

Nucleus Discretionary Gift Trust

Trust deed

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

This document is presented as a draft for the consideration of the Settlor's legal advisers. Every effort has been taken in the preparation of the document to ensure that it is capable of achieving the objectives stated above and explained in more detail in the guides referred to below. However, as the circumstances of each individual are different, Nucleus cannot guarantee that the objectives of any particular Settlor will be achieved using this draft. Accordingly, Nucleus can accept no responsibility for any loss occasioned from the use of this draft trust.

Important notes on using the Nucleus Discretionary Gift Trust

- This draft Discretionary Gift Trust deed is suitable for use only with investments held in the Nucleus wrap or when applying for a new investment to be held in the Nucleus wrap.
- For all new investments, the gift is made with a cheque (or a BACS transfer) in favour of Nucleus Financial Services and the application for the investment, be it a Nucleus Onshore or Offshore bond, or Nucleus General account, will then be made by the trustees appointed in the trust deed.
- For existing Nucleus Onshore or Offshore bonds, the deed of trust incorporates an assignment of the bond to the Trustees. A copy of the completed trust deed will need to be sent to the appropriate life office as a notice of the assignment.
- For existing General accounts in the Nucleus wrap (where all or some of the units/shares in the account are to be gifted), in order to legally perfect the gift, the register of beneficial owners held by the nominee company, NFS (Nominees) Limited, must be amended. The trust deed incorporates an instruction to NFS (Nominees) Limited for this to happen.
- When existing investments that are currently held in the Nucleus Wrap are gifted into trust, a new Nucleus account will be set up in the name of the trustees. This has to be done with the help of the financial adviser through the Nucleus online process.
- The Discretionary Gift Trust is a settlement and so has important legal and tax consequences. For a full explanation of the features, benefits and the legal and tax implications of this trust, investors should refer to the client guide to the Nucleus Discretionary Gift Trust. A more comprehensive guide for advisers can be found in the adviser guide to the Nucleus Discretionary Gift Trust.
- The main purpose of this Trust is to facilitate a gift which is effective for inheritance tax. For this reason, the person declaring the trust (the Settlor) is excluded from all benefit so as to avoid the "reservation of benefit" provisions and the pre-owned asset tax rules (see client and adviser guides).
- There is an option to include the spouse of the Settlor (unless he or she is also a Settlor) among the Beneficiaries – this should only be done after taking advice as, while it will have no adverse inheritance tax consequences, it can have income tax implications. It is therefore important to note that if the Settlor wishes to include their spouse as a Beneficiary, positive action needs to be taken by the Settlor at outset by initialling the appropriate box.
- If there are joint Settlers (e.g. husband and wife) clearly neither can then be a beneficiary.
- If, having obtained legal advice, the investor wishes to execute the draft as a deed, the Settlor(s) and the Trustees should follow the instruction in the completion guide at the end of the document.
- A copy of the executed deed must be sent to Nucleus for registration by the financial adviser who has access to the Nucleus online system.

Nucleus Discretionary Gift Trust

Trust deed

The Trust Deed

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

Between

of

and

of

("the Settlor" which term, where two persons are named above, shall include both of them) of the first part and the

Settlor and

of

and

of

and

of

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

Nucleus Discretionary Gift Trust

Trust deed

Part 1: Declaration

A. Where the "Initial Asset" is defined in paragraph (a) of the Schedule hereto, the Settlor has transferred or delivered (or intends forthwith to transfer or deliver) to the Original Trustees the Initial Asset to enable them to purchase investments in a Nucleus Wrap as indicated in the application that the Original Trustees have made or are about to make to Nucleus and to hold the said investments subject to the terms of this Trust

Or

Where the "Initial Asset" is defined in paragraph (b) or (c) of the Schedule hereto the Settlor hereby assigns the Initial Asset to the Original Trustees to hold subject to the terms of this Trust

Or

Where the "Initial Asset" is defined in paragraph (d) or (e) of the Schedule hereto the Settlor hereby assigns all his beneficial interest in the Initial Asset, and if the Settlor and Trust are subject to the law of Scotland, his whole interest in the Initial Asset, to the Original Trustees to hold subject to the terms of this Trust.

B. From time to time further moneys investments or other property may be paid or transferred to or otherwise placed under the control of the Trustees (as hereinafter defined) by way of addition.

