

GIFT SCHEME – FLEXIBLE TRUST.



IMPORTANT NOTES – before completing the Flexible Trust, please read the following notes.

1. This documentation has been produced for consideration by you and your legal advisers. The legal and tax effects of the Trust will depend on your individual circumstances and Legal & General (as defined in clause 12.4 of Part B of the Trust) and its advisers accept no responsibility for ensuring that the Trust meets your requirements.
2. Ensure that you fully understand the terms of the Trust and how it works: see further the Completion and Technical Guides. If you are in any doubt about the terms, it is your responsibility to seek legal or tax advice as appropriate.
3. Ensure that you have read and understood all the literature relating to your chosen investment for this Trust.
4. It is desirable to supplement the Trust with a letter of wishes to provide guidance to the Trustees.
5. The creation of the Trust will be a chargeable transfer for inheritance tax purposes and it is therefore important that the amount put into the Trust does not exceed your available nil rate band otherwise tax will be payable.
6. Please note that Legal & General will only accept instructions from Trustees who have had their identities verified. We may need to also confirm the identity of other individuals relating to the Trust. We may do this by using reference agencies to search sources of information; this will not affect credit ratings. If this identity search fails, we may ask the parties for documents to confirm their identities. By signing this Deed, all parties to this Deed have consented that we can verify their identity and that, if required by Legal & General, the Trustees will take all reasonable steps to obtain for Legal & General evidence of identification for any of the Beneficiaries of the Trust.
7. Legal & General has drafted this Trust to reflect the law as at 1 September 2010. Legal & General and its advisers cannot accept any responsibility for loss, damage or other claim that may arise from the use of this Trust or the way in which you complete it. We therefore strongly recommend that you consult your own legal or tax adviser before proceeding.
8. Use CAPITALS and black or blue ink throughout. If you make a mistake while completing the Trust, please correct the error by crossing out (do not use correction fluid) and the Settlor and the Trustees should initial the change.
9. **You must also complete the Trust/Entity Self-Certification Declaration Form and send this to us together with your completed Deed.**

GIFT SCHEME – FLEXIBLE TRUST

The Settlor and Trustees should read Important Notes on page 1 before completing the Trust Deed.

PART A. DATE OF TRUST

INSERT date when last person signs on page 9.

THIS DECLARATION OF TRUST is made on the day of 20
BY the Settlor and the Trustees

PART B. DEFINITIONS

Please insert the details of the Settlor.

In the case of joint Settlers insert the details of the second Settlor.

If the sole Settlor is to be a Trustee it is important that at least one Additional Trustee is named.

If the Settlor is not to be a Trustee it is important that two Additional Trustees are named.

1. The 'Settlor' means

First (or sole) settlor

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

Second settlor

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

2. The 'Additional Trustees'

Additional Trustee 1

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

Additional Trustee 2

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

Additional Trustee 3

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

Additional Trustee 4

Name
Address
<input type="text"/>
<input type="text"/>
Postcode
Date of birth

PART B. DEFINITIONS (continued)

The Settlor will automatically be a Trustee unless he/she signs the box opposite.

When there are two Settlers, the second Settlor will also automatically be a Trustee unless he/she signs the box opposite.

Please insert the details of the individual(s) (other than the Settlor) you want to benefit, together with any percentage shares you want each to receive, adding up to a total of 100%.

Please use a continuation sheet if you wish to nominate more than four Beneficiaries.

3. The 'Trustees'

'The Trustees' shall mean the Settlor (unless the relevant box below is signed) and the Additional Trustees and any other trustees for the time being of this Trust.

The first (or sole) settlor will be a Trustee unless he/she signs his/her name in the box.

The second settlor will be a Trustee unless he/she signs his/her name in the box.

4. The 'Absolute Beneficiary or Beneficiaries'

Beneficiary 1

Beneficiary 2

Name	Name
Address	Address
Postcode	Postcode
Date of birth	Date of birth
Percentage %	Percentage %

Beneficiary 3

Beneficiary 4

Name	Name
Address	Address
Postcode	Postcode
Date of birth	Date of birth
Percentage %	Percentage %
Total Percentage	100%

5. The 'Discretionary Beneficiaries'

The persons listed below may benefit under the Trust but so that no Excluded Person shall be capable of benefiting.

