STATUTORY INSTRUMENTS

2016 No. 114

BANKS AND BANKING

The NRAM plc (formerly Northern Rock plc) Consequential and Supplementary Provisions Order 2016

Made - - - - *3rd February 2016*

Laid before Parliament *5th February 2016*

Coming into force in accordance with article 1

Securities issued by Northern Rock plc, an authorised UK deposit-taker, were transferred to the Treasury Solicitor as nominee of the Treasury on 22nd February 2008 by the Northern Rock plc Transfer Order 2008(**1**).

Northern Rock plc was renamed Northern Rock (Asset Management) plc on 31st December 2009 and subsequently renamed NRAM plc on 15th May 2014.

Certain of NRAM plc's securities, property, rights and liabilities are to be transferred by agreement to a specified person, NRAM (No. 1) Limited, which is a company wholly owned by the Treasury.

The Treasury, in exercise of the powers conferred by sections 8(1), (2)(a) and (c) and (5)(a) and 12(1), (2) and (3) of, and paragraph 7 of Schedule 1 to, the Banking (Special Provisions) Act 2008(**2**), make the following Order:

Citation, commencement and expiry

1.—(1) This Order may be cited as the NRAM plc (formerly Northern Rock plc) Consequential and Supplementary Provisions Order 2016 and, with the exception of paragraph 1(q) of the Schedule, comes into force on 1st March 2016.

(2) Paragraph 1(q) of the Schedule comes into force on the same day as section 92 of the Small Business, Enterprise and Employment Act 2015(**3**) (duty to deliver confirmation statement instead of annual return) comes into force, and on that day paragraph 1(p) of the Schedule ceases to have effect.

Interpretation

2. In this Order—

(**1**) S.I. 2008/432.
(**2**) 2008 c. 2.
(**3**) 2015 c. 26.

"the 2006 Act" means the Companies Act 2006(**4**);

"service contract" has the meaning given by section 227 of the 2006 Act (directors' service contracts);

"StayCo" means the company incorporated as NRAM (No. 1) Limited, company registered number 09655526;

"StayCo group undertaking" means any undertaking–

(a) which is a group undertaking of StayCo for the purposes of section 1161 of the 2006 Act (meaning of "undertaking" and related expressions); or

(b) whose assets and liabilities are consolidated into StayCo's consolidated accounts;

"Treasury Solicitor" has the same meaning as in the Treasury Solicitor Act 1876(**5**); and

"UK Financial Investments Limited" means UK Financial Investments Limited, company registered number 06720891.

Resolutions and meetings

3.—(1) Any meeting of members of StayCo held while StayCo is wholly owned by the Treasury shall, if the Treasury Solicitor is present in person or by proxy or authorises a corporate representative to attend, be deemed to be a duly constituted general meeting of the company notwithstanding that it may not have been properly called, or notice of it may not have been properly given.

(2) A resolution of StayCo is effective notwithstanding that special notice of the resolution is required by any provision of the 2006 Act but has not been given.

(3) In this article, "special notice" means notice of intention to move a resolution that is given at least 28 days before the meeting at which it is moved.

Removal of directors

4.—(1) While StayCo is wholly owned by the Treasury, the Treasury may in accordance with this article—

(a) remove any person as a director of StayCo or a StayCo group undertaking;

(b) terminate a director's service contract with StayCo or a StayCo group undertaking.

(2) For the purposes of any contract or arrangement between a person and StayCo or between a person and a StayCo group undertaking, action taken under paragraph (1) shall be treated as having been carried out by StayCo or the StayCo group undertaking (as the case may be) and, in the case of paragraph (1)(a), under and in accordance with its articles of association.

(3) The Treasury may remove a person as a director of StayCo or a StayCo group undertaking and may terminate that person's service contract by written notice to StayCo or the StayCo group undertaking (as the case may be).

(4) Any notice given in accordance with paragraph (3) shall take effect from the date specified in the notice.

(5) If StayCo or a StayCo group undertaking receives notice under paragraph (3) it shall notify the person to whom the notice relates of that fact as soon as reasonably practicable.

(6) A person—

(a) removed as director of StayCo or a StayCo group undertaking; or

(b) whose service contract with StayCo or a StayCo group undertaking is terminated,

(**4**) 2006 c. 46.
(**5**) 1876 c. 18.

in accordance with this article shall not have any right or claim against the Treasury or any company wholly owned by the Treasury (other than StayCo or a StayCo group undertaking) in consequence of the Treasury's actions under this article.

(7) This article is not to be taken—

(a) as depriving any person removed under it of compensation or damages payable to that person by StayCo or a StayCo group undertaking in respect of—

(i) the termination of the person's appointment as director or of any appointment terminating with that as director; or

(ii) the termination of the person's service contract; or

(b) as derogating from any power to remove a director or to terminate a director's service contract that may exist apart from this article.

Appointment of directors

5.—(1) While StayCo is wholly owned by the Treasury, the Treasury may appoint one or more directors of StayCo or a StayCo group undertaking in accordance with this article and notwithstanding any restriction in the articles of association of StayCo or the StayCo group undertaking.

(2) The Treasury may appoint a director of StayCo or a StayCo group undertaking by written notice to StayCo or the StayCo group undertaking (as the case may be) provided the appointee has agreed to act in that capacity.

(3) The appointment shall take effect from the date specified in the notice.

(4) The Treasury may determine the terms (including remuneration) of the service contract of a person appointed as a director under this article in whatever written form they see fit.

(5) Any appointment, contract or arrangement which is made or the terms of which are determined under this article is to be treated as made or entered into by StayCo or the StayCo group undertaking in question.

(6) This article is not to be taken as derogating from any power to appoint a director or determine the remuneration and other terms and conditions of a director's service contract that may exist apart from this article.

Proceedings against directors of StayCo

6.—(1) No director of StayCo or a StayCo group undertaking shall be liable for any act or omission of the director, acting in such capacity, which occurs while StayCo is wholly owned by the Treasury and accordingly no proceedings shall be brought (or in Scotland, raised) against any such director in respect of such matters.

(2) The Treasury may in writing—

(a) waive the effect of paragraph (1), and

(b) give consent to bring (or in Scotland, raise) such proceedings against such directors.

(3) Where paragraph (1) applies, section 232 of the 2006 Act (provisions protecting directors from liability) shall not apply to StayCo or a StayCo group undertaking.

(4) In this article—

"proceedings" includes proceedings under Part 11 of the 2006 Act (derivative claims and proceedings by members);

"director" means—