (d) granting, issuing, negotiating and in any manner dealing with, or in,

- travellers' cheques, letters of credit, circular notes, money orders and other negotiable instruments;
- (e) dealing in any kind of commodities or other physical things;
  - (f) receiving cash, securities, documents and any kind of valuables on current account or deposit, or for safe keeping, or in any other way;
  - (g) collecting and transmitting money and securities and acting as agents for the receipt or payment of money or for the delivery of securities and documents, and providing clearing and money transmission services;
  - (h) carrying on business as providers of leasing, contract hire, hire purchase, conditional or credit sale, instalment finance, personal contract purchase or deferred payment facilities and any other credit facilities;
  - (i) managing property;
  - (j) buying, selling, purchasing and repurchasing and dealing in bullion, foreign exchange, currency, futures, options, bills, precious and other metals and commodities;
  - (k) acting as agent, broker or provider of any kind of life assurance, industrial assurance, general insurance, re-insurance or other kinds of non-life insurance; and
  - (l) undertaking or acting as agents, consultants or advisers in relation to, or in connection with, the management of property or insurance, all aspects of taxation and pension matters and the management and investment of money and generally to transact agency, consultancy and advisory business.
- (4) To issue notes of all denominations or amounts payable to bearer subject to compliance with any legal requirements which may from time to time be applicable thereto and to perform any obligations arising from such issue.
- (5) To enter into any—
- (a) guarantee;
  - (b) bond;
  - (c) recognisance;
  - (d) cautionary obligation;
  - (e) contract of indemnity or suretyship; or
- otherwise give security or become responsible for the performance or discharge of any obligation or duties by any person.
- (6) Without prejudice to the generality of sub-paragraph (5) above, to—
- (a) guarantee, support or secure, whether—
    - (i) by personal undertaking or covenant, or
    - (ii) by mortgaging or charging all or any part of the undertaking, property and assets, present or future, and uncalled capital of the Bank, or
    - (iii) by both such methods,the performance of the obligations of, and the payment of monies secured by, or payable under or in respect of the securities of, any person;

- (b) give and take counter-guarantees and indemnities; and
  - (c) give and receive security for the implementation of any obligation.
- (7) To undertake the insurance, re-insurance and counter-insurance of all kinds of risks and generally to carry on the business of an insurance and guarantee company in all its aspects.
- (8) Generally to carry on all or any of the business of a holding company and to—
  - (a) co-ordinate and regulate all or any part of the businesses and operations of any and all companies, firms and businesses controlled directly or indirectly for the time being by the Bank or in which the Bank is interested for the time being, whether as a shareholder or otherwise and whether directly or indirectly; and
  - (b) acquire and hold, either in the name of the Bank or in that of any nominee or trustee—
    - (i) shares;
    - (ii) stocks;
    - (iii) debentures;
    - (iv) debenture stock;
    - (v) bonds;
    - (vi) notes;
    - (vii) obligations; and
    - (viii) securities;issued or guaranteed by any company, corporation or undertaking wherever incorporated or carrying on business; and
  - (c) co-ordinate the policy management and administration of any companies, corporations or undertakings in which the Bank is a member or participant or which are controlled by or associated with the Bank in any manner.
- (9) To carry on business as an investment holding company and to acquire, invest in and hold by way of investment—
  - (a) shares;
  - (b) stocks;
  - (c) debentures;
  - (d) debenture stock;
  - (e) bonds;
  - (f) bills;
  - (g) notes;
  - (h) obligations;
  - (i) certificates of deposit;
  - (j) mortgages;
  - (k) policies of assurance; and
  - (l) securities of all kinds;created, issued or guaranteed by any person mentioned in sub-paragraph (10) below.

