

## 2 The companies involved, and the merger proposal

2.1. The companies involved in the merger are BAe and Thomson-CSF, which propose to establish a joint venture company, Eurodynamics, in which they will combine their respective GW systems businesses. This chapter gives a brief description of BAe and Thomson-CSF, including, in particular, the businesses to be merged, and outlines the proposed structure for the joint venture company.

### British Aerospace plc

#### History and development

2.2. BAe is one of the largest aerospace organisations in the Western world. It is principally engaged, either on its own or in collaboration with other companies, in the design, development and production of military and civil aircraft, and GW and space systems and in the provision of defence support services. As a result of recent acquisitions, its activities now also include motor vehicles (the Rover Group), ordnance (Royal Ordnance), construction, civil engineering and property development (Ballast Nedam, Arlington Securities).

2.3. The business of BAe was brought into public ownership following the Aircraft and Shipbuilding Industries Act 1977. The Act established British Aerospace, a statutory corporation, and pursuant to its provisions the respective issued share capitals of British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation were vested in the corporation on 29 April 1977. On 1 January 1978 the undertakings of those companies were acquired by the corporation as part of an internal reorganisation. The component parts of BAe were themselves the results of the earlier major restructuring of the British aviation industry (see Appendix 2.1).

2.4. The statutory corporation established by the 1977 Act was effectively converted into a public limited company on 1 January 1981 by the British Aerospace Act 1980; and on 4 February 1981 just over half of the issued shares in the company were offered by HM Government to the general public and to employees, the remaining shares being retained by the Government. In September 1985 the Government sold its remaining ordinary shares in BAe; and BAe at the same time raised £179.5 million of additional capital by the issue of new shares. BAe is listed on the International Stock Exchange in London and the authorised issued share capital of the company at 31 December 1989 was some 257 million ordinary shares, 270 million convertible preference shares and the one special share retained by the Government.

2.5. The rights attaching to the Government's special share require that the amendment or removal of certain provisions relating to those rights in BAe's Articles of Association can only be effective with the written consent of the special shareholder, the Secretary of State for Trade and Industry. These provisions relate to United Kingdom control of BAe, the Articles of Association stating that it is a cardinal principle that BAe should be and remain under United Kingdom control. In particular:

- (a) if the aggregate number of foreign-held shares in BAe exceeds 29.5 per cent of the voting capital the excess must be disposed of within 21 days and is disenfranchised in the interim;
- (b) all directors of the company must be British; and

(c) the special shareholder has the right to appoint a Government Director to the BAe Board.

The special shareholder has no voting rights at General Meetings of the company. At 13 March 1990 the number of foreign-held shares in BAe represented 14.3 per cent of the issued ordinary share capital of the company.

2.6. BAe today constitutes the largest United Kingdom exporter of manufactured goods. Its turnover is analysed by product type in Table 2.1. Further financial information on BAe is given in Appendix 2.2.

TABLE 2.1 BAe: analysis of 1989 turnover

	£m	%
Military aircraft	2,635	29.0
Weapons and electronic systems*	972	10.7
Commercial aircraft	1,363	15.0
Motor vehicles	3,434	37.8
Property development and construction	518	5.7
Space systems	127	1.4
Other	<u>36</u>	<u>0.4</u>
	9,085	100.0

Source: BAe.

---

\*British Aerospace (Dynamics) Ltd and Royal Ordnance.

## British Aerospace (Dynamics) Ltd

2.7. British Aerospace (Dynamics) Ltd (BADL) is a wholly-owned subsidiary of BAe forming, with Royal Ordnance, the group's Weapons and Electronic Systems business. [ *Details omitted. See note on page iv.* ]

Technically, BADL is a management company without assets or employees which acts as BAe's agent in managing its GW business, which is to be transferred to Eurodynamics, and certain other activities which are to be separated from BADL and retained within BAe. The GW business is essentially surface-to-air, anti-armour, air-to-air, air-to-surface and shipborne missile systems. The other activities include BAe's Underwater Systems business, encompassing sonar techniques, mine warfare and advanced underwater technology, its defence systems integration/electronic warfare (DSI/EW) activities, and British Aerospace Systems and Equipment (BASE), which is concerned with optronics, navigation and avionics, information systems, security systems, defence components and equipment and support. The breakdown of BADL's turnover in 1989, by destination, is given in Table 2.2.

