

Trust terms and powers

These Trust terms and powers are incorporated in any declaration of trust/trust request made by you as part of your Aegon Whole of Life application. Trusts create legal entitlements and have material financial and taxation implications. Once established, they can't simply be ignored.

If you're unsure as to the suitability of these Trust terms and powers you should seek independent legal advice before completing your application. Neither Scottish Equitable plc, nor any other Aegon Group company or any of their representatives can accept any responsibility for the adoption or application of these Trust terms and powers.

The code number for these Trust terms and powers is 'WLT' – it will match the code on your policy schedule.

Notes for users

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

This section explains the meanings of particular words used in these Trust terms and powers and in the Declaration of Trust/Trust Request incorporating them and forming part of the Application.

Trust terms and powers

In these Trust terms and powers, and in the Declaration of Trust/Trust Request the following expressions have the following meanings and, unless the context doesn't permit, the singular includes the plural and vice versa and words denoting any gender (including the neuter) include all genders.

1. Definitions

Application means the Aegon Whole of Life application by the Settlor which includes as part of it a Declaration of Trust/Trust Request incorporating these Trust terms and powers.

Beneficiary(ies) means subject to the provisos expressed below:

- a any Spouse or Civil Partner of the Settlor
- b any children, grandchildren or remoter descendants of the Settlor
- c any person (other than the Settlor) who is a descendant of a grandparent of the Settlor, a descendant of a grandparent of the Spouse or Civil Partner of the Settlor, or a Spouse or Civil Partner of any such descendants
- d 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
- e after the death of the Settlor, any individual who is a legatee or devisee under the Settlor's Will or who benefits from the Settlor's estate or would have done had the Settlor died intestate and the estate had been of sufficient amount
- f any individual (other than the Settlor) or Charity nominated in writing as a Beneficiary by the Settlor to the Trustees
- g at any time when there are no Beneficiaries within paragraphs a to f above in existence any Charity.

Provided however that no person who is a Settlor shall be a Beneficiary in any capacity whatsoever or be capable of benefitting directly or indirectly under the Trust.

Charity means any trust, foundation, company or other organisation whatever established only for the purposes regarded as charitable under the proper law of the Trust.

Civil Partner of any person means an individual who is in a Civil Partnership with that person or who was in a Civil Partnership with that person at the time of that person's death.

Civil Partnership means a partnership which exists or has existed under or by virtue of the Civil Partnership Act 2004.

Declaration of Trust/Trust Request means the declaration of trust/trust request made by the Settlor as part of the Application and which incorporates the Trust terms and powers.

Free Cover means any rights to free cover described in the Application and in the Addendum to the Aegon Whole of Life Policy conditions booklet, coded WL1, for the Policy.

Original Investment means the Free Cover, if applicable, and/or the Policy.

Original Trustee means the person named as the life to be assured in the Application. Where two persons are named as the lives to be assured in the Application, it means both such persons and the survivor of them.

Policy means the Aegon Whole of Life policy issued in accordance with the Application.

Settlor means the person named as the life to be assured in the Application. Where two persons are named as the lives to be assured in the Application it means both such persons and the survivor of them.

Spouse of any person means the husband or wife, or widow or widower, of that person, and includes a husband or wife, or widow or widower, of the same sex as that person, and related expressions have a corresponding meaning.

the Trust means the trust created by the Declaration of Trust/Trust Request.

Trust terms and powers means the trust terms and powers set out in this document.

the Trustees means the Original Trustee or the trustee or trustees for the time being hereof.

the Trust Fund means the Original Investment, any assets (including any policy) at any time added thereto by way of further settlement, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same and includes where the context so admits any part or parts thereof.

the Trust Period means the period beginning with the date of the Declaration of Trust/Trust Request and ending on the Vesting Date.

the Vesting Date means the day on which shall expire the period of 125 years from the date of the Declaration of Trust/Trust Request which period shall be the perpetuity period.

In these Trust terms and powers **child, children** and **descendant** of any person includes any step, adopted, illegitimate or legitimated (whether adopted or legitimated before or after the date hereof) child, children or descendant and an adopted or legitimated child shall be treated as the child of his adoptive parents and no other persons.

This section explains how the Trust will work.

This explains the Trustees' power to distribute and accumulate income.

