

# Nucleus Onshore Bond Discretionary Discounted Gift Trust Trust deed

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This document is provided strictly for general consideration only. Any action taken or refrained from in connection with the draft Nucleus Onshore Bond Discretionary Discounted Gift Trust must be preceded by discussion with the settlor's 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 Discretionary Discounted Gift Trust in any circumstances whatsoever except as provided by law.

## How to complete the Trust

This Discretionary Discounted Gift Trust is provided as a draft. If, after you have sought independent legal advice, this Discretionary 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:

### Section 1: Declaration

- The date the deed is made must be inserted.
- The trust deed should be dated for one day before the date of the bond application.
- The name and address of the Settlor must be inserted. Where there are two Settlers, 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 Settlor(s) must be included.
- The amount of the cash (if a new Bond is to be effected) must be inserted in paragraph 1(a) of Section 1 or the policy number (if an existing Bond is being placed in trust) must be inserted in paragraph 1(b) of Section 1.

### Section 2: Definitions

#### Para (e) 'Discretionary Beneficiaries'

In sub paragraph (ix) the Settlor should insert the name(s) or class of any other beneficiary they wish to include and who is not already covered under categories (i) to (viii). The Settlor should not name himself/herself.

#### Para (f) 'Default Beneficiaries'

The name(s) of the beneficiary(ies) who will benefit in the unlikely event of no appointment being made by the end of the Trust Period should be inserted. The Default Beneficiaries will be entitled to any capital left in the Trust at the end of the Trust Period which has not by that time been distributed to one or more of the Discretionary Beneficiaries. If there is to be more than one Default 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 Settlor's spouse should not be a Default Beneficiary.

### Section 3A: The Settlor's Fund

- Insert the relevant details in either:

Paragraph (a) if you are opting for specific cash sums (this option applies to both new and existing Bonds),

or

Paragraph (b) if you wish to choose a percentage of the premium paid to an existing Bond or payable to purchase a new Bond (this option applies to both new and existing Bonds).

- In either case indicate the required frequency by making an appropriate deletion.
- If you wish to defer the start date of payments beyond the normal periodic anniversary date selected, you need to indicate when payments will begin by inserting the appropriate figure in the number of months wording below (a) and (b) on page 5. Otherwise delete and initial this wording and payments will begin on the first periodic anniversary selected.

### Section 7: Proper Law

If the Settlor is domiciled in Scotland or Northern Ireland (both Settlers in joint cases), he/she/they should initial one of the boxes if the law of Scotland or Northern Ireland should apply to the Trust. If the law of Scotland is selected, the Settlor must take independent legal advice before signing as there is some uncertainty as to the validity of a Discounted Gift Trust under the law of Scotland. If the Settlor is domiciled in England or Wales, he or she should leave the boxes blank. If there are joint Settlers, both must initial the same box, if applicable.

If neither box is initialled, the law of England and Wales will apply.

### Section 8: Signatures

The Settlor (both Settlers 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 Settlor to sign once.

In Scotland, the location and date of each signature must also be stated.

# Nucleus Onshore Bond Discretionary Discounted Gift Trust

## Trust deed

## Trust Deed

## Section 1: Declaration

This Trust Deed is made the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

Between

of

and

of

(hereinafter called 'the Settlor' which expression shall where two persons are named above include both of them of the first part)

and the said Settlor and

of

and

of

and

of

(hereinafter together called 'the Original Trustees' of the second part)

Whereas:

- 1 (a) The Settlor has transferred or delivered to the Original Trustees a cash sum (or cheque) for £ \_\_\_\_\_ or hereby undertakes to make a transfer of the said sum to the Company with the intention that the Original Trustees invest in a Single Premium Life Assurance Bond ('the Bond') issued by the Company
- or
- (b) The Settlor as the legal and beneficial owner of the Single Premium Life Assurance Bond numbered \_\_\_\_\_ ('the Bond') issued by the Company 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.
- 2 It is intended that this Settlement shall be irrevocable.

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## Trust deed

### Section 2: Definitions

In this Trust the following expressions shall have the following meanings and unless the context does not permit the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

