

Use these forms if an **employer** owns the plan and they want to provide **life cover** for one of their **employees** outside of a registered group life scheme.

Part 1 – to be completed by the employer.

This is the Declaration of Trust form (the Trust). The employer should complete this part before the employee completes Part 2. Under the Trust the benefits of the plan are held on discretionary trusts for the benefit of the employee and their family. This means that the benefits will not normally form part of the employee's estate for inheritance tax. The Trustees choose which of the discretionary beneficiaries to pay the benefits to and in what proportions. The employee can add to the list of Discretionary Beneficiaries in the trust now by adding the additional beneficiaries' names at clause F10 or at a later date by providing the Trustees with a new Nomination Form.

Both forms can be used in England, Wales, Scotland or Northern Ireland.

We strongly recommend that you seek independent professional advice before completing the Trust.

Part 2 – to be completed by the employee.

This is the Nomination form. The employee should complete this part, after the employer has completed the Trust form, to guide the trustees on who they would like to receive the benefits. They should complete the full name and address of each person and if more than one, the percentage share each should receive. The Nomination form can be used to guide the Trustees as to which of the discretionary beneficiaries (listed in the Trust form) the employee would like to receive benefits. It can also be used to add new people to the list of discretionary beneficiaries in the Trust, that the employee would like to receive benefits. The Nomination form is not binding on the Trustees and the employee can cancel or amend it at any time by completing a new Nomination form and giving it to the Trustees. However, the Trustees always have discretion to decide which of the discretionary beneficiaries to make payment to.

A copy of the completed forms should be sent to us at:

**Bright Grey
2 Queen Street
Edinburgh, EH2 1BG**

The employee should return the forms to the employer once they have completed Part 2, keeping a copy for their records. If there are additional Trustees the employee should also send copies of the forms to them.

About the forms

At Bright Grey we try to avoid complex language and jargon wherever possible. But trust and tax law is complex. Because of this, and because of the flexibility built into the plans we offer, the words in the forms are more complex than other Bright Grey documents. So to help you complete the forms, we've added instructions next to each section.

If you have any questions, just let us know and we'll do our best to answer them as simply as we can. We also have a range of support booklets available to help you understand trusts and the roles of the people involved, as well as a guide that focuses on completing our forms.

Part 1

Declaration of Trust – to be completed by the employer

Disclaimer

The notes in italics below and in the Definitions and Signature sections are for general guidance only and are based on our understanding of the law and HM Revenue & Customs practice. We have made every effort to make sure they are accurate but can accept no responsibility for our interpretation of the law, or future changes in the law or practice.

Tax liabilities depend on the circumstances of the individual, so we cannot give any assurance that the Trust is suitable for your own circumstances.

We strongly recommend that you seek independent professional advice before completing the Trust.

Use of the Trust

- 1 *This Declaration of Trust (the Trust) is for use in England, Wales, Scotland or Northern Ireland.*
- 2 *The employer should complete the Trust form before the employee completes the Nomination form.*
- 3 *This Trust is for use with a protection plan taken out by an employer wishing to provide Life Cover to an employee outside of a registered group life policy.*
- 4 *The benefits will not normally be an asset of the employee's estate and would not normally be liable for Inheritance Tax (IHT). A liability to IHT may arise if any benefit paid following a claim remains in the trust past the next 10-year anniversary of when the trust was created. For more information on this please speak to your financial adviser.*
- 5 *You should not use this Trust with plans that are owned by an employee.*
- 6 *You should not use this Trust with plans that provide benefits other than Life Cover.*
- 7 *You should not use this Trust in a business protection arrangement. If you need a Trust for business protection you should use the Bright Grey Business Trust.*

Types of Trust

- 1 *The benefits of the plan are held on discretionary trusts for the benefit of the employee and their family. This means that the benefits will not normally form part of the employee's estate for inheritance tax.*

Trust administrative provisions

- 1 *We recommend that you appoint at least two Additional Trustees. They will be responsible for making sure that the Trust Fund is paid to the beneficiaries selected from the Discretionary Beneficiaries listed in section F Definitions.*
- 2 *By signing this form, you give the Trustees wide powers over how the Trust is administered and the Trust Fund invested, including the power to delegate the investment of the Trust Fund to an independent Fund Manager.*
- 3 *The employee can appoint a new Trustee or Trustees and can also remove one or more of the existing Trustees. However, there must always be at least two Trustees acting, unless a corporate body is named as Trustee.*

A Introduction

- A1** The Principal Employer has determined to establish the Plan and wishes to declare trusts on which the Plan is held and for that purpose appoints himself and the Additional Trustees as the initial Trustees of this Trust Deed.
- A2** The Principal Employer undertakes to the Trustees to pay all premiums that may be due with respect to the Plan.
- A3** The Definitions in Part F shall have the meanings in that Part.

