

The Pension Death Benefits Trust

(English law version)

Completion notes

1. This document must only be used if you wish the Trust to be governed by the law of England and Wales. If you wish the Trust to be governed by Scottish law, you must instead use the document headed 'Scottish law version'.
2. This document should be read in conjunction with the document headed 'Pilot trust guide', which explains the background to how the trust works and sets-out some important points to note.
3. Please complete all relevant sections of the Trust documentation in pen.
4. If you make a mistake, just draw a line through it. Don't use correction fluid. You and all the Trustees must initial the change.
5. The margin notes throughout the document will help you fill it in. The notes in standard text tell you what to put and where, while the notes in bold explain a bit more about the Trust and how it works.
6. Please make sure you fill in all the relevant boxes. You must fill in the box on page 3 (Default Beneficiaries) and on page 9 (execution). If you leave any of these blank, the Trust could be invalid. The box at (g) of the Beneficiaries section is optional.
7. The signatures of the Settlor and all Trustees must be witnessed.
8. Once the last person has signed the Trust documentation, you must place a £10 note inside the document (this is necessary because the Trust must hold a sum of money in order to be properly set-up). Please then send a **certified copy** of the signed document to Aegon and keep the original (together with the £10 note) in a safe place.

Trusts establish legal entitlements and have material financial and taxation implications.

This draft document is supplied merely as a specimen for consideration by the Settlor together with his/her legal and other professional advisers. Accordingly neither Scottish Equitable plc, nor any Aegon Group company or any of its representatives can accept any responsibility for its use in any circumstances whatsoever.

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Notes for users

These notes are for guidance only. They don't form part of the Trust.

Write the date this Trust is set up.

You are the Settlor. Write your name and address in 'A'.

Write the names and addresses of the Trustees in 'B'. There must be at least two Trustees. If you want to be a Trustee, you must put your name and address here as well as in 'A'.

1. DECLARATION

This trust is made on the

D	D	M	M	2	0	Y	Y
---	---	---	---	---	---	---	---

Between

A.	<div>(name)</div>
of	<div>(address)</div>
	<div></div>
	<div></div>

of the first part and

B.	<div>(name)</div>
of	<div>(address)</div>
	<div></div>
	<div></div>

and	<div>(name)</div>
of	<div>(address)</div>
	<div></div>
	<div></div>

and	<div>(name)</div>
of	<div>(address)</div>
	<div></div>
	<div></div>

and	<div>(name)</div>
of	<div>(address)</div>
	<div></div>
	<div></div>

of the second part.

This part defines the terms used in the Trust.

Please list any other Beneficiaries who you would like to include by adding their names under 'g'.

List here the people who you currently wish to benefit from the Trust. If there is more than one, insert the percentage shares in which they are to benefit. Don't include the Settlor here.

2. DEFINITIONS

In this Trust the following expressions shall have the following meanings:-

- 2.1 Accumulation Period** means such period, if any, as may be stipulated by law
- 2.2 Beneficiaries** means the following objects or persons (whether such objects or persons are now in existence or come into existence in the future subject to the application (if any) of the rule against perpetuities):-
- the surviving spouse/Civil Partner of the Settlor's marriage/Civil Partnership in force at the date of the Settlor's death
 - the Settlor's children and remoter issue and their respective spouses, Civil Partners, widows/widowers and surviving Civil Partners
 - any persons entitled under the Will of the Settlor or (if the Settlor dies intestate) under the intestacy rules applicable to the Settlor's estate on his/her death
 - any other individual (except the Settlor), class of individuals or charitable institution nominated by the Settlor by notice in writing addressed to and received by the Trustees not later than one month after the death of the Settlor
 - any person who in the opinion of the Trustees was at any time wholly or partially dependent on or was regularly assisted financially by the Settlor
 - any Default Beneficiary
 - Name
- 2.3 'Civil Partner'** means:
- an individual who is in a Civil Partnership with a Beneficiary, or who was in a Civil Partnership with a Beneficiary at the date of that Beneficiary's death
 - an individual who was in a Civil Partnership with the Settlor at the date of the Settlor's death
- 2.4 'Civil Partnership'** means a partnership existing under or by virtue of the Civil Partnership Act 2004.
- 2.5 'Default Beneficiaries'** means the persons named below:
- | Name | Share (%) |
|------|-----------|
| | |
| | |
| | |
| 100% | |
- 2.6 'Original Trustees'** means the person or persons named in B of Part 1 of this Trust.
- 2.7 'Settlor'** means the person named in A of Part 1 of this Trust.