TABLE 2.2 BADL: 1989 turnover breakdown by destination

	£m	%
GW sales to the MOD	[	
Direct exports		<i>Figures</i>
Intra-group (mainly for ultimate export)		<i>omitted.</i>
Total GW		<i>See note</i>
Other		<i>on page iv.</i>
Total		]

Source: BAe.

---

[*Details omitted. See note on page iv.*]

## BADL's history

2.8. Following the acquisition of the various undertakings referred to in paragraph 2.3, BAe placed all the GW and space activities of its constituent companies under a new management organisation known as the Dynamics Group. The Dynamics Group itself had a number of divisions, each primarily oriented to satisfying the needs of one of the Armed Services, but substantially sharing their R&D and manufacturing

facilities; it also included a Space and Communications Division. In 1982 the assets and business of the Gyroscope Division of Sperry Ltd were purchased by BAe and added as a further division.

2.9. After a number of organisational changes between 1982 and 1988 the present structure was adopted on 1 January 1988: Space and Communications Division during that period became wholly separate, and the rest of what had earlier been the Dynamics Group became the Dynamics Division, with the intention *inter alia* of integrating the GW systems activities more closely. On 1 January 1989, as part of a larger management reorganisation within BAe, BADL became responsible for the management of the activities that had been carried on by the Dynamics Division. Although formally the business remained part of BAe, merely managed for it by BADL as its agent, the BADL management gained greater responsibility and autonomy within BAe, not only on a day-to-day basis but also in respect of the formulation of strategies. BADL continued to share with other BAe defence systems businesses the services of BAe's Defence Marketing Organisation.

2.10. BADL implemented in 1989 the plans prepared for the rationalisation and integration of the GW activities and of the other activities that had been carried on by the Dynamics Division. The purpose was drastically to reduce costs, by closing four of the eight principal locations and reducing numbers employed at all levels, whilst continuing to support BADL's existing workload. In the result, BAe's sites used by BADL at Bracknell, at Hatfield, at Spa Road (Bolton) and at Weymouth were closed, and numbers employed dropped from some 18,500 at the end of 1987, down through 16,500 at the end of 1988, and are planned to reach 10,750 at the end of 1990, of whom some 9,250 will be employed in the GW business. BAe told us that this rationalisation was carried out in full consultation and co-operation with the trade unions.

2.11. BADL has also integrated fully the services (eg financial, engineering, commercial) that are required by the business. Previously they were largely organised by reference to the armed service to which a product was being, or was to be, supplied.

2.12. BADL today operates from four sites:

- (a) *Stevenage, Hertfordshire*: the management and business centre; one of the two research, design and development units: 5,100 employees as at September 1990.
- (b) *Bristol*: the other of the two research, design and development units: 2,400 employees.
- (c) *Lostock, near Bolton, Lancashire*: the manufacturing unit for GW: 2,200 employees.
- (d) *Plymouth, Devon*: the BASE site: 1,300 employees.

BAe, which would continue to own the sites, would make available to the merged business the facilities currently used in connection with the GW systems business at Stevenage, Bristol and Lostock. The difference between the total on these three sites of 9,700 and the 9,250 employees intended to join Eurodynamics (paragraph 2.10) was, we were told, accounted for by some 200 employees of BASE within small, self-contained facilities at Stevenage and Bristol; a further 200 in the underwater systems and DSI/EW businesses at Bristol; together with an anticipated natural wastage of 50 GW employees during the last quarter of 1990.

2.13. Financial information on the BADL activities to be moved into Eurodynamics is given in Table 2.3.

TABLE 2.3 **BADL: summarised financial information on BADL activities to be moved into Eurodynamics**

	£ million				
	1985	1986	1987	1988	1989
<i>Revenue and profit</i>					
Sales	<u>837</u>	<u>818</u>	<u>698</u>	<u>718</u>	[
Operating profit	105	128	136	98	
Self-financed product development expenditure	<u>(16)</u>	<u>(21)</u>	<u>(27)</u>	<u>(30)</u>	
Trading profit before tax*	<u>89</u>	<u>107</u>	<u>109</u>	<u>68</u>	
<i>Balance sheet</i>					
Fixed assets	136	136	134	177	§
Working capital†	(130)	(92)	2	38	
General provisions	(92)	(76)	(52)	(30)	
Liquid assets (unexpended customer advances)	<u>190</u>	<u>147</u>	<u>136</u>	<u>102</u>	
Business assets and liabilities	104	115	220	287	]

Source: BAe.