B Trust provisions

- B1** The Trustees shall hold the Trust Fund upon trust for the benefit of such one or more of the Discretionary Beneficiaries in such proportions, on such terms and conditions and subject to such new or other trust purposes, powers and provisions as to both income and capital (including power to accumulate during such period permissible by law) as the Trustees may during the Trust Period revocably or irrevocably appoint in writing.
- B2** In the event of the failure of the above Trusts, the capital and income of the Trust Fund or such part of it with respect to which such failure has occurred shall be held upon Trust absolutely for the intestate heir of the last of the Discretionary Beneficiaries to die.

C Administrative provisions

The Trustees shall have the following powers in addition to any powers conferred upon them by law namely:

- C1** To invest in the purchase or on the security of heritable or real property, investments, stocks, shares (including partly paid shares), deposits and securities (including bonds or securities payable to bearer) whether within the United Kingdom or abroad.
- C2** To purchase heritable or real property for the actual possession or occupation of any beneficiary with or without security as the Trustees may in their discretion think fit.
- C3** To delegate the investment of the Trust Fund on a wholly discretionary portfolio management basis.
- C4** To take out or take over policies of assurance on the life of any person with full power to surrender, vary or otherwise deal with any such policies as if they were the absolute owners of these policies.
- C5** To borrow and lend money on such terms and with or without security as the Trustees think fit (including power to make loans with or without interest) and apply money so borrowed in accordance with their powers.
- C6 i** To pay or transfer any assets comprised in, or any income of, the Trust Fund to the parent or guardian of any minor who is beneficially entitled to such assets or income, and the receipt of such parent or guardian, or of the minor, shall be a full discharge to the Trustees.
- C6 ii** The parent or guardian of a minor shall in respect of any assets or income received in accordance with this clause have the powers conferred on the Trustees by Part C of this Deed.
- C7** To appoint one or more of their own number or any other person to be Solicitors, Accountants, Stockbrokers or Agents for executing and carrying into effect the powers and purposes of this Trust Deed and to allow such Solicitors, Accountants, Stockbrokers or Agents their usual professional charges, without prejudice to the right of any Trustee to resign office.
- C8** To appropriate any part or parts of the Trust Fund in or towards satisfaction of the interest of any beneficiary and may for such purpose place such value on any property as they think fit.
- C9** To exclude the apportionment of income between capital and revenue.

D Appointment of Trustees

- D1** The power of appointing a new Trustee or Trustees shall belong to the Member for so long as the Member retains full legal capacity.
- D2** There shall at all times be at least two Trustees unless a corporate body is a Trustee.
- D3** The Member may remove one or more of the Trustees by sending a Notice of Removal in writing to the Trustee in question at his last known address. The sending of the Notice by recorded delivery post will be deemed due service of the Removal Notice. The removed Trustee shall co-operate (without any expense to him) in executing any documents or consents required in order to terminate effectively his Trusteeship and to vest the Trust Fund in the continuing Trustees.

E Ancillary provisions

- E1** A Trustee shall not be liable for any loss to the Trust Fund unless that loss is caused by his own fraud. Any liability of a Trustee shall be restricted to the liability arising from his own actions or omissions only
- E2** No power, discretion or authority may be exercised so as to benefit a person who is a Trustee unless at least one other Trustee who takes no benefit is also party to such exercise.
- E3** Wherever it shall be necessary in connection with the affairs of this Trust for the Trustees to exercise any power, discretion or authority:
- E3 i** such power, discretion or authority shall be exercisable at any time and from time to time or not as the Trustees in their sole and absolute discretion think fit; and
- E3 ii** whatever decision or resolution they may act upon shall be final and binding on all parties interested either directly or indirectly and the actings of the Trustees shall not be liable to be called in question upon any ground except fraud.
- E4** This Trust Deed shall be irrevocable and shall be governed by and construed according to the Law of Scotland if the registered office or principal place of business of the Principal Employer is in Scotland or the Law of England and Wales if the registered office or principal place of business of the Principal Employer is in England or Wales or the Law of Northern Ireland if the registered office or principal place of business of the Principal Employer is in Northern Ireland but the Plan shall be governed and construed according to the Law stated in the Plan.
- E5** This instrument falls within Category N in the Schedule to the Stamp Duty (Exempt Instruments) Regulation 1987 as amended by the Stamp Duty (Exempt Instruments) (Amendment) Regulations 1999.

F Definitions

F1 The Principal Employer

Please complete the details of the employer taking out the plan.

If the employer is a limited company, use section A.

If the employer is a limited liability partnership, use section B.

If the employer is a partnership, use section C.

If the employer is a sole trader, use section D.

If the employer is a charity, use section E.

A Limited Company
(Registered No.)