- (10) The persons referred to in sub-paragraph (9) above are—
- (a) any company, association or partnership, whether with limited or unlimited liability, constituted or carrying on business in any part of the world;
  - (b) any individual;
  - (c) any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, in any part of the world; or
  - (d) units of and participants in any trust, scheme, mutual fund or collective investments scheme in any part of the world.
- (11) To do any of the following things (alone or with others)—
- (a) act as a trustee (including a custodian trustee or trust corporation);
  - (b) act as the personal representative of anyone's estate;
  - (c) act as the trustee of any securities;
  - (d) act as receiver or treasurer or as a trustee for a receiver or treasurer;
  - (e) act as an attorney;
  - (f) act as an administrator;
  - (g) act as a manager or trustee of any unit trust, investment trust or other form of investment;
  - (h) issue and carry on any business relating to any type of—
    - (i) charge card;
    - (ii) credit card;
    - (iii) debit card;
    - (iv) payment card; or
    - (v) any other type of card, token, voucher, or similar document issued by or for any bank;
  - (i) finance or assist in financing the acquisition, construction, development, sale, hire, or lease of any property or infrastructure and the provision of services in connection therewith, whether by way of any of the following, or otherwise—
    - (i) personal loan;
    - (ii) hire purchase;
    - (iii) instalment finance;
    - (iv) conditional or credit sale; and
    - (v) deferred payment;
  - (j) buy or sell securities (including derivative products) for the account of the Bank or for any other person and to provide any services which may be ancillary to this business;
  - (k) acquire by assignation, assignment or otherwise debts owing to any person and to collect such debts;
  - (l) act as—
    - (i) forwarding agents;
    - (ii) travel and shipping agents;
    - (iii) commission agents;
    - (iv) surveyors;
    - (v) architects;
    - (vi) valuers;

- (vii) auditors;
  - (viii) property consultants and managers;
  - (ix) land and estate agents; and
  - (x) loss adjusters; and
- generally undertake and carry on every kind of professional and agency business in all its forms;
- (m) carry on the business of providing any of the following services for, or in relation to, any person, property or business—
    - (i) secretarial services;
    - (ii) managerial services;
    - (iii) consultancy services;
    - (iv) accountancy services;
    - (v) statistical services;
    - (vi) legal services; and
    - (vii) any executive, supervisory or advisory services;
  - (n) carry on the business of selling, installing, operating, renting and providing—
    - (i) data processing, storage and retrieval equipment and systems;
    - (ii) computers;
    - (iii) computer bureau services; and
    - (iv) communication systems of every kind;
  - (o) act as agent, broker or provider of pensions or pensions advice, or as the manager, trustee or administrator of pension schemes or their assets;
  - (p) seek for and secure, and use and develop, any openings for the employment of capital;
  - (q) keep any register, record or account relating to any securities or funds; and
  - (r) carry out any duties relating to securities or funds, including registering transfers and issuing certificates.
- (12) To take any action (including accepting any obligation) which may—
    - (a) uphold, or support, the credit of the Bank;
    - (b) obtain, maintain or restore public confidence; or
    - (c) avoid or minimise financial disturbances which are affecting, or may affect, the Bank's business, either directly or indirectly.
  - (13) To acquire any property, business, assets, liabilities or rights which appear to be necessary or convenient for the Bank's purposes, or which contribute towards the Bank's interests.
  - (14) To sell, secure (by mortgage, charge, lien, or other form of security), develop, lease, improve and operate or use any property, business, assets or rights belonging to the Bank or in which the Bank may be interested.
  - (15) To accept any securities, or other obligations, of any person in consideration for—
    - (a) any property which has been, or may be, let, sold, or disposed of; or

- (b) any services which have been, or may be provided; and to hold and retain or sell, charge, mortgage and deal with any such securities or other obligations so received.
- (16) To enter into any partnership or any arrangement to share profits, merge, enter into a joint venture, amalgamate or co-operate with any person who carries on, or proposes to carry on, any business within the Bank's objects and to acquire and hold any securities of such person.
- (17) To form, or promote, or be involved in forming or promoting any company whose objects—
  - (a) include carrying on any business which the Bank is authorised to carry on;
  - (b) include acquiring, or taking over, any of the Bank's assets or liabilities; or
  - (c) may in any way advance the objects or interests of the Bank, either directly or indirectly.
- (18) To acquire and hold the securities of any company referred to in sub-paragraph (17) above or of any other person and to guarantee any payment on any securities issued by any such company or any other obligation of any such company.
- (19) To acquire in any way, hold and sell any securities of any person whose objects are, either wholly or partly, similar to the Bank's or which appear to the directors of the Bank to be necessary or convenient to promote or advance the Bank's interests.
- (20) The securities referred to in sub-paragraph (19) can be—
  - (a) acquired either by the Bank alone or together with any other person; and
  - (b) held in the Bank's name or in the name of a nominee.
- (21) To exercise and enforce all rights and powers given by, or connected with, the ownership of any of the securities referred to in sub-paragraph (18), including any powers of veto or control which the Bank has by holding those securities.
- (22) To carry on any business or activity which is within the Bank's objects or powers by or through subsidiaries, or companies which are controlled, either directly or indirectly, by the Bank and to co-ordinate the administration of any of these companies and provide all kinds of services and facilities for any or all of them.
- (23) To apply for, and promote, any charter, statute, regulation, licence or concession, and to ask for any action or authorisation from any person anywhere in the world who has legislative or regulatory powers, in order to—
  - (a) extend or change the Bank's objects and powers;
  - (b) alter the Bank's constitution;
  - (c) enable the Bank to carry out its objects or to carry them out better; or
  - (d) for any other purpose which may seem to the directors of the Bank to be expedient.