5.1 Any spouse widow or widower of the Settlor provided that person is not a Settlor but if the Settlor signs this box any spouse of the Settlor shall not be a Discretionary Beneficiary and shall be an Excluded Person.

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5.2 The Absolute Beneficiary or Beneficiaries and their issue.

5.3 Any child or grandchild of the Settlor whenever born (including step children and their issue).

5.4 Anyone descended from the father or mother of the Settlor.

5.5 Any surviving spouse (whether or not remarried) of anyone described in sub clauses 5.2, 5.3 and 5.4.

5.6 After the death of the Settlor anyone who may benefit from his or her residuary estate.

5.7 Any person class of person or any charity named in a deed of addition made by the Settlor during his lifetime.

5.8 Any Additional Discretionary Beneficiary.

The Settlor should sign this box if the spouse of the Settlor is NOT to be a Beneficiary.

Please insert the details of any individual(s) to be included as a Discretionary Beneficiary not already included in the list above.

Do not include an Excluded Person.

If you wish to include more than four individuals or add a class of persons use a continuation sheet for the extra individuals/class of persons.

'Additional Discretionary Beneficiaries'

Beneficiary 1		Beneficiary 2	
Name		Name	
Address		Address	
Postcode		Postcode	
Date of birth		Date of birth	
Beneficiary 3		Beneficiary 4	
Name		Name	
Address		Address	
Postcode		Postcode	
Date of birth		Date of birth	

6. The 'Beneficiaries'

The 'Beneficiaries' shall mean both the Absolute Beneficiary or Beneficiaries and the Discretionary Beneficiaries.

7. Name of Trust

This Trust shall be called

	Trust
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Please insert name of the Trust in this box.

The Settlor, and in the case of joint Settlers, both Settlers, should sign this box if Scots law is to apply.

8. Governing Law

The Trust will be governed by the law of England and Wales unless the Settlor signs the following box to choose Scots law.

	First (or sole) settlor	Second settlor
Scots law is to apply to this Trust.		

9. Excluded Persons

- 9.1 The Trustees may, at any time or times during the Trust Period, declare by deed or deeds that the objects or persons or classes of objects or persons named or specified (whether or not ascertained) in such deed who are, would or might, but for this clause, be or become Beneficiaries or otherwise able to benefit, as the case may be, shall, in relation to the whole or any part of the Trust Fund, be excluded from benefit (both direct and indirect) and shall be known as 'Excluded Persons'.
- 9.2 The power conferred by sub clause 9.1 shall not be capable of being exercised so as to take away any interest to which any of the Beneficiaries has previously become indefeasibly entitled.
- 9.3 Any declaration made pursuant to sub clause 9.1 may be revocable, during the Trust Period, or irrevocable to take effect before the end of the Trust Period and shall have effect from the date (not being a date earlier than the date of such instrument) specified in the instrument.
- 9.4 The Settlor shall be an Excluded Person and if the box in clause 5.1 of Part B is signed, the Settlor's spouse shall be an Excluded Person, and in neither case shall this exclusion be revocable.

10. The 'Trust Fund'

The Trust Fund means the Initial Property set out in the Schedule to this Deed together with any and all other property at any time added to this Trust by way of further gift, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same.

11. The 'Trust Period'

The Trust Period means the period of 125 years beginning with the date of this Trust unless this Trust is governed by Scots law when it shall be of unlimited duration.

12. Construction

- 12.1 In this Deed words importing the singular shall include the plural and vice versa. Words importing a gender include every gender.
- 12.2 'Spouse' shall include a civil partner registered under the Civil Partnership Act 2004 and 'husband', 'wife', 'widow' and 'widower' shall be construed accordingly.
- 12.3 'Charity' means a trust or corporation, association, society or other institution established only for charitable purposes in accordance with the governing law of the Trust.
- 12.4 Legal & General shall mean Legal & General Assurance Society Limited, Legal & General (Portfolio Management Services) Limited and/or Legal & General (Unit Trust Managers) Limited as appropriate.
- 12.5 The notes in the margin are for the purposes of information only and shall not be used in the construction of the Trust or any part of it.