\*Trading profit before tax includes interest on the balance of advances received from customers, after incurred costs are deducted.

†Working capital includes the liability in respect of unexpended customer advances.

## Thomson-CSF

### History and development

2.14. The origins of the Thomson Group date back to 1893 with the establishment of the Compagnie Française Thomson-Houston (which became Thomson Brandt in 1966 and Thomson SA in 1983). Initially activities were centred around electrical distribution and traction motors before the company branched into other areas of the electronics industry. In the 1920s the Thomson Group began to expand its consumer electronics and domestic appliance activities.

2.15. In the 1930s the company was a pioneer in civil and military radio communications and transmissions, leading it to develop a broad range of electronics activities. These activities were reinforced in 1968 by the merger of the electronics arm of Thomson Brandt with Compagnie Générale de Télégraphie Sans Fil (CSF) to create Thomson-CSF. Such activities now include avionics, sonar, weapons and weapon systems, radars, radio communications, information technology, components and tubes, professional television equipment and field and support services.

2.16. In 1982 Thomson Brandt was nationalised by the French Government and in 1983 changed its name to Thomson SA. At the time of nationalisation Thomson-CSF was 40 per cent owned by Thomson Brandt and 60 per cent by other shareholders. Shortly afterwards, in 1982, Thomson SA increased its interest in Thomson-CSF to more than 50 per cent, through purchases of shares from nationalised banks and insurance companies. It has maintained this majority interest since. Most of the remaining shares are held by the public.

2.17. We were told that at the time of nationalisation in 1982 Thomson-CSF was on the verge of a major crisis. Whilst in the private sector, the company had acquired businesses that proved to be loss-making. It was very highly geared and in 1982 it reported a loss of FF2,051 million. Since then the company has undergone far-reaching rationalisation affecting the scope and organisation of its various businesses, its capital structure, and its profitability. It has focused its activities on its core businesses and divesting loss-making businesses, restructuring its industrial sites, and improving cash management, while sustaining research and development and capital investment.

---

§Figures omitted. See note on page iv.

2.18. In 1982 the civil telecommunications, medical, and semiconductor businesses were making losses in aggregate of around FF2.5 billion; between 1983 and 1987 the telecommunications and medical businesses were sold off, while the semiconductor business was merged to form SGS-Thomson, a 50:50 joint venture with Finmeccanica-IRI of Italy. The increased focus on the core businesses is illustrated by the fact that the Electronics and Defence Systems, which in 1982 accounted for 43 per cent of consolidated revenues, had increased by 1988 to 92 per cent. (In 1982 the loss-making businesses, civil telecommunications, medical and semiconductors accounted for 31 per cent, 12 per cent and 10 per cent respectively.) The reshaping of Thomson-CSF's activities has continued with the acquisition of the greater part of Philips' European defence businesses, the establishment of joint ventures with Ferranti (sonar) and Aérospatiale (avionics) and, in September 1990, completion of the purchase of Link-Miles Ltd from Biocoastal Corporation of the United States, adding to its own simulator activities within the Aerospace Division. In 1989 Thomson-CSF comprised 65 companies (43 in France and 22 overseas). Its sales in 1989 exceeded FF33 billion and it had around 38,000 employees.

2.19. Further financial information on Thomson-CSF is given in Appendix 2.3.

2.20. Thomson-CSF businesses are now organised into eight branches: Aerospace; Detection Systems; Missile Systems; Command and Communication Systems; Information Technology; Specific and Passive Components; Field and Support Services; and Professional Television Equipment. It is the Missile Systems Branch which is to combine with BADL to form Eurodynamics.

## **The Missile Systems Branch**

2.21. Thomson-CSF's Missile Systems Branch is composed of three trading units: *Division Systèmes Electroniques* (DSE), *Division Electronique de Missiles* (DEM) and the subsidiary *Société de Maintenance 5e échelon* (SM5).