- (24) For the purposes of sub-paragraphs (25) to (34) below—  
“the beneficiaries” means past or present directors, officers, employees, agents or consultants or other connected persons (including their dependants and people connected with them) of any of the qualifying bodies; and  
“the qualifying bodies” means—
- (a) the Bank or any holding company of the Bank;
  - (b) any body, whether or not incorporated, in which the Bank or any holding company of the Bank has or had any kind of direct or indirect interest;
  - (c) any body, whether or not incorporated, in which any subsidiary of the Bank has or had any kind of direct or indirect interest, including any building society which has merged with a subsidiary of the Bank;
  - (d) any body, whether or not incorporated, which is allied to or associated with the Bank or any holding company of the Bank;
  - (e) any subsidiary of any company or other body referred to in this paragraph; and
  - (f) any body, whether or not incorporated, acquired by the Bank or by any subsidiary of the Bank (including any building society, the business of which is transferred to the Bank or any subsidiary of the Bank under section 97 of the Building Societies Act 1986 (c. 53)).
- (25) To award or grant—
- (a) pensions;
  - (b) allowances;
  - (c) gratuities;
  - (d) bonuses;
  - (e) superannuation; or
  - (f) death, disablement, sickness or other benefit funds;
- to the beneficiaries.
- (26) To set up and maintain, or be involved in any other way with setting up and maintaining, trusts, funds, or schemes (whether contributory or non-contributory) intended to provide pensions, or other benefits, for any of the beneficiaries.
- (27) To set up, maintain and contribute to—
- (a) any scheme or arrangement for encouraging or facilitating the holding of shares or other securities in the Bank or any company associated with it by, or for the benefit of, any of the beneficiaries; or
  - (b) any scheme for sharing profits with the beneficiaries; and
- (as far as permitted by law) to lend money to the beneficiaries with a view to enabling them to acquire shares or other securities in or of the Bank or any other company associated with it.
- (28) To form, support, donate, or subscribe to, any charitable funds or institutions, or any benevolent schemes or projects of public or general interest, where the directors of the Bank consider that the Bank’s support may be likely to benefit the Bank, its shareholders, or any of the beneficiaries, directly or indirectly.

- (29) To set up and maintain any club or other establishment, or any scheme which is intended to advance the interests of the Bank or of any of the beneficiaries.
- (30) To take out and renew insurance for, or for the benefit of, any of the beneficiaries.
- (31) The insurance referred to in sub-paragraph (30) above can include insurance against any liability which any of the beneficiaries have—
  - (a) as a result of anything they do, or do not do, in carrying out or trying to carry out their duties, or using or trying to use their powers in relation to the Bank, or any of the qualifying bodies; or
  - (b) in any other way in connection with their duties, powers or posts in relation to the Bank or any of the qualifying bodies.
- (32) To take out and renew insurance for, or for the benefit of, any trustees of any pension fund which the Bank's employees, or employees of any of the qualifying bodies, are interested in.
- (33) The insurance mentioned in sub-paragraph (32) above can include insurance against any liability referred to in sub-paragraph (31) above in relation to their duties as trustees of any such pension funds.
- (34) To indemnify, or exempt any of the beneficiaries or the people referred to in sub-paragraph (32) above in any other way against, or from, any liability referred to in paragraphs (31) and (33) respectively so far as the law allows.
- (35) To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered, in connection with the formation, promotion and flotation of the Bank and the underwriting or placing or issue at any time of any securities of the Bank or of any other person.
- (36) To the extent permitted by law, to give financial assistance, directly or indirectly, for the acquisition of shares in the Bank or any holding company of the Bank or for the reduction or discharge of any liability incurred for the purpose of such an acquisition.
- (37) To issue, allot and grant options over securities of the Bank—
  - (a) for cash or otherwise; or
  - (b) in payment or part payment for—
    - (i) any property or rights therein purchased or otherwise acquired by the Bank; or
    - (ii) any services rendered to, or at the request of, or for the benefit of, the Bank; or
  - (c) as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Bank; or
  - (d) in consideration of any obligation or liability (even if valued at less than the nominal value of such securities); or
  - (e) for any other purpose.
- (38) To undertake and provide any service required in connection with or relating to individual insolvency or bankruptcy or the administration, receivership or winding-up of any company.