The Trustees have the power to distribute the Trust's capital.

2. Principal Trust terms

- 1 During the Trust Period the Trustees shall have the following dispositive powers, which they may exercise without regard to any need to balance the conflicting interests of persons interested in the Trust property:
 - a power to pay, or apply the income from the Trust Fund arising before the end of the Trust Period 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 Provided Always that during this period the Trustees shall have the power instead of applying all or any part of the income of the Trust Fund to accumulate all or any part of the income as an accretion to capital of the Trust Fund
 - b power to pay, transfer or apply at any time or times during the Trust Period 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

The Trustees have the power to appoint the income or capital on new terms for all or any one or more of the Beneficiaries.

The Trustees have the power to pay the income or capital to the trustees of another settlement under which one or more of the Beneficiaries has or may have an interest.

The Trustees have the power to lend all or part of the Trust property to any Beneficiary.

This explains what happens in the event that there is any remaining Trust Fund when the period of the Trust comes to an end.

- c power at any time or times during the Trust Period by deed or deeds revocable during the Trust Period or irrevocable to appoint that they shall hold the whole or any part or parts of the income or capital of Trust Fund for the benefit of all or any one or more of the Beneficiaries in such shares and for such interests and subject to such trusts, powers and provisions (including protective trusts, discretionary trusts, or dispositive or administrative powers or provisions, operative or exercisable at the discretion of the Trustees or any other person or persons), as the Trustees shall in their absolute discretion think fit,
- d power to apply during the Trust Period the whole or any part or parts of any income or capital of the Trust Fund by paying or transferring the same to the trustees of any other trust or settlement 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 of or persons interested or capable of benefitting under such other trust), whether or not the proper law of such other trust or settlement is the same as the proper law of the Trust, if the Trustees shall in their absolute discretion consider such payment or transfer to be for the benefit of such one or more of the Beneficiaries.

Provided that the exercise of this power shall be subject to the following provisions:

- i upon the payment or transfer of any money or other property to the trustees of such trust or settlement, the Trustees shall not be bound to see to the further application of such money or property;
 - ii money or other property may be paid or transferred to the trustees of a discretionary trust, notwithstanding that the Beneficiary or Beneficiaries for whose benefit the power is exercised is or are only a discretionary object or discretionary objects of such trust, and
 - iii no money or other property shall be paid or transferred to the trustees of any trust or settlement in which the Settlor, or any person who has previously added property to the Trust Fund, is or may be interested or may benefit directly or indirectly.
- e power to lend with or without security to any Beneficiary the whole or any part of the Trust Fund upon such conditions as to interest (if any) and repayment and generally upon such terms as the Trustees in their absolute discretion think fit Provided Always that any such loan must be repayable before the end of the Trust Period
 - f power to permit any of the Beneficiaries (either alone or concurrently or successively) to occupy, use or enjoy personally any moveable or immovable property (including any dwelling-house) which (or the future proceeds of sale of which) may for the time being be comprised in the Trust Fund upon such terms or conditions (if any) whatever which the Trustees may think fit but such permission shall in each case be revocable at any time by and at the absolute discretion of the Trustees

Provided that no exercise of the foregoing powers shall affect the entitlement of any person to any payment made or asset transferred previously to him.

- 2 Subject to and in default of the powers and provisions contained in paragraph 1 above, the Trustees shall at the expiration of the Trust Period hold the Trust Fund upon trust absolutely for such Charity or Charities as the Trustees shall in their discretion determine prior to the expiration of the Trust Period, and if the Trustees shall not so determine, for Cancer Research UK (registered charity number 1089464) absolutely.

This section explains the Trustees' wide powers to manage and deal with the Trust's investments.

This makes sure that Trustees can set aside particular assets for a Beneficiary.

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

The Trustees can release the powers conferred on them.