2.22. DSE is a systems designer and developer. It does not manufacture missiles. It designs, develops and builds the systems concepts and configurations, and the subsystems and components specifications. Its expertise also includes the design and development of software systems, integration and testing of systems, and integrated logistic support. In 1989 it had 2,100 employees. Sales in 1989 totalled FF10 billion, over 90 per cent being for export. It has facilities at Bagneux, where its main research laboratories are also located, at Buc, St-Cloud, and Fleury-les-Aubrais. The principal products under development or being sold by DSE are all surface-to-air systems together with anti-aircraft command and control centres.

2.23. DEM was established at the beginning of 1990 when the missile activities of two businesses (Radars & Countermeasures, and Optronics) in the Aerospace Branch were regrouped to form the Missile Systems Branch. DEM is responsible for the design, development and installation of electronic equipment in missiles. It designs and develops, *inter alia*: electromagnetic and optronic seekers; electromagnetic proximity fuzes; electromagnetic data-link receivers; and transponders. Acting primarily as a subcontractor, its equipment has been supplied to both national and international defence companies, eg Aérospatiale, Matra, BAe, Deutsche Aerospace, LTV and Selenia. It has facilities at Malakoff in the suburbs of Paris and a workforce of 250. DEM has an estimated turnover for 1989 of FF468 million.

2.24. SM5 produces, and occasionally develops, electronic and mechanical subassemblies as a subcontractor, eg electronic circuit-boards, testing stands and feeds. Most are destined for DSE. Its turnover in 1989 was FF106.4 million and it has a workforce of 191. It has facilities at Salbris.

2.25. Financial information on the Missiles Systems Branch is summarised in Table 2.4.

TABLE 2.4 Thomson-CSF: summarised financial information on the Missile Systems Branch

	FF million*				
	1985	1986	1987	1988	1989
<i>Revenue and profit</i>					
Sales	4,279	6,012	9,679	9,947	10,403
Operating profit	674	966	1,056	750	857
Self-financed product development expenditure	(365)	(480)	(629)	(648)	(763)
Trading profit before tax	309	486	427	102	94
<i>Balance sheet</i>					
Fixed assets				627	668
Working capital†				(122)	30
Provisions/long-term finance‡				(868)	(1,173)
Liquid funds				363	475
				0	0

Source: Thomson-CSF.

\*At 20 December 1990 FF9.74 = £1.

†Working capital is work in progress, advances to suppliers, debtors and other current assets (excluding cash) less creditors, customer advances and other current liabilities.

‡Includes finance leases etc.

Note: Thomson-CSF was unable to provide us with more than two years' figures for divisional balance sheets. It told us that this was because such figures had not been maintained and it was not practicable to compute more than the two years from existing records.

## The legal position of the French state as a shareholder

2.26. Thomson-CSF's holding company, Thomson SA, is almost 100 per cent owned by the French state: of the issued share capital about 98 per cent is owned, directly or indirectly (including holdings by nationalised banks) by the French state.

2.27. At 31 December 1989, the issued share capital of Thomson-CSF was about 111 million shares of FF20 each. At that time Thomson SA held, directly and indirectly through subsidiaries, around 59 per cent of the share capital of Thomson-CSF, and, due to a system of weighted voting related to EEC nationality, held almost 75 per cent of the voting rights. On full conversion of all outstanding convertible bonds, Thomson SA's shareholding in Thomson-CSF would fall to just under 52 per cent of the share capital while continuing to account for just over two-thirds of the voting rights. It has been the policy of Thomson SA over the past five years to ensure that on conversion of bonds or on the exercise of warrants its holding of shares in Thomson-CSF, on a fully diluted basis, would remain just over 50 per cent. Thomson-CSF's share capital is quoted on the stock exchanges of Paris, Frankfurt and New York.

2.28. In a *société anonyme* where the majority shareholder has over two-thirds of the voting rights, there is, normally, no resolution which cannot be passed by the majority holder. Thus, through Thomson SA, the French state is in a position to exercise control over Thomson-CSF. The rights of minority shareholders are accorded by law certain protection comparable to that enjoyed by minority shareholders under English law.