1. Appointing the Trustees

In signing this Declaration of Trust the Settlor appoints the Trustees to act as the trustees of this Trust and the Trustees agree to act as the trustees of the Trust (as evidenced by them signing this Deed) in accordance with the trusts powers and provisions set out below.

Only relevant if the Initial Property comprises the Policy (see the Schedule).

2. Assigning the Policy

- 2.1 The Settlor as the legal and beneficial owner of the Policy assigns the Policy and all benefits payable under it to the Trustees to hold on trust subject to the powers and provisions of the Trust as set out in this Deed and the Trustees accept the assignment on those terms (as evidenced by them signing this Deed).
- 2.2 The Settlor and Trustees will send a copy of this Declaration of Trust to Legal & General as a notice of the assignment effected under this Trust.
- 2.3 Where the Policy is assigned by joint settlors the joint settlors acknowledge that their investment in the Policy was provided in equal shares by each settlor.

Only relevant if the Initial Property comprises cash (see the Schedule).

3. Gift of Cash

- 3.1 Where the Trust Fund initially comprises or includes a cash gift from the Settlor the Settlor at the direction of the Trustees (as they confirm by their signature of this Deed) has paid it to Legal & General.
- 3.2 Where cash has been contributed by joint settlors, the joint settlors acknowledge that the cash has been provided in equal shares by each of them.
- 3.3 The Trustees agree to invest the cash sum in a Legal & General policy or a Legal & General collective investment agreed with the Settlor within a reasonable timescale following receipt of payment of the cash sum.
- 3.4 If the proposed investment in the policy does not proceed or is otherwise terminated, Legal & General will refund the money to the account of the account holder from where payment was received, and to that extent the Trust shall be deemed not to have come into effect.

4. Trust Provisions

- 4.1 The Trustees shall hold the Trust Fund and the income thereof for the benefit of any one or more of the Discretionary Beneficiaries upon such trusts (including discretionary and protective trusts) in such shares and with and subject to such trusts powers and provisions (exercisable by any person) as the Trustees shall at any time or times appoint by deed or deeds executed during the Trust Period which may be revocable during the Trust Period or irrevocable.
- 4.2 Subject to and in default of any such appointment the Trust Fund shall be held on trust for the Absolute Beneficiary as his own absolute property.
- 4.3 If there is more than one Absolute Beneficiary, the Trust Fund shall be held on trust for the Absolute Beneficiaries:
 - (a) in the percentage shares specified in clause 4 of Part B (provided that if shares are specified but they do not amount to 100% they shall be adjusted rateably); or
 - (b) if no such shares are specified in equal shares.
- 4.4 Whilst any Absolute Beneficiary is entitled to income under the Trust is a minor:
 - (a) the Trustees may pay or apply the whole or any part of that income for or towards the maintenance, education or benefit of that Beneficiary as the Trustees in their absolute discretion think fit; and
 - (b) the balance (if any) of such income shall be invested and retained (together with the resulting income) for the sole benefit of such Beneficiary as his absolute property; and the statutory provisions for accumulation and maintenance shall not apply.
- 4.5 The powers in sub clause 4.1 shall only be exercisable when there are at least two Trustees or a trust corporation.

5. Trustees' Powers

In addition to the powers given to them by law, the Trustees shall have the following powers:

- 5.1 The Trustees may invest any money requiring to be invested (subject to obtaining advice, if required by law) in such manner as if they were absolutely beneficially entitled to the investments.
- 5.2 The Trustees are under no obligation to diversify the Trust Fund.
- 5.3 The Trustees shall have power to effect any life assurance policy on the life of any person or persons, accept assignments of a policy to the Trust and exercise any option under any policy held by the Trustees and to sell, charge, assign or surrender the whole or any part of such policy.
- 5.4 The Trustees shall have power to borrow money on such terms and security as they think fit.
- 5.5 The Trustees shall have power to lend money to any of the Beneficiaries on such terms and security as they think fit.
- 5.6 The Trustees shall have 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 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.
- 5.7 The Trustees shall have power to instruct any investment or other professional adviser or advisers on such terms as to fees or other remuneration and generally as the Trustees may think fit, and the Trustees may either pay such fees or other remuneration out of the Trust Fund or reimburse themselves out of the Trust Fund if they have paid such fees or other remuneration themselves.