Whose principal place of business is at:

B LLP
(Registered No.)

Whose principal place of business is at:

C a partnership

Whose principal place of business is at:

D trading as

Whose principal place of business is at:

E a charity
(Registered No.)

Whose address is at:

F Definitions *continued*

| | | Additional Trustee 1 | Additional Trustee 2 |
|--|--|----------------------|----------------------|
| F2 Additional Trustees <i>Complete the full names, including middle names, of the Additional Trustees. You must appoint at least one Additional Trustee.</i> | | title | title |
| | | first name | first name |
| | | middle name | middle name |
| | | last name | last name |
| | | address | address |
| | | postcode | postcode |
| | | Additional Trustee 3 | Additional Trustee 4 |
| | | title | title |
| | | first name | first name |
| | | middle name | middle name |
| | | last name | last name |
| | | address | address |
| | | postcode | postcode |

F3 The Trustees

The Trustees means the Principal Employer and the Additional Trustees for the time being acting under this Trust Deed and any other person or persons who may be appointed or assumed as a Trustee or Trustees of this Trust Deed.

F4 The Plan

The Plan means the Plan numbered below effected by the Principal Employer with the Company.

Please insert the number of the plan that is to be subject to this Trust

F5 The Company

The Company means Bright Grey.

F6 The Trust Fund

The Trust Fund means:

- i the Plan;
- ii all money, investments or other property paid or transferred by any person to or so as to be under the control of and, in either case, accepted by the Trustees as additions;
- iii all accumulations (if any) of income added to the Trust Fund; and
- iv the money, investments and property from time to time representing the above.

F7 The Trust Period

The Trust Period means the period ending on the earlier of:

- i the last day of the period of (A) 80 years from the date of this Deed if the Trust is governed by and construed according to the law of Scotland or the law of Northern Ireland or (B) 125 years from the date of this Deed if the Trust is governed by and construed according to the law of England and Wales, which period, and no other, shall be the applicable perpetuity period; and
- ii such date as the Trustees shall at any time specify by deed, not being a date earlier than the execution of such deed or later than a date previously specified.

F8 The Member

Complete the full name, including middle name, and address of the employee on whose life the Plan has been taken out.

| |
|-------------|
| title |
| first name |
| middle name |
| last name |
| address |
| postcode |

F9 Children, grandchildren and issue of any person

Reference to the children, grandchildren and issue of any person shall include his children, grandchildren and remoter issue, whether legitimate, legitimated, illegitimate or adopted.

F10 The Discretionary Beneficiaries

This is the list of beneficiaries the Trustees may appoint all, or any part of, the Trust Fund to, using the powers in Clause B1.

The Member can add to this list at any time by giving the Trustees the full names of any beneficiaries who might benefit from the Trust Fund or by writing the full names of the beneficiaries at vi and vii below. For example, if the Member has a partner that they are not legally married to or have not entered into a civil partnership with, the Trustees may only appoint benefits to the Member's partner if their name is added in this section of the form or the Member adds them at a later date by writing to the Trustees.

- i. the Member.
- ii the children and remoter issue of the Member (whenever born) including children and remoter issue by adoption.
- iii any spouse or civil partner or former spouse or civil partner of anyone within (ii) above.
- iv any person at any time the spouse or civil partner of the Member or the widow or widower or surviving civil partner of the Member.
- v any person nominated in writing to the Trustees by the Member.
- vi
- vii

F Definitions *continued*

F11 Words and expressions defined in the Plan

Words and expressions defined in the Plan shall unless the context otherwise requires have the same meanings in this Trust Deed as are specified in the Plan.

F12 Gender

Unless the context otherwise requires the masculine gender shall include the feminine and the neuter and vice versa, and the singular shall include the plural.

F13 Clause headings

The clause headings are included for reference only and shall not affect the interpretation of this Deed.

G Signatures

When you have completed all the information asked for in Section F, Definitions, please sign below before an independent witness, who should complete his full name, including middle names, and address where shown.

G1 The Principal Employer

In witness whereof these presents consisting of this and the 6 preceding pages are executed by the Principal Employer on the date shown before the Witness hereto subscribing.

| Principal Employer |
|--------------------|
| name |
| signature |
| date |

| Witness |
|-------------|
| title |
| first name |
| middle name |
| last name |
| address |
| postcode |
| signature |
| date |

G2 Additional Trustee signatures

The Additional Trustee by their execution hereof accept office as Trustees of this Trust Deed.