The Trust Period may be less than 125 years in certain circumstances - please refer to the Guide which explains when this would be the case.

- 2.8 **'Trust'** means the declaration of trust the terms of which are contained in this document.
- 2.9 **'Trustees'** means the Original Trustees or any other trustee or trustees for the time being of this Trust.
- 2.10 **'Trust Fund'** means:
- a. the sum of £10 which the Settlor has paid to the Trustees; and
 - b. all money investments or other property paid or transferred by any person or persons to be under the control of and (in either case) accepted by the Trustees as additions; and
 - c. all accumulations (if any) of income directed to be held as an accretion to capital; and
 - d. all property from time to time representing the same
- 2.11 **'Trust Period'** means the period ending on the earlier of:-
- a. the last day of the period of 125 years from the date of this deed, which period (subject to (b) below) shall be the applicable perpetuity period (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009);
 - b. such earlier date as may be applicable from time to time in accordance with the law of perpetuities; or
 - c. such date as the Trustees shall by deed at any time or times specify (not being a date earlier than the date of execution of any such deed or later than a date previously specified)

This section explains how the Trust will work.

This explains that the Trustees have the discretion to pay income to or for the benefit of any of the Beneficiaries. Alternatively, they can choose to accumulate the income instead of paying it out. Note that in certain circumstances there are restrictions on the period for which accumulation is allowed. Please refer to the Guide for details.

This provides that the Trustees have the discretion to pay out capital to (or for the benefit of) any of the Beneficiaries or to alter the terms on which they hold the Trust Fund, provided that they are still benefitting one or more Beneficiaries – this is useful for flexibility.

This explains what happens in the event that the Trust can no longer continue for any reason.

3. PRINCIPAL TRUST TERMS

- 3.1.1 The Trustees shall pay or apply the income of the Trust Fund to or for the benefit of any of the Beneficiaries as shall for the time being be in existence as the Trustees shall in their absolute discretion from time to time think fit.
- 3.1.2 Notwithstanding the provisions of sub-clause 3.1.1 (and subject to any restriction on accumulation which applies after the expiry of the Accumulation Period) the Trustees may at any time or times in their absolute discretion instead of applying all or any part or parts of the income accumulate the same in the way of compound interest by investing or otherwise applying it and its resulting income from time to time in any applications or investments authorised by this deed or by law and subject to sub-clause 3.1.3 shall hold such accumulations as an accretion to capital.
- 3.1.3 The Trustees may at any time or times apply the whole or any part or parts of the income accumulated under sub-clause 3.1.2 as if it were income arising in the then current year.
- 3.1.4 Notwithstanding the trusts powers and provisions declared and contained in this Clause the Trustees may at any time or times during the Trust Period (but subject always to the law concerning excessive accumulations of income and the rule against perpetuities):-
- pay or apply the whole or any part or parts of the capital of the Trust Fund to or for the benefit of any of the Beneficiaries as the Trustees shall in their absolute discretion think fit;
 - appoint that they shall hold the whole or any part or parts of the income or capital of the Trust Fund for the benefit of all or any one or more of the Beneficiaries on such terms as the Trustees shall in their absolute discretion think fit (including upon further discretionary trusts or by creating dispositive or administrative provisions, in both cases exercisable by any person or persons); and
 - pay or transfer any income or capital of the Trust Fund to the trustees of any other trust wherever established or existing under which all or any one or more of the Beneficiaries is or are interested (whether or not all or such one or more of the Beneficiaries is or are the only objects or persons interested or capable of benefiting under such other trust) to be held by such trustees upon the trusts of such other trust freed and discharged from the trusts hereof, if the Trustees shall in their absolute discretion consider such payment or transfer to be for the benefit of all or such one or more of the Beneficiaries.

4. ULTIMATE TRUSTS

Subject to the above the Trustees shall hold the capital and income of the Trust Fund in trust for the Default Beneficiaries in the shares stipulated under the definition of Default Beneficiaries on page 3.