6. Administrative Provisions

6.1 Receipt as a full discharge

The Trustees shall have 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.

6.2 Payments to Trustees

Any Trustee for the time being (other than the Settlor) shall:

- (i) be entitled to recover all reasonable expenses; and
- (ii) being a solicitor or other person or corporate body engaged in any profession or business be entitled to be paid all usual professional or other charges for business done in relation to the Trust.

6.3 Appointment of Trustees

There shall be vested in the Settlor the power of appointment of a new Trustee and/or additional Trustee(s). Subject thereto the power to appoint new or additional Trustees shall be vested in the Trustees.

6.4 Power to vary administrative provisions

When in the management or administration of the Trust Fund, any transaction is, in the opinion of the Trustees, expedient but cannot be effected by reason of the absence of any power for that purpose, the Trustees may by deed confer on themselves either generally, or in the particular instance, the necessary power for the purpose and on the execution of such a deed the Trustees will have such power as if it had been expressly conferred on them by this Deed.

7. Exercise of Trustee Powers

- 7.1 Where two persons are the settlors any powers vested in the Settlor must be exercised jointly during their joint lives and thereafter by the survivor of them.
- 7.2 None of the Trust powers or provisions shall operate or be exercised so as to allow any part of the Trust Fund or the income arising from it to be paid, transferred, or applied directly or indirectly to or for the benefit of the Settlor in any circumstances whatsoever.
- 7.3 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 so as to bind their successors.

8. Protection of the Trustees

No Trustee (other than a professional Trustee) will be liable for any loss to the Trust Fund or part of the Trust Fund at any time unless that loss resulted from personal dishonesty or knowing breach of trust.

SCHEDULE

If assigning a policy to the Trustees please complete the box(es).

(The 'Initial Property')

'The Policy' means one or more of the following:

Name of Company:
Please insert
Legal & General
Assurance Society
Limited.

Name of Company	<input type="text"/>
Description of policy	<input type="text"/>
Policy Number	<input type="text"/>
Lives Assured	<input type="text"/>

Name of Company	<input type="text"/>
Description of policy	<input type="text"/>
Policy Number	<input type="text"/>
Lives Assured	<input type="text"/>

Name of Company	<input type="text"/>
Description of policy	<input type="text"/>
Policy Number	<input type="text"/>
Lives Assured	<input type="text"/>

Name of Company	<input type="text"/>
Description of policy	<input type="text"/>
Policy Number	<input type="text"/>
Lives Assured	<input type="text"/>

If transferring a cash sum to the Trustees complete the following box.

The cash sum of	£ <input type="text"/>
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PART D. SIGNATURES

IN WITNESS whereof the parties have signed this instrument as a deed

Witnessing: Please ensure that all signatures are witnessed by an independent person.

The same person can witness all signatures.

Witnesses must be adult and not someone already named in the Trust nor their spouse or civil partner.

Date: Please add the date of signature. Once all the parties have signed, the last date on which a person signed should be inserted as the date of the Trust in the box on page 2.

Place: Please add the place where the Deed was signed and witnessed (for example Edinburgh) only if the Deed is governed by Scots law.

	First (or sole) settlor/Trustee	Second settlor/Trustee
1. Signed and delivered as a deed by the said (full name)		
2. Signature		
3. In the presence of witness (full name of witness)		
4. Signature of witness		
5. Address of witness		
6. Date		
7. Place		
	Additional Trustee 1	Additional Trustee 2
1. Signed and delivered as a deed by the said Trustee (full name)		
2. Signature		
3. In the presence of witness (full name of witness)		
4. Signature of witness		
5. Address of witness		
6. Date		
7. Place		
	Additional Trustee 3	Additional Trustee 4
1. Signed and delivered as a deed by the said Trustee (full name)		
2. Signature		
3. In the presence of witness (full name of witness)		
4. Signature of witness		
5. Address of witness		
6. Date		
7. Place		



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