3. Administrative powers

- 1 The Trustees may administer the Trust for the benefit of the Beneficiaries in whatever manner they may determine and to that end shall have the widest possible administrative powers (which they may exercise or omit to exercise from time to time at their absolute discretion) for managing and dealing with the Trust Fund and carrying out any transaction in connection therewith in all respects as if the Trustees were the absolute beneficial owners thereof and without prejudice to the generality of the foregoing the Trustees shall during the Trust Period have the following powers:
 - a to invest any money requiring to be invested in any investment or property of whatsoever nature (including any policies of assurance) and wheresoever situated whether producing income or not and upon such security (if any) as the Trustees shall in their absolute discretion think fit
 - b to lend all or part of the Trust property to any Beneficiary either interest-free or at such rate of interest as the Trustees determine and upon such terms and conditions as to security (if any), repayment and otherwise as they think fit
 - c to borrow money on such terms (including terms as to security) as the Trustees shall in their absolute discretion think fit and to use the monies so borrowed for any purpose for which capital monies forming part of the Trust Fund may from time to time be used
 - d to deal with any policy of insurance or assurance or annuity comprised in the Trust Fund in all respects as if they were the absolute owners of it and in particular may surrender, convert or exchange the same in whole or in part and exercise any power, election or option under a policy and borrow on its security and the receipt by the Trustees for any money payable under the said policy shall be a full and sufficient discharge
 - e to acquire any moveable or immoveable property for the occupation, use or enjoyment of a Beneficiary
 - f to acquire property jointly with any person
 - g to appropriate any asset, or any part of any asset, comprised in the Trust Fund in or towards satisfaction of any interest or share in the Trust Fund as may in all the circumstances be reasonable, and for this purpose, the Trustees may from time to time place such value on any or all investments or property as they think fit
 - h to create by deed or deeds revocable or irrevocable such additional administrative powers exercisable by the Trustees as the Trustees may from time to time determine to be in the interests of the Beneficiaries or any of them
 - i by deed (and so as to bind successive trustees of the Trust) to release or restrict the future exercise of all or any of the powers conferred on them (whether by this deed or by law) either wholly or to the extent specified in the relevant deed, notwithstanding the fiduciary nature of any such power.
- 2 The Trustees shall not be required to diversify the investment of the Trust Fund, nor be liable for the consequences of investing, or keeping the Trust Fund invested, in the shares or obligations of a single business, company or firm, or in one asset or one type of asset.

When a Beneficiary is a minor the benefits may be paid to the parents or guardians. Benefits must be used or held for the Beneficiary's benefit.

The Trustees don't have to consult Beneficiaries who are occupying trust property before exercising their powers.

- 3 The Trustees may pay or transfer any assets comprised in, or any income of, the Trust Fund to which any minor Beneficiary is beneficially entitled, to any parent or guardian of that minor and the receipt of that parent or guardian shall be a full discharge to the Trustees.
- 4 Section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply.

You, as the Settlor, have the power to appoint new Trustees. After you die, this power passes to the Trustees.

You also have the power to dismiss any Trustee.

Trustees can retire.

Trustees other than you, as the Settlor, and, while you are alive, your Spouse or Civil Partner (if they are not a Settlor), can make reasonable charges for their work on behalf of the Trust, if you agree.

4. Retirement, removal, appointment and remuneration of Trustees

1 The Settlor shall have power:

a to appoint by deed new or additional Trustees

and

b to dismiss by deed any Trustee Provided Always that the said power of dismissal shall be exercisable only if the Trustees remaining as Trustees after the dismissal include a Trust Corporation (which term has in the Trust the meaning which it has for purpose of section 68(1), paragraph 18 of the Trustee Act 1925 and any statutory re-enactment or modification thereof) or two individuals

and after the Settlor's death the power of appointing new or additional trustees by deed shall vest in the Trustees.

2 Any Trustee may retire at any time provided he 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 individual Trustees or a Trust Corporation to act as the continuing Trustees or the continuing Trustee as the case may be.

3 A person may be appointed to be a trustee notwithstanding that such person is not resident in the United Kingdom and remaining out of the United Kingdom for more than 12 months shall not be a ground for the removal of a trustee.

4 Any corporate body which is empowered to act as a trustee may at any time be appointed either as a general trustee or as a custodian trustee hereof and may act by its proper officers in the discharge of its duties as such Trustee and in the exercise of the powers and discretions conferred hereby or by law.

5 Every Trustee (including for the avoidance of doubt any corporate Trustee) shall be entitled to remuneration upon such terms as may be agreed by the person or persons who for the time being has or have power to appoint a new trustee and in the absence of such agreement every Trustee shall be entitled to remuneration in accordance with its normal scale of charges (if applicable) at that time Provided Always that the Settlor and, while the Settlor is alive, the Spouse or Civil Partner of the Settlor shall not be entitled to remuneration as a Trustee in any way.

