

SCHEDULES

SCHEDULE 4

Section 29.

ACQUISITION OF CERTAIN ASSETS

- 1 Where a Schedule 4 notice is served by a Corporation and not withdrawn or revoked, then, on such date not earlier than the relevant vesting date as may be agreed by the Corporation and the person on whom the notice is served (in this Schedule referred to as “the transferor”) or, in default of agreement, as may be determined by arbitration under this Act, there shall vest by virtue of this Act in such body as may be specified in the notice, being either the Corporation or a company which comes into public ownership,—
- (a) the property or rights to which the notice relates ;
 - (b) in a case where the vesting of the property or rights involves the transfer of the operation of any works from the transferor to the body so specified, all such property and rights of the transferor as may be so agreed or determined to be property and rights held by the transferor wholly or mainly for the purposes of the business carried on by him at the works; and
 - (c) such other property and rights, being property or rights held by the transferor for the purposes of the business carried on by him, as may be so agreed or determined to be property or rights which cannot reasonably be severed from property or rights referred to in sub-paragraph (a) or sub-paragraph (b) above and ought to be held in the same ownership.
- 2 All such agreements, whether in writing or not and whether or not of such a nature that the rights or liabilities thereunder could be assigned by the transferor, being agreements to which the transferor was a party and which are agreed by the Corporation concerned and the transferor or, in default of agreement, determined by arbitration under this Act,—
- (a) to have been entered into for the purposes of, or in connection with, the use or exercise of any property or rights which vest in pursuance of the Schedule 4 notice, and
 - (b) to be agreements which ought to be transferred with that property or those rights,
- shall have effect as from the date referred to in paragraph 1 above (in the following provisions of this Schedule referred to as “the acquisition date”)—
- (i) as if the body specified in the Schedule 4 notice had been a party to the agreement, and
 - (ii) for any reference (however worded and whether express or implied) to the transferor there were substituted as respects anything falling to be done on or after that date, a reference to that body, and
 - (iii) with such other modifications as may be necessary to transfer rights, liabilities and obligations under the agreement, so far as unperformed, from the transferor to that body:

Provided that, if the arbitration tribunal are satisfied, on the application of the Corporation concerned that any such agreement could, if the transferor had been a

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company whose securities vested in the Corporation by virtue of section 19 of this Act have been disclaimed under Part II of this Act, they shall exclude that agreement from transfer under this paragraph.

- 3 (1) Subject to sub-paragraph (2) below, there shall be paid to the transferor, by way of compensation for the property and rights vested or transferred in pursuance of the Schedule 4 notice, such amount as they might have been expected to realise if—
- (a) they had been sold on the acquisition date in the open market by a willing seller to a willing buyer, and
 - (b) in calculating the price for which they were to be sold, any charges to which they were subject had been disregarded, and
 - (c) in so far as they comprised a business capable of being sold as a going concern, they had been so sold, and
 - (d) this Act had not been passed.
- (2) In any case where the property and rights vested or transferred in pursuance of a Schedule 4 notice constitute the whole or any part of the undertaking of a company which by virtue of section 27(2)(a)(ii) or (iii) above does not come into public ownership, the compensation payable under this paragraph shall not exceed the amount of compensation which would have been due under section 35 of this Act in respect of the securities of that company if it had remained an acquired company.
- (3) Any question as to the amount of compensation to be paid under this paragraph shall, in default of agreement between the Corporation concerned and the transferor, be determined by arbitration under this Act.
- 4 (1) All property and rights which vest under this Schedule shall vest free of any mortgage or other like incumbrance, but, where any such property or right was, immediately before the acquisition date, subject to a mortgage or other like incumbrance (other than a floating charge which will attach to the compensation), so much of any compensation as is properly referable to that property or right shall be paid to the incumbrancer; and if the property or right was subject to two or more mortgages or other like incumbrances, the payment shall be made to the incumbrancer whose mortgage or other incumbrance has priority.
- (2) Where a payment is made to an incumbrancer under this paragraph, the incumbrancer shall be liable to account therefor as if payment had accrued to him as proceeds of sale of the property or right in question arising under a power of sale exercised by him immediately before the acquisition date.
- 5 The compensation payable under the preceding provisions of this Schedule shall be satisfied by the issue to the transferor or incumbrancer to whom it is payable of such amount of government stock (that is to say, stock the principal whereof and the interest whereon shall be charged on the National Loans Fund, with recourse to the Consolidated Fund) as, in the opinion of the Treasury, is of a value equal on the date of the issue to the amount of the compensation, regard being had (in estimating the value of the stock so issued) to the market values of other government securities on or about that date ; and the Treasury shall be liable to pay interest on that amount, at such rates as they may determine, in respect of the period from the acquisition date until the date of payment.
- 6 References in this Schedule to the vesting of rights shall, in the case of rights which have been granted out of or derived from greater rights held by the company specified in the Schedule 4 notice, so that the surrender thereof results in their

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merger in those greater rights, be construed as references to the surrender of the rights so granted or derived.

- 7 Section 12 of the Finance Act 1895 (which requires certain Acts to be stamped as conveyances on sale) (including that section as it applies to Northern Ireland) shall not apply to the vesting by this Schedule of property or rights in a company which comes into public ownership ; and stamp duty shall not be payable either in Great Britain or Northern Ireland on any instrument of transfer, surrender or grant of rights executed in pursuance of a Schedule 4 notice.