2.29. The *Président* and *Conseil d'Administration* of Thomson SA are appointed by governmental decree. As the majority shareholder in Thomson-CSF, Thomson SA effectively appoints 10 of the 15 members of the *Conseil d'Administration* of Thomson-CSF, the other five being required by law to be trade union representatives. The *Conseil d'Administration* in turn appoints the *Président* of Thomson-CSF. The *Président* and *Conseil d'Administration* have a duty to the company as a whole, not to their appointers. The *Conseil d'Administration* of Thomson-CSF includes representatives of the French MOD and of the Ministry of the Economy, Finance and the Budget, as well as members who are also members of other state-owned industries. We were told that the role of the *Conseil d'Administration* is essentially non-executive, involving review and advice: in practice, the *Président* of the company has the widest powers to act on behalf of the company.

2.30. Like other state-owned industrial businesses operating in competitive markets, Thomson-CSF, through its parent Thomson SA, enters into a *contrat d'objectifs* agreed with the French Industry Ministry. The *contrat d'objectifs*, which replaced a previous *contrat du plan* in 1988, involves no specific obligations; rather it sets out the responsibilities regarding certain agreed strategic objectives developed by the company's own management.

2.31. Under legislation of August 1986, applicable to all nationalised industries, disposals are subject to French Government approval. In the case of disposals involving sales of over FF500 million or where more than 1,000 employees are involved, approval is by way of decree; in cases below those thresholds consent is deemed to be given under a ten-day opposition procedure. Thomson-CSF told us that it had never experienced difficulties in obtaining such approval.

2.32. The French Government also has various further powers in companies in which it holds at least 50 per cent of the share capital. By decree of December 1982 the companies nationalised by the law of February 1982, including Thomson SA, have been expressly excluded from some of those powers (requiring, for example, certain interested ministries to approve budgets and forecasts).

2.33. The French MOD appoints *Commissaires du Gouvernement* to monitor certain companies in both the public and private sector, designated by executive decree, whose activities are of particular importance to national defence. An individual *Commissaire du Gouvernement* is appointed to each defence manufacturer or group of manufacturers and is entitled to receive full information relating to the affairs of the company, including financial data and details of contracts. His function is to keep the MOD informed about the affairs of the company and to report directly to the Minister. The *Commissaire du Gouvernement* has no right to and does not play any role in the decision-making process of the company to which his authority relates.

## Eurodynamics

2.34. On 10 February 1989 a Statement of Intent was signed by the then Chief Executive of BAe (Sir Raymond Lygo) and the Chairman of Thomson-CSF (M Alain Gomez). That document, which was not legally binding, expressed the parties' intent to create what was described as a joint venture company to be operational from 1 January 1990.

2.35. Negotiations between the parties proceeded slowly, in part because of French Government concerns that the United Kingdom, and thus BADL, might participate in a local area missile defence system being developed by the United States for naval use, in competition to the system in which France and Thomson-CSF were involved. In December 1989 the United Kingdom announced its abandonment of evaluation of the alternative system thereby clearing the way for collaboration on the same system (FAMS) as the French, and acceptance by the French Government of the proposal for the BAe/Thomson-CSF GW merger. The French Government indicated that acceptance in January 1990. Negotiations on Eurodynamics then resumed resulting in a draft Memorandum of Agreement (MoA) which recorded the parties' intent to achieve the merger and set out the manner in which it was to be implemented. As already indicated, the businesses to be merged comprise, on the BAe side, the businesses of BADL, excluding its underwater systems business, defence systems integration/electronic warfare activities and BASE; and on the Thomson-CSF side the businesses of the Missile Systems Branch.

2.36. Eurodynamics is intended to be the core mechanism for both BAe's and Thomson-CSF's activities and investment in:

- (a) the study, design, manufacture, sale and logistic support of GW and GW systems;
- (b) the integration of these with other similar systems and with the next higher level of command and control; and
- (c) GW electronic subsystems.

The business of Eurodynamics will also include the integration of GW and GW systems with platforms; defence systems architecture in support of GW and GW systems; and directed energy weapons. Any extension of the scope of Eurodynamics' business will be by agreement between the shareholders.

2.37. The composition of Eurodynamics by sales and number of employees is shown in Table 2.5.

TABLE 2.5 **Composition of Eurodynamics**

Activity	1989 GW sales	Employees
	£m (FF10:£1)	
BADL	[ ¶ ]	9,250
Missile System Branch	1,058*	2,541
of which:		
DSE	1,000	2,100
DEM	47	250
SM5	11	191

Source: BAe and Thomson-CSF.

\*Before interdivisional adjustments.