- (39) To acquire any property or any interest in such property, and—
- (a) to sell, feu, lease, exchange, hire, or otherwise dispose of; and
  - (b) to improve, manage, develop, grant rights or privileges in respect of or otherwise deal with
- any such property or interest or otherwise turn the same to the Bank's advantage.
- (40) To build, construct, maintain, alter, enlarge, pull down, remove or replace any—
- (a) buildings;
  - (b) works;
  - (c) plant and machinery; and
  - (d) all other works and facilities which may seem to the directors of the Bank necessary or convenient for the business of the Bank or likely to be to the Bank's advantage; and
- to work, manage and control the same or to join with any person in doing any of the above.
- (41) To apply for, register, purchase, develop or otherwise acquire and protect, prolong and renew intellectual property rights, including, but not limited to, any patents, trade marks, service marks, design rights, copyrights, licences and the like, or any secret or other information as to any invention or process, which in the opinion of the directors of the Bank may be likely to be to the Bank's advantage and—
- (a) to use, develop, manufacture under or grant licences in respect of, or
  - (b) otherwise turn to account and expend money—
    - (i) in experimenting upon and testing and carrying on all kinds of research and development work in connection with; and
    - (ii) in improving or seeking to improve;
- any such rights and information so developed, acquired or proposed to be acquired.
- (42) In any manner to invest and deal with the moneys of the Bank not immediately required by it.
- (43) To—
- (a) enter into any arrangement with any—
    - (i) government or other public body or authority;
    - (ii) company; or
    - (iii) individual; and
  - (b) obtain from any such government, body, authority, company or individual all—
    - (i) enactments;
    - (ii) charters;
    - (iii) contracts;
    - (iv) decrees;
    - (v) rights;
    - (vi) concessions; and
    - (vii) privileges;

- which may seem to the directors of the Bank to be conducive to the Bank's purposes or any of them or likely to be to the Bank's advantage; and
- (c) carry out, exercise and comply with any such—
    - (i) enactments;
    - (ii) charters;
    - (iii) contracts;
    - (iv) decrees;
    - (v) rights;
    - (vi) concessions; and
    - (vii) privileges.
- (44) To distribute among the shareholders of the Bank in specie or in kind any property of the Bank, and in particular any securities of other companies belonging to the Bank or of which the Bank may have the power of disposing.
- (45) To advertise, market and sell the products and services of the Bank and of any other person and to carry on the business—
  - (a) of advertisers or advertising agents; or
  - (b) of a marketing and selling organisation; or
  - (c) of a supplier, wholesaler, retailer, merchant or any other dealer.
- (46) To provide—
  - (a) technical;
  - (b) cultural;
  - (c) artistic;
  - (d) educational;
  - (e) entertainment; or
  - (f) business;material, facilities or services and to carry on any business involving any such provision.
- (47) To cease carrying on or wind up any business or activity of the Bank and to cancel any registration of and to wind up or procure the dissolution of the Bank in any state or territory.
- (48) To secure all or any of the Bank's liabilities in respect of money raised or borrowed, or any other debt or obligation of, or binding on, the Bank, by mortgaging or charging all or any part of the undertaking, property and assets, present and future, and uncalled capital of the Bank.
- (49) To transfer to any person any part of, or the whole or substantially the whole of, the business and undertaking of the Bank and all or any rights and liabilities in connection therewith, or to receive from any person any part of, or the whole or substantially the whole of, the business and undertaking of such person and all or any rights and liabilities in connection therewith, whether pursuant to the Financial Services and Markets Act 2000 (c. 8) or by such other means as the directors of the Bank think fit.
- (50) To establish and maintain branches and agencies in any part of the world.

