

SCHEDULES

SCHEDULE 1

Section 1(6).

EFFECT OF SECTION 1 IN CERTAIN CASES

Modification of agreements

- 1 Where immediately before the appointed day there is in force an agreement which—
- (a) confers or imposes on British Aerospace any rights, liabilities or obligations which vest in the successor company by virtue of section 1 of this Act; and
 - (b) refers (in whatever terms and whether expressly or by implication) to a member or officer of British Aerospace ;
- the agreement shall have effect, in relation to anything falling to be done on or after that day, as if for that reference there were substituted a reference to such person as that company may appoint or, in default of appointment, to the officer of that company who corresponds as nearly as may be to the member or officer of British Aerospace in question.

Contracts of employment and pensions

- 2 It is hereby declared for the avoidance of doubt that—
- (a) the effect of section 1 of this Act in relation to any contract of employment with British Aerospace in force immediately before the appointed day is merely to modify the contract (as from that day) by substituting the successor company as the employer (and not to terminate the contract or vary it in any other way) ; and
 - (b) section 1 is effective to vest the rights, liabilities and obligations of British Aerospace under any agreement or arrangement for the payment of pensions, allowances or gratuities in the successor company along with all other rights, liabilities and obligations of British Aerospace ;
- and accordingly for the purposes of any such agreement or arrangement (as it has effect by virtue of section 1(3) in relation to employment with the successor company or with a wholly owned subsidiary of that company) any period of employment with British Aerospace or with any wholly owned subsidiary of British Aerospace which becomes a wholly owned subsidiary of the successor company on the appointed day shall count as employment with the successor company or (as the case may be) with a wholly owned subsidiary of that company.

Regional development grants

- 3 (1) Where an asset, or the right to receive an asset, vests in the successor company by virtue of section 1 of this Act, then for the purposes of Part I of the Industry Act 1972—

Status: This is the original version (as it was originally enacted).

- (a) so much of any expenditure incurred by British Aerospace in providing that asset as is approved capital expenditure (of any description mentioned in section 1(3) of that Act) in respect of which no payment of regional development grant has been made to British Aerospace shall be treated as having been incurred by the successor company and not by British Aerospace ; and
 - (b) where the asset itself vests in the successor company by virtue of section 1, it shall be treated as a new asset if it would have fallen to be so treated if it had remained vested in British Aerospace.
- (2) In this paragraph " regional development grant" means a grant under Part I of the Industry Act 1972 and " approved capital expenditure " has the same meaning as in that Part of that Act.