C. Name of the Trust

This trust will be known as:

Part 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.

i. "Accumulation Period" means:

a) where this Trust is subject to the law of England the Trust Period as defined in this Deed; and

b) where this Trust is subject to the law of Scotland the period of 21 years from the date of this Deed.

ii. "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.

iii. "Beneficiaries" means the Default Beneficiaries and the Discretionary Beneficiaries.

iv. "Capacity" means mental capacity within the provisions of the Mental Capacity Act 2005 where this Trust is governed by the law of England; and within the provisions of the Adults with Incapacity (Scotland) Act 2000 where this Trust is governed by the law of Scotland; or any Act which supersedes either Act as appropriate.

v. "Discretionary Beneficiaries" means:

a) any widow or widower of the Settlor

b) the children and remoter issue of the Settlor whenever born

c) every spouse, former spouse, widow or widower of any such child or remoter issue

d) the brothers and sisters of the Settlor (or either of them) and their issue

e) 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

f) any person (other than the Settlor (or either of them) and, where paragraph (h) below has not been initialled, the spouse of the Settlor for the time being) 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 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 by that one acting alone

g) the Default Beneficiaries (as hereinafter defined)

h) the Settlor's spouse (but only if the Settlor has initialled this box)

Initial

i)

j) any charity

Nucleus Discretionary Gift Trust

Trust deed

vi. "Default Beneficiaries" means the one or more persons named in the boxes below:

Name	% share if more than one

vii. "Nucleus Wrap" has the meaning ascribed to it in the Nucleus Terms and Conditions

viii. "Trustees" means the trustee or trustees as appropriate for the time being of this Trust and at the commencement of this Trust the Trustees are the Original Trustees

ix. "Trust Fund" means

- the Initial Asset and
- all money, investments or other property paid or transferred by any person or persons to or so as to be under the control of and (in either case) accepted by the Trustees as additions, any capital accretions and accumulations of income and
- the money, investments and other property from time to time representing the said Initial Asset, money, investments, other property additions, capital accretions and accumulations of income

x. "Trust Period" means the period of one hundred and twenty five years commencing with the date of this Trust Deed

xi. 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

xii. "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.

Part 3: Main trust terms

1

- The Appointor shall have power by deed revocable (whether by the person making the deed or some other person) during the Trust Period or irrevocable to appoint that they shall hold the Trust Fund or any part thereof for the benefit of any Beneficiary or Beneficiaries on such terms as the Appointor in their absolute discretion think(s) fit and any such appointment may create any provisions and in particular discretionary trusts, protective trusts and dispositive or administrative powers exercisable by any person.
- The Appointor shall have power by deed to declare that the Trustees hold the Trust Fund or any part thereof on trust to transfer it to the trustees of another settlement wherever established to hold on the terms of that settlement freed and released from the terms of this Trust provided that nobody who is not a Beneficiary under this Trust can benefit under such a transferee settlement.

Provided that

- no appointment shall infringe the rule against perpetuities (where relevant) or affect the entitlement of any person to any payment made or asset transferred to him previously; and all money, investments or other property paid or transferred by any person or persons to or so as to be under the control of and (in either case) accepted by the Trustees as additions, any capital accretions and accumulations of income and
- where the Appointor is the Trustees, no appointment shall be made in favour of a Beneficiary who is also a Trustee, or a spouse of a Trustee, unless the appointment is also made by at least one other Trustee who does not, and whose spouse does not, benefit directly or indirectly from the appointment.

2 Subject to any exercise of the power of appointment conferred by paragraph 1 of this Part 3:

- The Trustees may accumulate the whole or part of the income of the Trust Fund during the Accumulation Period. Such income shall be added to the Trust Fund.
- The Trustees shall pay or apply the remainder of the income to or for the benefit of such one or more of the Discretionary Beneficiaries as the Trustees in their absolute discretion think fit during the Trust Period.

