

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Nucleus client relations, PO BOX 26968, Glasgow, G2 9DY.

Please complete and sign this form before sending it to us at the above address.

This document is provided strictly for general consideration only. Any action taken or refrained from in connection with the draft Nucleus Onshore Bond Bare Discounted Gift Trust must be preceded by discussion with your legal and other professional advisers. Accordingly, neither Nucleus nor any associated or affiliated company nor any of their representatives, officials or employees can accept any responsibility for any loss occasioned as a result of the use of the draft Nucleus Onshore Bond Bare Discounted Gift Trust in any circumstances whatsoever except as provided by law.

Note that this trust deed should be completed by the client with their adviser. Legal and tax advice should be sought before completing this deed to ensure this is suitable for the client's requirements.

The trust deed should be dated for one day after the date of the bond application and the client must also complete an addendum to the bond application. The bond application and the addendum should have the same date.

This Trust deed is made the _____ day of _____ in the year

Between

of

and

of

(‘the Donor’ which term, where two persons are named above, shall include both of them) of the first part

and

of

and

of

and

of

(hereinafter together called the “the Original Trustees”) of the second part

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Schedule 1: The Beneficiaries

Insert here the name or names of the person(s) you wish to benefit and, if more than one, the percentage shares in which they are to benefit. The shares must be whole percentages and must add up to 100%. At least one Beneficiary must always be included.

Full name(s) and relationship to Donor(s) (BLOCK CAPITALS)

Share

Schedule 2: Definitions

In this Trust Deed:

‘Company’ means Nucleus.

‘Appointer’ means the Donor while he is alive and of full Capacity, and subject thereto the Trustees. Where two persons are the Donor, the Appointer is both of them jointly while they are both alive and both of full Capacity and following the death or loss of Capacity of one, then the remaining Donor if of full capacity shall be the Appointer and subject thereto the Trustees. ‘Capacity’ means mental capacity within the provisions of the Mental Capacity Act 2005

‘Policy’ means the rights and benefits conferred by the policies within the Bond (as defined in Section 1(a) hereof) to be issued in pursuance of the application and any subsequent, replacement or additional policies effected pursuant to any rights and/or options conferred by the Bond.

‘Spouse’ means any spouse or registered civil partner for the time being and includes a widow and/or widower whether or not for the time being remarried.

‘Trustees’ means the Donor(s) and the other Original Trustees named above and the Trustee or Trustees for the time being hereof.

‘Trust Fund’ means the Policy and any monies, funds, property and assets of whatsoever nature as the Trustees shall from time to time and at any time have at their disposal.

And save where the context does not allow, the singular shall include the plural and the masculine shall include the feminine and vice versa.

Section 1: Declaration of Trust

- a. The Donor is the legal and beneficial owner of the Single Premium Investment Bond policy numbered

(‘the Bond’) effected with the

Company and hereby declares that from the date hereof the Original Trustees hold the Bond irrevocably on the trusts and subject to the powers and provisions hereof.

- b. The Donor hereby assigns legal and beneficial title to the Bond to the Original Trustees.
- c. It is intended that this Trust shall be irrevocable.

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Section 2: Main Trust Terms

The Trustees shall hold the Trust Fund upon the following trusts:

a. The Donor's Fund

The Regular Withdrawals (as defined in the Policy documents) to be provided to the Donor in line with the terms of the Trust (hereinafter called the 'Donor's Fund') shall accrue to and be held for the absolute benefit of the Donor and if the Donor is two persons, for them both throughout their joint lifetime and then for the survivor of them.

The Trustees (holding the Donor's Fund for the absolute benefit of the Donor) shall pay the Regular Withdrawals to the Donor as they arise.

