

For customers

The Discretionary Gift Trust

Completion notes

1. Please complete all relevant sections of the Trust document in pen.
2. If you make a mistake, just draw a line through it. Don't use correction fluid. You and all the Trustees must initial the change.
3. The margin notes throughout the document will help you fill it in.
The notes in standard text tell you what to put and where, while the notes in italics explain a bit more about the Trust and how it works.
4. Please make sure you fill in all the relevant boxes. In this Trust, only Part 7, 4(a) on page 09 is optional, depending on how the Trust is being established. You must fill in the boxes on pages 03, 04, 10 and 11. If you leave any of these blank, the Trust could be invalid.
5. If you want the Law of Scotland to apply to this Trust, you must initial the box(es) on page 09.
6. The signatures of the Settlor and all Trustees must be witnessed.

Trusts establish legal entitlements and have material financial and taxation implications.

This draft document is supplied merely as a specimen for consideration by the Settlor together with his/her legal and other professional advisers. Accordingly neither Scottish Equitable plc, AEGON Ireland plc nor any of its representatives can accept any responsibility for its use in any circumstances whatsoever.

Contents

Part 1	Declaration	03
Part 2	Definitions	04
Part 3	Assignment of Original Investment	05
Part 4	Principal Trust terms	05
Part 5	Administrative powers	06
Part 6	Retirement, removal, appointment and remuneration of Trustees	08
Part 7	General Trust provisions	09
Part 8	Attestation	10

Notes for users

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

Write the date this Trust is set up. This **must** be the date the Trust is signed on.

You are the Settlor(s). Write your name(s) and address(es) in 'A'.

Write the names and addresses of the Trustees in 'B'. If you want to be Trustee(s), you must put your name(s) here too.

Part 1 Declaration

This trust is made on the

(date) Day of (month) Two thousand and

Between

A. (name)

of (address)

and (name)

of (address)

of the first part and

B. (name)

of (address)

and (name)

of (address)

and (name)

of (address)

and (name)

of (address)

of the second part.

This part defines the terms used in the Trust.

The Accumulation Period will start on the death of the Settlor unless there's more than one Settlor, where it will start on the date of this Trust. If the Settlor wants income to accumulate over a different period then they should discuss this with their legal advisers and make appropriate changes to this document. Please note that most insurance policies don't produce income and so, while the only assets of the trust are insurance policies, no income will be generated for accumulation.

If you're the sole Settlor and you don't want your wife, husband or Civil Partner to benefit during your lifetime, you should initial the box opposite.

Here's where you say what assets you're using to set up the Trust. You only normally need to fill in one box. Only enter each asset once.

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 (including the neuter) shall include all genders.

1. *'Accumulation Period'* means the period of 21 years beginning with the date of death of the Settlor except where the Settlor is more than one person in which case it means the period of 21 years beginning with the date of this Trust.
2. *'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 descendant of a grandparent of the Settlor (other than the Settlor), any descendant of a grandparent of the spouse or Civil Partner or any former spouse or former Civil Partner of the Settlor, and the spouse or Civil Partner or any former spouse or former 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 or Charity nominated in writing as a Beneficiary by the Settlor
 - (g) any individuals to whom the Settlor shall be or shall have been either married or in a Civil Partnership with and any widow, widower or former Civil Partner of the Settlor whether that individual/widow/widower has remarried/formed another Civil Partnership or not
 - (h) at any time when there are no Beneficiaries within paragraphs (a) to (g) above in existence any CharityProvided however that:
 - (i) no person who is a Settlor shall be a Beneficiary in any capacity whatsoever under this Trustand
 - (ii) where the Settlor is one person and the box immediately following this proviso is initialled by the Settlor it shall not be possible for the Settlor's spouse or current Civil Partner to be a beneficiary under this Trust. This proviso shall not, however, exclude the Settlor's widow, widower or former Civil Partner from being a Beneficiary

--
3. *'Charity'* means any trust, foundation, company or other organisation whatever established only for the purposes regarded as charitable under the proper law of this Trust.
4. *'Civil Partner'* means an individual who has at any time been in a Civil Partnership.
5. *'Civil Partnership'* means a partnership which exists or has existed under or by virtue of the Civil Partnership Act 2004.
6. *'Original Investment'* means the amount of money or Policy(ies) specified in the Table immediately below.