Nucleus Discretionary Gift Trust

Trust deed

- 3 Subject to any exercise of the power of appointment conferred by paragraph 1 of this Part 3, during the Trust Period:
 - i. the Trustees shall have power to pay transfer or apply the whole or any part or parts of the capital of the Trust Fund as they in their absolute discretion think fit to or for the benefit of any Beneficiary entitled to such part or whole.
 - ii. the Trustees shall have power to lend with or without security, and with or without interest, 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 and provided that where the Beneficiary to whom a loan is being made is also a Trustee, there must be at least one other Trustee exercising the power to lend.
- 4 Where the Trustees wish to pay transfer or apply any capital or income to or for the benefit of a Beneficiary who is under a legal disability they may do so by paying the income or capital 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.
- 5 Subject to the preceding trusts and to any exercise of the powers conferred above the Trustees shall at the end of the Trust Period hold the Trust Fund and its income so far as not otherwise disposed in trust for the Default Beneficiaries absolutely and if more than one in the shares set out in paragraph (vi) of Part 2 and if no shares are specified in equal shares absolutely.
 - iii. With regard to any policy of assurance or capital redemption policy held subject to the trust, the power:
 - a) 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
 - b) 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
 - c) to convert any such policy into a fully paid up policy free from payment of future premiums
 - d) to surrender wholly or partially any such policy
 - e) 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
 - f) 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

Part 4: Trustees' Administrative Powers

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:

- i. Power to retain the Trust Fund in its present state
- ii. 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 land, heritable property and investment in any policies of assurance as the Trustees may in their absolute discretion think fit and to hold any such in certificated or uncertificated form
- iv. 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
- v. 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. The Trustees shall also have power to pay any fees or other charges made by any such person acting for the Trustees in any of the specified capacities.

Nucleus Discretionary Gift Trust

Trust deed

- vi. Power to delegate any administrative functions in connection with the investment of the Trust Fund to any two of their number.
- vii. 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.

Part 5: Appointment, Dismissal, Retirement and Remuneration of Trustees

- 1 The Appointor shall have power to appoint by deed new or additional Trustees and where necessary the Trustees will grant any necessary documentation to complete such appointment.
- 2 The Settlor while he is alive and of full Capacity, or if two persons are the Settlor 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 Settlor and/or his spouse for the time being becoming the only Trustee(s).
- 3 Any Trustee may retire at any time on giving 30 days written notice to the Appointor, and the Trustees, if different, 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 only Trustee(s).
- 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.

Part 6: Further Trust Provisions

- 1 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.
- 2 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.

- ## Part 7: Proper Law

The proper law of this Trust shall be that of England 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 unless the Settlor (and where two persons are the Settlor both of them) has initialled the box below in which case references in this Part 7 to England shall be read as if they referred to the proper law and jurisdiction of Scotland.

Initials

Schedule

"Initial Asset" means the cash cheque or other property as indicated by the Settlor(s) completing (a), (b), (c), (d) or (e) below:

- a) The sum of £ or the cheque or BACS transfer for the said sum made payable to Nucleus Financial Services
- b) Nucleus Onshore Bond policies identified below:

Bond number:	On the life / lives of:	Issued by:
--------------	-------------------------	------------

Nucleus Discretionary Gift Trust

Trust deed

c) Nucleus Offshore Bond policies identified below:

Bond number	On the life / lives of:	Issued by:
-------------	-------------------------	------------

d) All the investments held by NFS (Nominees) Limited as the Settlor's nominee in the Nucleus [General Account] [Gross Account] numbered managed by Nucleus Financial Services Limited.

e) The units or shares in the following Unit Trust, OEIC and/ or SICAV Fund(s) held by NFS (Nominees) Limited as the Settlor's nominee in the Nucleus Account(s) numbered below managed by Nucleus Financial Services Limited.

Account number	Fund name	Number of shares / units
----------------	-----------	--------------------------

Part 8: Signatures

IN WITNESS whereof the Parties hereto executed this deed the day and year first before written at the location stated below

In the presence of:

Witness name

Signed as a deed and delivered

By the said (the Settlor)

Occupation

Address

At (place of signing) [Scots law only]

On (date of signing) [Scots law only]

Witness' signature (must be a 'wet' signature)

Settlor's signature (must be a 'wet' signature)

Nucleus Discretionary Gift Trust

Trust deed

Signed as a deed and delivered

By the said (Second Settlor)

At (place of signing) [Scots law only]

On (date of signing) [Scots law only]

Second Settlor's signature (must be a 'wet' signature)

In the presence of:

Witness name

Occupation

Address

Witness' signature (must be a 'wet' signature)

Signed as a deed and delivered

By the said (1st Original Trustee)

At (place of signing) [Scots law only]

On (date of signing) [Scots law only]

1st Original Trustee's signature (must be a 'wet' signature)

In the presence of:

Witness name

Occupation

Address

Witness' signature (must be a 'wet' signature)

Nucleus Discretionary Gift Trust

Trust deed

Signed as a deed and delivered

By the said (2nd Original Trustee)

At (place of signing) [Scots law only]

On (date of signing) [Scots law only]