This explains the Trustees' wide powers to deal with the Trust's investments. The Trustees also have a range of powers which are implied by law – essentially they have the same powers as an individual owner would have.

The Trustees have the power to change the administrative provisions of this Trust.

5. ADMINISTRATIVE PROVISIONS

- 5.1 The Trustees shall in addition to all statutory powers have the following further powers. The Trustees shall not exercise any of the powers conferred by clauses 5.2 to 5.8 hereof so as to conflict with the beneficial provisions of this deed.
- 5.2 A Trustee who is or may be a Beneficiary may exercise the power of appointment under the Trust for his own benefit provided he is not a sole Trustee.
- 5.3 The Trustees may deal with the Trust Fund as if they were absolute beneficial owners.
- 5.4 Without limiting their powers by this deed or by law conferred, the Trustees may:
 - 5.4.1 apply or invest the Trust Fund as if they were the absolute beneficial owners whether or not such application or investment produces income and have no requirement to diversify such application and investments of the Trust Fund; and
 - 5.4.2 vary such applications or investment; and
 - 5.4.3 make loans with or without security and/or with or without interest; and
 - 5.4.4 borrow with or without the security of the Trust Fund; and
 - 5.4.5 acquire any moveable or immoveable property for the occupation, use or enjoyment of a Beneficiary; and
 - 5.4.6 insure any property forming part of the Trust Fund and, so far as lawful, insure against any loss arising to the Trust Fund in consequence of acts or omissions of the Trustees.
- 5.5 The Trustees may by deed or deeds and so as to bind their successors as trustees release or restrict the future exercise of all or any of the powers by this deed or by law conferred on them either wholly or to the extent specified in any such deed or deeds notwithstanding the fiduciary nature of any such powers.
- 5.6 The Trustees may by deed or deeds at any time or from time to time revoke or vary any of the administrative provisions conferred on the Trustees by this Trust or add any further administrative provisions as the Trustees may consider expedient for the purposes of this Trust.
- 5.7 The Trustees shall have power in their absolute discretion to appropriate any part of the Trust Fund in its then actual condition or state of investment in or towards satisfaction of any interest or share in the Trust Fund as may in all the circumstances appear to them to be just and reasonable and for the above purposes from time to time to place such value on any or all investments or other property as they shall in their absolute discretion think fit.
- 5.8 The Trustees shall have power in their absolute discretion to hold any or all securities or other property in bearer form or in the names of the Trustees or any one or more of them or in the name of some other person or partnership or in the name or names of nominees without disclosing the

This clause allows the Trustees to exclude particular Beneficiaries, which may be desirable if circumstances change.

You, as Settlor, have the power to appoint new trustees during your lifetime. After your death, this power passes to the Trustees.

fiduciary relationship created by this Trust and to deposit the said securities and any title deeds or other documents belonging or relating to the Trust Fund in any part of the world with any bank firm trust company or other company that undertakes the safe custody of securities as part of its business without being responsible for the default of such bank firm trust company or other company or for any consequent loss.

- 5.9 The Trustees shall have the power to exclude any person or persons from being a Beneficiary under this Trust. Once excluded, such persons shall cease to be and shall not be able to become a Beneficiary either by nomination by the Settlor, or under the will or under the intestacy of the Settlor, or by being the surviving spouse or surviving Civil Partner of the Settlor. Any such exclusion of a Beneficiary must be carried out by irrevocable deed (or deeds). Any such deed can only be made by the Trustees if at least one Beneficiary will remain after it has taken effect. No such deed shall affect the entitlement of any person so excluded from being a Beneficiary to any benefit previously conferred on him.

6. TRUSTEE CHARGING CLAUSE

- 6.1 Any trustee which shall be a company authorised to undertake trust business shall be entitled in addition to reimbursement of its proper expenses to remuneration for its services in accordance with its published terms and conditions for trust business in force from time to time and in the absence of any such published terms and conditions in accordance with such terms and conditions as may from time to time be agreed between such trustee and the Settlor or (if the Settlor is unfit, unable or unwilling to act, or dead) the person or persons by whom the power of appointing new trustees is for the time being exercisable.
- 6.2 Any trustee whether acting as a solicitor or other person engaged in a profession or business or in a personal capacity shall be entitled to charge and be paid all normal professional or other charges for business done services rendered or time spent by such trustee personally or by such trustee's firm or company in the administration of these trusts including acts which a trustee not engaged in any profession or business could have done personally.