b. The Beneficiaries' Fund

- i. The part of the Trust Fund that is not the Donor's Fund shall be called the Beneficiaries' Fund.
- ii. Subject always to the Trustees during the whole of the Donor's lifetime satisfying the Donor's rights under the Donor's Fund, the balance of the Trust Fund ('the Beneficiaries' Fund') shall be held by the Trustees on bare trust for the absolute benefit of the Beneficiary(ies) and if more than one in the shares specified in Schedule 1 and where no shares are specified and there is more than one Beneficiary then in equal shares absolutely.
- iii. Section 31 of the Trustee Act 1925 shall not apply to the same and whilst any Beneficiary entitled to income under the Trust is a minor the Trustees shall pay or otherwise apply for or towards his maintenance, education or benefit so much of the income from his share in the Trust as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any income on trust for that Beneficiary absolutely and until he shall attain the age of majority the Trustees shall invest the same and the resulting income therefrom in investments hereby or by law authorised and shall hold the same as an accretion to the said balance Provided Always that so long as the said Beneficiary has not attained the age of majority the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
- iv. The provisions of section 32 of the Trustee Act 1925 shall not apply but the Trustees shall have the power to pay or to apply the whole or such part of any of a beneficiary's share in the capital of the Beneficiaries' Fund subject to these trusts, as the Trustees shall think fit for or towards the advancement maintenance education or benefit of that beneficiary and including the payment of inheritance tax. This power shall not be capable of being exercised if it prevents the Trustees satisfying their duty as regards the Donor's rights under the Donor's Fund.

Section 3: Powers of Trustees

The Trustees during the minority of the Beneficiary or if there is more than one during the minority of any of the Beneficiaries shall have the following powers:

- i. The Trustees shall have the same unrestricted powers as an absolute beneficial owner to invest trust monies in any property (whether producing income or not) and to vary such property, including the power to effect and pay premiums on policies of life or other insurance and in addition power to purchase freehold or leasehold property for occupation by any Beneficiary under these trusts and,
- ii. Subject to any dealing only occurring after the death of the Donor, to deal with or alter the conditions of any policy for the time being held in the Trust Fund, to exercise any option or other power conferred by any such policy and, where applicable, to surrender or borrow on the security of any such policy.
- iii. The Trustees can accept as full and sufficient discharge a receipt given by a parent or guardian of any minor Beneficiary in respect of any payment of capital or income paid to or applied for the benefit of such Beneficiary without seeing to its application.
- iv. The Trustees can delegate in writing and in any way and to any extent to any persons or corporations whatever and wherever situated or resident the exercise of any of the powers of investment or management of the property for the time being forming the whole or part of the Trust Fund whether conferred by this trust or by law and to transfer title to any such property to such persons or corporations for the purposes of such investment or management and on such terms including remuneration as the Trustees shall see fit and in particular may revocably delegate the power to change the fund(s) to which any policy of life assurance subject to these trusts may from time to time be linked. Until the death or loss of the last surviving Donor and unless and until the Trustees exercise this power the power to change funds shall be vested in the Donor or the surviving Donor (provided he has Capacity).

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Section 4: Appointment, Dismissal and Retirement of Trustees

- i. The Appointor shall have power to appoint by deed new or additional Trustees.
- ii. The Donor while he is alive and of full Capacity, or if two persons are the Donor both of them jointly while they are both alive and of full Capacity or if only one of them is alive and of full Capacity that one acting alone shall have power to dismiss by deed any Trustee and the said power shall be exercisable notwithstanding that as a result of its exercise the sole Trustee is a corporation which is not a Trust Corporation for the purpose of section 37 of the Trustee Act 1925 where relevant or a single individual but not so as to result in the Donor or the Donor's Spouse for the time being becoming the sole Trustee(s) and for the avoidance of doubt a dismissal under this provision may take place even if the Trustee being dismissed is one of the joint Donors who has lost Capacity provided that the Donor's loss of Capacity has been confirmed by a written report from a registered medical practitioner.
- iii. Where the Donor (or both of them) has died or lost Capacity a majority of the Trustees will have power by deed to dismiss a Trustee who has lost Capacity provided that:
 - (a) at least two Trustees remain after such dismissal, and
 - (b) the loss of Capacity has been confirmed by a written report from the General Practitioner of the Trustee being dismissed or from a registered medical practitioner appointed by the other Trustees, and for the avoidance of doubt a dismissal under this provision may take effect even if the Trustee being dismissed is the Donor or a Beneficiary under the Trust.
- iv. Where the Appointor are the Trustees and there are only two individuals acting as Trustees and one of them has lost Capacity, the power to dismiss under paragraph iii. of this Section 4 and the power to appoint Trustees under paragraph i. of this Section 4 will vest in the other Trustee provided a new Trustee is appointed simultaneously with the dismissal of the incapable Trustee
- v. Any Trustee may retire at any time provided he/she gives 30 days written notice to the Appointor provided always that no retirement of any Trustee shall take effect so as to result in the Donor or the Donor's Spouse for the time being becoming the sole Trustee(s).
- vi. Any corporate body which is empowered to act as a trustee may at any time be appointed as a Trustee 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.