- (51) To carry out any of the objects set out in sub-paragraphs (1) to (50)—
- (a) as principal or agent;
  - (b) by or through trustees or agents;
  - (c) in partnership or on a joint account;
  - (d) as joint venture with any person; or
  - (e) in any other way;
- in any part of the world.
- (52) To carry on any other trade or business whatever which can, in the opinion of the directors of the Bank—
- (a) be advantageously carried on by the Bank in connection with, or incidental to—
    - (i) any of the businesses referred to in sub-paragraphs (1) to (51); or
    - (ii) the general business of the Bank; or
  - (b) be calculated directly or indirectly to—
    - (i) enhance the value of;
    - (ii) facilitate the realisation of; or
    - (iii) render profitable or more profitable;any of the property or rights of the Bank; or
  - (c) be likely to be to the Bank's advantage.
- (53) To use any of the powers conferred above and do all such other things as may be deemed, or as the Bank considers, incidental or conducive to the attainment of the above objects or any of them.

### *Interpretation*

- 2 The following rules of interpretation apply to this Schedule.
- (1) The objects set out in paragraph 1 shall be construed in the widest manner possible and their construction shall not be restricted by the scope of any examples given in those objects.
  - (2) Unless the context expressly requires it, the provisions of paragraph 1 will not be limited to, or restricted by—
    - (a) any other object, or objects, set out in the other provisions of paragraph 1;
    - (b) the terms of any other provision of paragraph 1; or
    - (c) the Bank's name.
  - (3) None of the—
    - (a) provisions or objects of; or
    - (b) powers conferred by;paragraph 1 shall be treated as subordinate to or incidental to any other such provision, object or power.
  - (4) The Bank shall have full power to use any of the powers conferred by, and to achieve or try to achieve any of the objects set out in, any one or more of the provisions of paragraph 1.

- (5) In this Schedule, unless the subject or context requires otherwise, the following terms shall have the following meanings—
- “acquire” means to acquire in any way, including purchasing, taking options over, taking on lease or in exchange, hiring, subscribing for, or otherwise acquiring, and for any kind of estate or interest, whether directly or indirectly, by contract, tender, underwriting or in any other way and on any terms and conditions;
  - “the Bank” means Bank of Scotland plc;
  - “company” includes any company or corporate body established anywhere in the world;
  - “holding company” has the same meaning as in the Companies Act 1985 (c. 6), except that it also includes any other parent undertaking, as defined in that Act;
  - “person” includes a body of persons corporate or unincorporated;
  - “property” includes real, heritable, moveable and personal property of any kind and any interest in, or right to, any such property;
  - “securities” include any shares, stocks, debentures, debenture stock, bonds, notes or warrants, whether fully or partly paid; and
  - “subsidiary” has the same meaning as in the Companies Act 1985, except that it also includes any other subsidiary undertaking, as defined in that Act.

## SCHEDULE 2

Sections 8 and 23

## REPEALS

## PART 1

## BANK OF SCOTLAND

<i>Title and reference</i>	<i>Extent of repeal</i>
An Act of the Parliament of Scotland, 5 William III, 17 July 1695, for Erecting a Bank in Scotland	In the copy printed in Edinburgh by the King's printer of Acts of the Parliament of Scotland— from the words "which shall lie open" on line 24 of page 3 to the words "carrying on the Bank," on line 4 of page 4; the words "under which Name," on line 8 of that page; the words "and shall have a common seal," on line 9 of that page; the words "by the Name foresaid," on line 10 of that page; from the words "And for the better Ordering" on lines 17 and 18 of that page to the words "allanarly, in whose Favours this Act is granted" on line 47 of page 6.
The Bank of Scotland Act 1873 (c. xcix)	The whole Act.
Bank of Scotland Act 1920 (c. xxxi)	The whole Act.
Bank of Scotland Order Confirmation Act 1954 (c. lvi)	Section 15 of the Schedule.

PART 2

CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY

<i>Title and reference</i>	<i>Extent of repeal</i>
The Clerical, Medical and General Life Assurance Act 1961 (c. xii)	The whole Act.
The Clerical, Medical and General Life Assurance Act 1974 (c. xi)	The whole Act.

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