Money	
Policy(ies)	

This states that you're transferring the assets making up the Trust Fund to the Trustees.

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, if you agree.

7. *'Original Trustee(s)'* means the person or persons named in B of Part 1 of this Trust.
8. *'Policy'* means any policy(ies) of insurance or assurance.
9. *'Settlor'* means the person named in A of Part 1 of this Trust and where the Settlor is more than one person means both such persons and the survivor of them.
10. *'this Trust'* means the declaration of trust the terms of which are contained in this document.
11. *'the Trustees'* means the Original Trustees or the trustee or trustees for the time being hereof.
12. *'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.
13. *'the Trust Period'* means the period beginning with the date of this Trust and ending on the Vesting Date.
14. *'the Vesting Date'* means the day on which shall expire the period of 80 years from the date of this Trust which period (where the Trust is subject to the Law of England and Wales) shall be the perpetuity period.
15. In this Trust *'child'*, *'children'* and *'descendant'* of any person includes any step, adopted 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.

Part 3 Assignment of Original Investment

The Settlor is the beneficial owner of the Original Investment and the Settlor hereby assigns or transfers (as appropriate) the Original Investment to the Trustees upon trust to hold the Original Investment from the date hereof as Trustees subject to the terms of this Trust.

Part 4 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 one or more of the Beneficiaries in such one or more shares and for such interest and subject to such trusts' powers and provisions (including protective trusts, discretionary trusts or powers 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 Provided Always that during the Accumulation Period the Trustees shall have the power to accumulate all or any part of the income of the Trust Fund as an accretion to capital of the Trust Fund
 - (b) power to pay transfer or apply during the Trust Period the whole or any part or parts of the Trust Fund to or for the benefit of such one or more of the Beneficiaries in such one or more shares and for such interest and subject to such trusts' powers and provisions (including protective trusts, discretionary trusts or powers 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

The Trustees have the power to pay capital to the trustees of another settlement under which one or more of the Beneficiaries is or may be interested.

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

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

- (c) power to apply during the Trust Period the whole or any part or parts of the Trust Fund by paying or transferring the same for the benefit of such one or more of the Beneficiaries to the trustees of any other trust or settlement whether or not the proper law of such other trust or settlement is the same as the proper law of this Trust and 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 for whose benefit the power is exercised is only a discretionary object of such trust
 - (iii) money or other property may be paid or transferred to the trustees of such other trust or settlement notwithstanding that persons other than the Beneficiary for whose benefit the power is exercised are or may become entitled to, or to the income of, the money or property so paid or transferred
 - (iv) any exercise of this power shall be subject to the application of the rule against perpetuities and the law concerning excessive accumulations of income, and
 - (v) 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
- (d) 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
- (e) 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 Always that the powers conferred by this paragraph 1 shall be exercisable during the lifetime of the Settlor for the benefit of any person other than the Settlor or his spouse or current Civil Partner only with the Settlor's prior written consent (while capax)

And 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 for the benefit of such Charities as they shall in their absolute discretion appoint.

Part 5 Administrative powers

1. The Trustees may administer this 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 of 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

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

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

The Trustees can release the powers conferred on them.

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.

This widens a statutory power for the Trustees to apply income for the maintenance, education or benefit of minor Beneficiaries.

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

The Trustees can't dispose of Trust Fund assets during your lifetime unless you agree first.