2nd Original Trustee's signature (must be a 'wet' signature)

In the presence of:

Witness name

Occupation

Address

Witness' signature (must be a 'wet' signature)

Signed as a deed and delivered

By the said (3rd Original Trustee)

At (place of signing) [Scots law only]

On (date of signing) [Scots law only]

3rd Original Trustee's signature (must be a 'wet' signature)

In the presence of:

Witness name

Occupation

Address

Witness' signature (must be a 'wet' signature)

Nucleus Discretionary Gift Trust

Trust deed

Notice of Trust and Direction to Nominee [Nucleus Account]

By sending a copy of this Deed to NFS (Nominees) Limited, the Settlor(s) give Notice of this Trust and the assignment to the Trustees of their beneficial interest in the investments held in the above numbered account with effect from the date specified in the Deed and hereby direct NFS (Nominees) Limited to hold the said investments for the Trustees named herein or such other Trustees of the said Trust as may be appointed in the future provided the Nominee is notified of their identity.

The Settlor(s) certify that this instrument falls within category L in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

Notice of assignment of Nucleus [Onshore Bond][Offshore Bond] to trustees

By sending a copy of this Deed to [Nucleus Financial Services Limited acting on behalf of [SFA] [RL360] [Sanlam] delete as appropriate the Settlor(s) give Notice of the assignment of legal title to the Bond identified in the Schedule above to the Trustees with effect from the date specified in the Deed.

Nucleus Discretionary Gift Trust

Trust deed

Nucleus Discretionary Gift Trust Completion Guide

If, after seeking legal advice, the Nucleus Discretionary Gift Trust is to be completed unamended the following parts of the document need to be completed as follows.

Personal Details

- The date the deed is executed must be inserted. If the parties sign the deed on different days, this should be the date of the last signature.
- The names and addresses of the Settlor(s) (both of them in joint cases) and the additional trustees who will act with the Settlor(s) as Original Trustees must be inserted. A maximum of 4 Original Trustees (including the Settlor(s)) should be inserted.

Part 1: Declaration

In paragraph C. Name of the Trust: the name of the Trust should be inserted, e.g. 'The 2012 Allan Jones Discretionary Gift Trust'. This will help to distinguish it from any other trusts the Settlor may have created, which will help when corresponding with HM Revenue & Customs. It is also the name which will be used to refer to the Trust in the Nucleus Wrap and that will feature on all correspondence relating to the investment account from Nucleus.

Part 2: Definitions

In definition (v) "Discretionary Beneficiaries" the Settlor should initial the box next to paragraph (h) if he/she wishes his or her spouse to be included as a Beneficiary. If this box is not initialled at outset, the spouse will not be able to benefit from the trust during the lifetime of the Settlor.

In paragraph (i) the Settlor should insert the name(s) or class of any other beneficiary(ies) they wish to include and not already covered under categories (a) - (h).

In definition (vi) "Default Beneficiaries" the names of the beneficiary or beneficiaries who will benefit in default of other appointment (for example, if there is 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) should be inserted. If there is to be more than one such beneficiary then the percentage shares in which they should benefit should be inserted. Please ensure that the shares add up to 100%. At least one name must always be included in this Part.

Part 7: Proper Law

If the Settlor is domiciled in Scotland (both Settlers in joint Settlor cases) he/ she/ they should initial the box if they want the law of Scotland to apply to the Trust. If the Settlor is domiciled in England, Wales or Northern Ireland he or she should leave the box blank. If there are joint Settlers, both must initial the box.

If the box is not initialled, the law of England will apply.

The Schedule

In the Schedule the details of the relevant "Initial Asset" should be inserted.

Paragraph (a) should be completed where the Settlor is transferring cash (or a cheque) to the Trustees with the intention that the Trustees invest in a Nucleus Wrap.

Paragraph (b) or (c) should be completed if an existing Nucleus bond (onshore or offshore as appropriate), is being transferred to the Trust.

The Bond number, the life/lives assured and name of the company issuing the policy should be inserted.

Paragraph (d) should be completed if all the existing investments held in a Nucleus General or Nucleus Gross Account are being made subject to this Trust.

Paragraph (e) should be completed if only some of the investments held in such an account are being gifted.

Part 8: Signatures

The Settlor (both Settlers in joint cases) and the Original Trustees should sign the document and each signature should be witnessed. It is sufficient for the Settlor(s) to sign once. In Scotland, the location and date of each signature must also be stated.