6 Any Trustee (including for the avoidance of doubt any corporate Trustee) other than the Settlor and, while the Settlor is alive, any Spouse or Civil Partner of the Settlor:

a who is engaged in any profession, business or trade may be employed by the Trustees and any Trustee so engaged and employed may charge and be paid all reasonable professional business or trade costs and charges for business transactions and time expended and acts done by him (or any partner or employee of his) in connection with the Trust including acts which a Trustee not being engaged in any profession, business or trade could have done personally and whether or not in the usual scope of his profession, business or trade

The statutory duty of care doesn't apply to the Trustees.

Trustees will only be liable for loss if it's due to their wilful fraud or wrongdoing.

The Law of England and Wales governs the Trust.

- b may be employed and reasonably remunerated as a director or other officer or employee or an agent or adviser of any company body or firm in any way connected with the Trust Fund and to keep as his property (and without being liable to account therefore) any reasonable remuneration fees or profits received by him in any such capacity notwithstanding that his situation or office may have been obtained or may be held or retained by means or by reason of his position as one of the Trustees or of any shares, stock, property, rights or powers whatever belonging to or connected with the Trust Fund
- c may transact on behalf of or with the Trust or any Beneficiary any business which he or it is authorised to undertake upon the same terms as would for the time being be made with an ordinary customer, and without accounting for any profit thereby made, and in particular and without prejudice to the generality of the foregoing, such Trustee may retain on current account or deposit account or advance at interest all monies necessary or convenient to be retained or advanced in connection with the Trust and may retain any commission or remuneration paid or allowed by stockbrokers, insurance companies, banks or other institutions without being liable to account for any profit thereby made
- d may exercise or concur in exercising all powers and discretions given to him by the Trust or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may be so directly or personally interested and may allow his co-trustees to act alone in relation thereto.

5. General Trust provisions

- 1 The Trust is irrevocable.
- 2 Section 1 of the Trustee Act 2000 shall not apply to the Trustees.
- 3 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 any Trustee hereof or by reason of any other matter or thing except wilful and individual fraud or wrongdoing on the part of the Trustee who is sought to be made liable.
- 4
 - a The proper law of the Trust shall be that of England and Wales and all rights under the Trust and its construction and effect shall be subject to the jurisdiction of and construed according to the Law of England and Wales
 - b The courts of England and Wales shall be the forum for the administration of the Trust.
 - c Notwithstanding the provisions of subparagraph **4a** and **4b** of this section 5:
 - i the Trustees shall have the power (subject to the application (if any) of the rule against perpetuities) to carry on the general administration of these trusts in any jurisdiction in the world whether or not such jurisdiction is for the time being the forum for the administration of these trusts and whether or not the Trustees or any of them are for the time being resident or domiciled in, or otherwise connected with, such jurisdiction

The law of the Trust and the location of the administration can be changed in the future.

- ii the Trustees may at any time declare by instrument that from the date of such declaration the proper law of the Trust shall be that of any specified jurisdiction (not being a jurisdiction under the law of which the Trust would be capable of revocation) and that all rights under the Trust and its construction and effect shall be subject to and construed according to the laws of that jurisdiction
 - iii the Trustees may at any time declare by instrument that from the date of such declaration the forum for the administration of these trusts shall be the courts of any specified jurisdiction.
- 5 The statutory and equitable rules of apportionment shall not apply to the Trust and (without prejudice to the generality of the foregoing) references herein to the income of the Trust Fund shall (without any allocation or apportionment in favour of the Settlor or where the Settlor is two persons either of them) extend to any income now accrued or accruing but not yet actually payable in respect of any property transferred by the Settlor to the Trustees.
- 6 Notwithstanding any of the foregoing provisions hereof none of the Trust powers or provisions hereof shall operate or be exercised so as to cause or allow any part of the Trust Fund or the income thereof to be paid, transferred or applied, for the benefit of the Settlor (and where two persons are the Settlor this paragraph shall operate with like effect in relation to each of those persons) or any person who shall previously have added assets to the Trust Fund by way of further settlement, and this paragraph shall apply notwithstanding anything else contained or implied in this deed.

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