Section 5: Additional Trust Terms

- i. No remuneration shall be paid to the Donor or his/her spouse hereunder.
- ii. The receipt by the Trustees for any monies payable to them under any policy issued by the Company shall be a full and sufficient discharge to the Company without seeing to its application.
- iii. Any Trustees (other than the Donor or Donor's spouse) being a solicitor or other person or corporation engaged in any profession, business or trade, may charge and be paid all usual professional, business and trade charges for business transacted, time expended and acts done by him (or any employee or partner of his) in connection with these trusts, including acts which a Trustee not being in any profession, business or trade could have done personally.
- iv. For the avoidance of doubt the Donor shall not be able to benefit in any way from the Beneficiaries' Fund.
- v. References to Acts of Parliament or to a particular tax or taxes shall apply to any statutory modification re-enactment or replacement thereof and any regulations made thereunder for the time being in force.
- vi. These trusts are to be governed by and construed in accordance with the laws of England and Wales.

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Section 6: Signatures

The Original Trustees including the Donor(s) must sign the deed and their signatures must be witnessed.

In witness whereof the parties hereto executed this deed the day and year stated above.

Signed and Delivered as a deed by

Signature of Donor (must be a 'wet' signature)

Name and address of Donor

Where donor is two persons

Signature of Donor (must be a 'wet' signature)

Name and address of Donor

In the presence of

Signature of witness (must be a 'wet' signature)

Name and address of witness

In the presence of

Signature of witness (must be a 'wet' signature)

Name and address of witness

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Signature of Additional Trustee (must be a 'wet' signature)

Name and address of Additional Trustee

Signature of Additional Trustee (must be a 'wet' signature)

Name and address of Additional Trustee

In the presence of

Signature of witness (must be a 'wet' signature)

Name and address of witness

In the presence of

Signature of witness (must be a 'wet' signature)

Name and address of witness

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

Signature of Additional Trustee (must be a 'wet' signature)

Name and address of Additional Trustee

In the presence of

Signature of witness (must be a 'wet' signature)

Name and address of witness

Nucleus Onshore Bond Bare Discounted Gift Trust Trust Deed

How to complete the trust

This Bare discounted gift trust is provided as a draft. If, after you have sought independent legal advice, this Bare discounted gift trust is considered to be appropriate and is to be completed unamended and in the same format the following parts of the document need to be completed as follows:

- The date the deed is made must be inserted.
- The name and address of the donor must be inserted. Where there are two donors, both names and addresses must be inserted.
- The full name(s) and address(es) of the people who will act as Original Trustees with the donor(s) must be included.

Schedule 1: The Beneficiaries

The name(s) of the person(s) who will benefit should be inserted. If there is to be more than one beneficiary, the percentage shares in which they are to benefit should be inserted. Please ensure that the shares add up to 100%. At least one name must always be included in this paragraph. The donor's spouse or civil partner should not be named as a beneficiary, as this may defeat the tax planning purpose of the arrangement.

Section 1: Declaration of trust

The policy number of the bond being placed in trust must be inserted in paragraph a of section 1.

Section 5: Signatures

The donor (both donors in joint cases) and the additional Trustees, i.e. all the Original Trustees, should sign the document and each signature should be witnessed. It is sufficient for the donor to sign once.

HMRC Trust Registration Service

All UK express trusts must be registered on HMRC's trust registration service (TRS) unless specifically excluded. It is the responsibility of the trustees to ensure that the trust is correctly registered, evidence of the registration is provided and that the trust record is kept up to date. Failure to do so could result in penalties being applied. The trustees should seek professional advice on this and any other reporting requirements the trustees have for HMRC.