- a) 'Appointor' means the Settlor while he is alive and of full Capacity and the appointment is not in favour of the Settlor's spouse, and subject thereto the Trustees. Where two persons are the Settlor, the Appointor 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 Settlor if of full Capacity shall be the Appointor and subject thereto the Trustees.
- b) 'Beneficiaries' means the Default Beneficiaries and the Discretionary Beneficiaries.
- c) 'Capacity' means mental capacity within the provisions of the Mental Capacity Act 2005 where this Trust is governed by the law of England; within the provisions of the Adults with Incapacity (Scotland) Act 2000 where this Trust is governed by the law of Scotland; and within the Mental Capacity Act (Northern Ireland) 2016 where this Trust is governed by the law of Northern Ireland; or any superseding Act(s) as appropriate.
- d) 'Company' means Nucleus.
- e) 'Discretionary Beneficiaries' means:
  - i. any spouse, former spouse, widow or widower of the Settlor provided that if two persons are the Settlor such person is not one of them.
  - ii. the children and remoter issue of the Settlor or either of them whenever born.
  - iii. every spouse, former spouse, widow or widower of any such child or remoter issue.
  - iv. the brothers and sisters of the Settlor (or either of them) and their issue.
  - v. any one or more persons beneficially entitled under the Will (or any codicil thereto) of the Settlor or who would be entitled to an interest in the Settlor's estate if the Settlor had died intestate and where the Settlor is two persons this provision shall operate with like effect on the death of each of those persons.
  - vi. any person (other than the Settlor (or either of them)) nominated in writing to the Trustees by the Settlor as a Discretionary Beneficiary such power of nomination to be exercisable if the Settlor is two persons by them jointly during their joint lives and thereafter by the survivor of them.
  - vii. the Default Beneficiaries (as hereinafter defined).
  - viii. any charity.
  - ix.
- f) 'Default Beneficiaries' means the one or more persons named in the boxes below"
 

Name	% share if more than one
- g) 'Policy' means the rights and benefits conferred by the policies within the Bond (as defined in paragraph 1 of Section 1 hereof) and any subsequent replacement or additional policies effected pursuant to any rights and/or options conferred by the Bond.
- h) 'Trustees' means the Trustee or Trustees as appropriate for the time being of this Trust.
- i) 'Trust Fund' means the Policy the full benefit thereof any assets 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.
- j) 'Trust Period' means the period of one hundred and twenty five years from the date of this Trust Deed which period is also the perpetuity period hereof where this Trust is subject to the law of England and Wales. The perpetuity period is 80 years where this trust is subject to the law of Northern Ireland.
- k) 'Accumulation Period' means:
  - i) where this Trust is subject to the law of England the period of 125 years from the date of this Trust Deed; and
  - ii) where this Trust is subject to the law of Scotland the period of 21 years from the date of this Deed;
  - iii) where this Trust is subject to the law of Northern Ireland the period of eighty years from the date of this Deed.
- l) In this trust 'child', 'children' and 'issue' includes any illegitimate, step, adopted or legitimated (whether adopted or legitimated before or after the date hereof) child children or issue.
- m) 'Spouse' includes any civil partner registered under the Civil Partnership Act 2004 and widow(er) includes any surviving civil partner so registered. Any references to marriage include registered civil partnership.



# Nucleus Onshore Bond Discretionary Discounted Gift Trust

## Trust deed

### Section 4: Administrative powers of the Trustees

The Trustees shall in the management and administration of the Trust Fund have the widest possible powers (which they may exercise or omit to exercise from time to time at their absolute discretion) of managing and dealing with the Trust Fund 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 have the following powers:

- a) Power to retain the Trust Fund in its present state.
- b) Power to sell or otherwise liquidate and deal with any asset whatsoever comprised in the Trust Fund and to invest in any property of whatsoever nature and wheresoever situate and whether producing income or not including investment in any policies of assurance as the Trustees may in their absolute discretion think fit.
- c) With regard to the Policy and any other policy of assurance or capital redemption policy:
  - i. to pay premiums on any such policy and to borrow from any person (including any of themselves) the moneys required for any such premium upon such terms as to repayment interest and otherwise as they may think fit;
  - ii. to exercise any of the elections, powers, options and privileges conferred by any such policy and to alter the amount of any periodic premiums payable thereunder or the period during which such premiums are payable and to alter the terms of any such policy in any manner by agreement with the insurers and to do any of the foregoing notwithstanding that the sum assured may thereby be reduced or increased;
  - iii. to convert any such policy into a fully paid up policy free from payment of future premiums;
  - iv. to surrender wholly or partially any such policy;
  - v. to appoint in writing such person or persons as the Trustees think fit to act as agent of the Trustees for the purpose of receiving moneys from any person and to apply the said moneys as premiums under any such policy already in force or under any such policy which is about to come into force and to become comprised in the Trust Fund;
  - vi. to recover, receive or give valid receipts for all moneys due or to become due under any such policy so that the receipt by the Trustees of any moneys payable under or deriving from any dealing with any such policy shall be a full and sufficient discharge to the insurance company making the payment who shall not be concerned to see to the application of any such moneys.
- d) Power to borrow money on such terms as to interest repayment and otherwise as they may think fit and whether upon the security of the whole or any part or parts of the Trust Fund or upon personal security only and to use such money in purchasing or subscribing for investments or property to be held as part of the Trust Fund or otherwise for any purpose for which capital moneys forming part of the Trust Fund may be used.
- e) Power to pay or transfer any capital or income to be paid, transferred to, or applied for the maintenance, education or benefit of a Beneficiary who is under the age of legal capacity or otherwise under a legal disability to any parent or guardian of that Beneficiary or to such other person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof.
- f) Power revocably or irrevocably to delegate any power or powers in making, managing, realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons (including nominees) upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustee in question employed or incurred expense in employing him in good faith.
- g) Power at any time or times by deed or deeds to confer on themselves any administrative power not conferred on them by this Deed or the general law which the Trustees may consider necessary or expedient.