7. APPOINTMENT AND REMOVAL OF TRUSTEES

- 7.1 During the lifetime of the Settlor the power of appointing new trustees and removing existing trustees shall be vested in him/her alone provided that:
- 7.1.1 such appointment shall be made by deed; and
- 7.1.2 the said power of removal shall be exercisable only if the persons remaining as Trustees after the dismissal include two persons; and after the Settlor's death the power of appointing new or additional trustees shall vest in the Trustees.
- 7.2 Any Trustee may retire at any time provided he/she gives 30 days' written notice to the person who for the time being has the power to appoint new trustees, provided always that no retirement of any Trustee shall take effect unless and until there are at least two persons to act as the continuing Trustees.

This clause makes clear that you cannot benefit in any way from the Trust.

This clause makes clear that the Trustees are entitled to pay out of the Trust Fund any expenses that they incur, and that they will not be personally liable for any loss to the Trust Fund, provided that they were acting properly.

7.3 A person may be appointed to be a trustee notwithstanding that such a person is not resident in the United Kingdom and remaining out of the United Kingdom for more than twelve months shall not be a ground for the removal of a trustee.

8. EXCLUSION OF SETTLOR

No discretion or power by this deed or by law conferred on the Trustees or any other person shall be exercised and no provision of this deed shall operate directly or indirectly so as to cause or permit any part of the capital or income of the Trust Fund to become in any way payable to or applicable for the benefit of the Settlor or any person or persons who shall previously have added property to the Trust Fund and this prohibition shall apply notwithstanding anything else contained or implied in this deed.

9. CONSULTATION WITH BENEFICIARIES

Section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to this Trust and accordingly the Trustees may exercise all their powers relating to land without consulting any beneficiary.

10. RIGHT OF REIMBURSEMENT AND INDEMNITY

The Trustees are entitled to be reimbursed from the Trust Fund, or may pay out of the Trust Fund, expenses properly incurred by them when acting on behalf of the Trust. No Trustee shall be liable for any loss to the Trust Fund arising by reason of any investment made in good faith or by reason of any mistake or omission made in good faith by the Trustee hereof or by reason of any other matter or thing except wilful and individual fraud or wrong doing on the part of the Trustee who is sought to be made liable.

11. GENERAL PROVISIONS

11.1 This Trust shall be irrevocable.

11.2 The clause headings are included for reference only and do not affect the interpretation of this Trust.

11.3 References to “children” and “issue” shall include step-children and persons tracing their descent through them.

11.4 The statutory and equitable rules of apportionment shall not apply to this Trust.

11.5 The proper law of this Trust shall be that of England and Wales and all rights under this Trust and its construction and effect shall be subject to the jurisdiction of and construed according to the Law of England and Wales.

You must sign here. Without your signature the Trust is invalid.

Your signature must be witnessed. A witness should be someone over 18 and should preferably be someone who is not a party to this deed or a Beneficiary.

Each of the Trustees must sign here, and each signature must be witnessed. A witness should be someone over 18 and should preferably be someone who is not a party to this deed or a Beneficiary.

If you (the Settlor) are also a Trustee, there's no need for you to fill in your details or sign in this section.

11.6 The courts of England and Wales shall be the forum for the administration of this Trust.

EXECUTED AS A DEED by the parties hereto on the date which first appears in this deed.

Signed as a deed (but not delivered until dated) by the Settlor

Signature

Name

Witness

Signature

Name

Address

Postcode

Occupation

Signed as a deed (but not delivered until dated) by the Trustee

Signature

Name

Witness

Signature

Name

Address

Postcode

Occupation

**Signed as a deed (but not delivered
until dated) by the Trustee**

Signature

Name

Witness

Signature

Name

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Occupation

Signed as a deed (but not delivered
until dated) by the Trustee
Signature

Name

Witness
Signature

Name

Address

Postcode

Occupation

This Trust is provided on the strict understanding that it is presented as a draft to be considered by you together with your legal advisers. Accordingly neither Scottish Equitable plc nor any other Aegon Group company, or any of their representatives, can accept any responsibility for the result of its use in any circumstances whatsoever.