- (b) 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
 - (c) 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
 - (d) to acquire any moveable or immovable property for the occupation, use or enjoyment of a Beneficiary
 - (e) to acquire property jointly with any person
 - (f) 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
 - (g) 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
 - (h) by deed (and so as to bind successive trustees of this 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.
 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 31 of the Trustee Act 1925 shall apply as if the proviso to section 31(1) was deleted.
 5. Section 11 of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply.
 6. None of the administrative powers specifically conferred by paragraph 1 above shall be capable of being exercised in such a way as to dispose of any assets comprised in the Trust Fund during the Settlor's lifetime without the prior written consent (while capax) of the Settlor.

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 resign.

Trustees other than you, as the Settlor, and your spouse or Civil Partner can make reasonable charges for their work on behalf of the Trust, if you agree.

Part 6 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 this 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 at least one of whom is not the Settlor
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. 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.
4. Every Trustee (including for the avoidance of doubt any body corporate for the time being a 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 the spouse or current Civil Partner of the Settlor shall not be entitled to remuneration as a Trustee in any way.
5. Any Trustee (including for the avoidance of doubt any body corporate for the time being a Trustee) other than the Settlor and any spouse or current 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 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 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 this 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 this 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

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 this Trust. However, if you want the Law of Scotland to apply, you must initial this box/these boxes.

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

- (d) 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 7 General Trust provisions

1. This Trust shall be 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 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 and construed according to the Law of England and Wales unless the box incorporated in this subparagraph is initialled by the Settlor (or where there are two Settlers both Settlers) in which case the proper law of this Trust shall be the Law of Scotland.

Initials of Settlor(s) – (if the Law of Scotland to apply)

--	--

- (b) The courts of England and Wales (or if the Settlor has indicated in subparagraph 4(a) above that the Law of Scotland shall apply to the Trust, the courts of Scotland) shall be the forum for the administration of this Trust.
- (c) Notwithstanding the provisions of subparagraph 4(a) and 4(b) of this Part 7:
 - (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
 - (ii) the Trustees may at any time declare by instrument that from the date of such declaration the proper law of this Trust shall be that of any specified jurisdiction (not being a jurisdiction under the law of which this Trust would be capable of revocation) and that all rights under this 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 this 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.

You **must** sign here.
Without your signature(s)
the Trust is invalid.

Your signature(s) must be
witnessed. A witness should
be someone over 18.

6. Notwithstanding any of the foregoing provisions hereof none of the Trust powers or provisions hereof shall operate or be exercised so as to allow any part of the Trust Fund or the income thereof to be paid, transferred or applied for the benefit of the Settlor (or where the Settlor has initialled proviso (ii) in paragraph 2 of Part 2 hereof the spouse or current Civil Partner of the Settlor) (and where two persons are the Settlor this paragraph shall operate with like effect in relation to each of those persons).

Part 8 Attestation

In witness whereof the parties hereto have hereunto executed this deed the day and year first before written

**Signed and delivered
as a deed by the Settlor**

Name

Witness

Name

Address

Postcode

Occupation

**Signed and delivered
as a deed by the Settlor**

Name

Witness

Name

Address

Postcode

Occupation

Each of the Trustees must sign here, and each signature must be witnessed. A witness should be someone over 18.

If you (the Settlor) are also a Trustee, there's no need for you to fill in your details or sign in this section.

**Signed and delivered
as a deed by the Trustee**

Name

Witness

Name

Address

Postcode

Occupation

**Signed and delivered
as a deed by the Trustee**

Name

Witness

Name

Address

Postcode

Occupation

**Signed and delivered
as a deed by the Trustee**

Name

Witness

Name

Address

Postcode

Occupation

Continued on back page.

Signed and delivered
as a deed by the Trustee

Name

Witness

Name

Address

Postcode

Occupation

This Trust is provided on the strict understanding that it is presented as a draft to be considered by you together with your legal advisers. Accordingly Scottish Equitable plc, AEGON Ireland plc or any of its representatives cannot accept any responsibility for the result of its use in any circumstances whatsoever.