### Section 5: Appointment, Dismissal, Retirement and Remuneration of Trustees

- 1 The Appointor shall have power to appoint by deed new or additional Trustees.
- 2 The Settlor shall have power to dismiss by deed any Trustee and where the Settlor is two persons this power shall be exercisable by them jointly during their joint lives and thereafter by the survivor of them during his lifetime 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 Settlor or the Settlor's Spouse for the time being becoming the sole Trustee(s).
- 3 Any Trustee may retire at any time provided he 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 Settlor or the Settlor's Spouse for the time being becoming the sole Trustee(s).

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## Trust deed

- 4 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.
- 5 Every corporate Trustee shall be entitled to remuneration upon such terms as may be agreed by the Appointor at the time of its appointment and in the absence of such agreement every corporate Trustee shall be entitled to remuneration in accordance with its normal scale of charges (if applicable) at the time of its appointment Provided Always that the Settlor and the Spouse for the time being of the Settlor shall not in any capacity or in any way be entitled to remuneration as a Trustee.
- 6 Any Trustee other than the Settlor and any Spouse for the time being of the Settlor:
  - a) who, not being a body corporate, 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 this 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;
  - b) may exercise or concur in exercising all powers and discretions given to him by this 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.
- 3 The Trustees shall have power by deed or deeds revocable (whether by the person making such deed or some other person) during the Trust Period or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them (including this power) whether or not of a fiduciary nature and whether dispositive or administrative and so as to bind their successors.
- 4 Notwithstanding any of the foregoing provisions the Settlor (or where two persons are the Settlor both of them) shall not be capable of taking any direct or indirect benefit from the Beneficiaries' Fund of any kind by virtue or in consequence of this Trust Deed and in particular but without prejudice to the generality of this paragraph:
  - a) the Beneficiaries' Fund and its income shall be held and enjoyed to the entire exclusion of the Settlor and to the entire exclusion of any direct or indirect benefit to any Settlor by contract or otherwise;
  - b) no part of the capital or income of the Beneficiaries' Fund shall be paid to or held by the Settlor (except in a fiduciary or parental capacity) or lent to or applied for the direct or indirect benefit of the Settlor; and
  - c) no power or discretion conferred on the Trustees shall be capable of being exercised or operating in any manner in respect of the Beneficiaries' Fund so as to confer any benefit whether directly or indirectly on the Settlor in any manner or circumstances whatsoever.

### Section 6: Further Trust provisions

- 1 The duty of care set out in Section 1 Trustee Act 2000 (Section 1 Trustee Act (Northern Ireland) 2001 if the proper law of this Trust shall be that of Northern Ireland) shall apply to all the functions of the Trustees.
- 2 No Trustee who is an individual shall be liable for any loss to the Trust Fund or the income arising from it by reason either of (i) any investment made in good faith by him or any other Trustee or (ii) any mistake or omission made in good faith by him or any other Trustee except in the case of negligence by a paid Trustee or (iii) the negligence or fraud of any delegate or agent employed in good faith by him or any other Trustee although the delegation to or employment of such agent was not strictly necessary or expedient or (iv) any other matter or thing except individual fraud on the part of the Trustee whom it is sought to make liable or, in the case of a paid Trustee, negligence.

### Section 7: Proper Law

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 the courts and construed according to the law of England and Wales unless the Settlor (and where two persons are the Settlor both of them) has initialled one of the boxes below in which case references in this Section 7 to England and Wales shall be read as if they referred to the proper law and jurisdiction indicated by the initials.

#### Initials

#### Proper Law

Scotland

Northern Ireland

(If the law of Scotland is selected, the Settlor must take independent legal advice, see note 'Proper law' on page 3.)

# Nucleus Onshore Bond Discretionary Discounted Gift Trust Trust deed

## Section 8: Signatures

### 1 In England, Wales and Northern Ireland

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

Signed as a deed and delivered by:

Name of Settlor

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

Location (only relevant in Scotland)

In the presence of:

Name and address of Witness

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

Date (in Scotland)

### 1 In Scotland

In witness whereof these presents are subscribed as follows:

At the location stated below on the day and year stated above by the Settlor:

Name of Settlor

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

Location (only relevant in Scotland)

In the presence of:

Name and address of Witness

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

Date (in Scotland)

# Nucleus Onshore Bond Discretionary Discounted Gift Trust Trust deed

Name of Original Trustee

Name of Original Trustee

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

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

Location (only relevant in Scotland)

Location (only relevant in Scotland)

In the presence of:

Name and address of Witness

In the presence of:

Name and address of Witness

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

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

Date (in Scotland)

Date (in Scotland)



# Nucleus Onshore Bond Discretionary Discounted Gift Trust Trust deed

Name of Original Trustee

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

Location (only relevant in Scotland)

In the presence of:

Name and address of Witness

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

Date (in Scotland)