2.38. The procedure adopted to determine the value of the businesses to be contributed to Eurodynamics by the two parties was to compute the net present value of the future cash flows estimated for each business. These indicated that they were of broadly equal value. The estimated book values of the assets and liabilities which each partner planned to contribute to Eurodynamics as at 1 January 1991 are set out in Table 2.6. The effect of different accounting treatments for certain items has been offset by suitable adjustments. The remaining difference between the tangible net assets to be transferred by each party will be treated as goodwill and is intended to reflect the value of know-how. Both parties emphasised that negotiations are still continuing and the finally-agreed figures may vary.

TABLE 2.6 **Estimated assets and liabilities contributions-BAe and Thomson-CSF constituting Eurodynamics opening balance sheet as at 1 January 1991**

BAe BADL GW		Thomson-CSF DSE/DEM/SM5	
Fixed assets	[	Fixed assets	[
Working capital		Work in progress	
Liability for unexpended customer advances†		Debtors	
	¶	Cash	
General provisions		Creditors	¶
Liquid assets‡		Customer advances	
Accounting adjustment‡		Provisions	
Net book worth	]	Intangible asset (goodwill)§	
		Net book worth	]

Source: BAe and Thomson-CSF.

\*FF10=£1.

†[ ]

‡[

Details omitted. See note on page iv.

§[

]

¶Figures omitted. See note on page iv



2.39. In order to effect the merger, the parties are regrouping the businesses to be merged and will incorporate them into wholly-owned subsidiaries of BAe and Thomson-CSF respectively, the share capital of which will be transferred to a Dutch holding company, Eurodynamics NL. The ordinary share capital of Eurodynamics NL will in turn be owned in equal shares by BAe and Thomson-CSF which will also have equal representation on the Eurodynamics NL Board. Important decisions of the Eurodynamics Board will require unanimity. A procedure for resolving deadlock within Eurodynamics should it arise is under discussion. It is envisaged that a third subsidiary of Eurodynamics NL will be established to provide support at Eurodynamics Group level.

2.40. The parties have agreed that Eurodynamics will operate as a stand-alone company, having as its objectives:

- (a) the maximisation of its long-term profits;
- (b) the attainment of the best competitive position in the product markets in which it operates; and
- (c) operation on an ongoing basis without, so far as practicable, needing additional cash infusions from its parents.

2.41. It is intended that relationships between Eurodynamics and its shareholders will be governed by the following principles:

- (a) Eurodynamics will be free to choose the most cost-effective supplier to it of any equipment, products, components and subsystems required by it;
- (b) in relation to current programmes, existing arrangements between the businesses to be merged and other parts of the parties' organisations for the supply of equipment etc will continue, subject to continued satisfactory performance in terms of price, delivery and quality; and
- (c) subject to any overriding requirements stipulated by the customer, Eurodynamics' future requirements of equipment etc will be the subject of competitive tender; if BAe or Thomson-CSF has relevant capacity and competence, it will be included amongst those invited to tender and will have an opportunity to discuss with Eurodynamics its likely future requirements, which it is or may become capable of supplying.

In addition:

- (d) Eurodynamics will have access to its shareholders' central research laboratories on a fee-paying basis and will consult with them over its future research requirements;
- (e) Eurodynamics will have a royalty-free licence of the parties' existing intellectual property rights (IPR) used by the businesses that are to be merged to form Eurodynamics and will own any IPR that it may generate in the future; and
- (f) Eurodynamics will determine its own sales and marketing policies and be responsible for its own sales and marketing activities; until its own sales and marketing organisation has been established it may use the services of its parents' sales organisations on a fee-paying basis.

2.42. The first Chairman of the Board of Eurodynamics NL will be a Thomson-CSF nominee, and thereafter the chair will alternate between the parties. The first Chief Executive Officer will be a BAe nominee agreed with Thomson-CSF. In relation to the operating subsidiaries, the United Kingdom and French subsidiary companies would hold all new sales contracts, would be responsible for the execution of all sales contracts and would be the trading units of the merged enterprise. The subsidiaries will ensure observance of respective national security and export licensing requirements and will be the employers of their respective personnel. These details have yet to be finalised. The MoA is intended to be a transitional arrangement: it would be superseded by fuller contractual provisions in due course which may differ in details.