Each Additional Trustee should sign here to show they have agreed to take on the role of Trustee.

| Additional Trustee 1 |
|-----------------------------|
| title |
| first name |
| middle name |
| last name |
| signature |
| date |

| Additional Trustee 2 |
|-----------------------------|
| title |
| first name |
| middle name |
| last name |
| signature |
| date |

| Additional Trustee 3 |
|-----------------------------|
| title |
| first name |
| middle name |
| last name |
| signature |
| date |

| Additional Trustee 4 |
|-----------------------------|
| title |
| first name |
| middle name |
| last name |
| signature |
| date |

Verification of identity

I/We

| | | | | | | | | | | | |
|--|------------------|------|---------|----------|---------------|--|------------------|------|---------|----------|---------------|
| <table border="1"> <tr><td>Trustee 1</td></tr> <tr><td>name</td></tr> <tr><td>address</td></tr> <tr><td>postcode</td></tr> <tr><td>date of birth</td></tr> </table> | Trustee 1 | name | address | postcode | date of birth | <table border="1"> <tr><td>Trustee 2</td></tr> <tr><td>name</td></tr> <tr><td>address</td></tr> <tr><td>postcode</td></tr> <tr><td>date of birth</td></tr> </table> | Trustee 2 | name | address | postcode | date of birth |
| Trustee 1 | | | | | | | | | | | |
| name | | | | | | | | | | | |
| address | | | | | | | | | | | |
| postcode | | | | | | | | | | | |
| date of birth | | | | | | | | | | | |
| Trustee 2 | | | | | | | | | | | |
| name | | | | | | | | | | | |
| address | | | | | | | | | | | |
| postcode | | | | | | | | | | | |
| date of birth | | | | | | | | | | | |
| <table border="1"> <tr><td>Trustee 3</td></tr> <tr><td>name</td></tr> <tr><td>address</td></tr> <tr><td>postcode</td></tr> <tr><td>date of birth</td></tr> </table> | Trustee 3 | name | address | postcode | date of birth | <table border="1"> <tr><td>Trustee 4</td></tr> <tr><td>name</td></tr> <tr><td>address</td></tr> <tr><td>postcode</td></tr> <tr><td>date of birth</td></tr> </table> | Trustee 4 | name | address | postcode | date of birth |
| Trustee 3 | | | | | | | | | | | |
| name | | | | | | | | | | | |
| address | | | | | | | | | | | |
| postcode | | | | | | | | | | | |
| date of birth | | | | | | | | | | | |
| Trustee 4 | | | | | | | | | | | |
| name | | | | | | | | | | | |
| address | | | | | | | | | | | |
| postcode | | | | | | | | | | | |
| date of birth | | | | | | | | | | | |

I/We understand

- this involves checking the details I/we supply against those held on any databases which may be accessed by the reputable third party company which carries out our checks. This includes information from the Electoral Register and fraud prevention agencies.
- Bright Grey will use scoring methods to verify my/our identity.
- a record of this search will be kept and may be used to help other companies to help verify my/our identity.
- Bright Grey may also pass information to financial and other organisations involved in money laundering and fraud prevention to protect themselves and their customers from theft and fraud.
- if I/we give Bright Grey false or inaccurate information and Bright Grey suspects fraud, Bright Grey will record this and share this information with other organisations.

| | | | | | |
|--|------------------|-----------|--|------------------|-----------|
| <table border="1"> <tr><td>Trustee 1</td></tr> <tr><td>signature</td></tr> </table> | Trustee 1 | signature | <table border="1"> <tr><td>Trustee 2</td></tr> <tr><td>signature</td></tr> </table> | Trustee 2 | signature |
| Trustee 1 | | | | | |
| signature | | | | | |
| Trustee 2 | | | | | |
| signature | | | | | |
| <table border="1"> <tr><td>Trustee 3</td></tr> <tr><td>signature</td></tr> </table> | Trustee 3 | signature | <table border="1"> <tr><td>Trustee 4</td></tr> <tr><td>signature</td></tr> </table> | Trustee 4 | signature |
| Trustee 3 | | | | | |
| signature | | | | | |
| Trustee 4 | | | | | |
| signature | | | | | |

Part 2

Nomination form – to be completed by the employee

You should complete this form after your employer has completed Part 1, Declaration of Trust, to tell the trustees who you would like the benefits from your relevant life policy to go to.

Please send the completed forms back to your employer so that they have a record of your wishes.

To: The Trustees

While I understand that you are not bound to act in accordance with my wishes, please take into account the following request for the payment of any benefits from the plan on my death.

If the persons that I nominate in this form are not included within the class of discretionary beneficiaries in Clause F10 of the Trust, please accept this nomination as a written nomination of additional discretionary beneficiaries in accordance with Clause F10 v of the Trust.

You can use this form to:

- Tell the Trustees which of the discretionary beneficiaries (listed in the Trust) you would like them to make payment to.
- Add additional discretionary beneficiaries (not included in the trust) that you would like the Trustees to make payment to.

You may nominate a combination of existing discretionary beneficiaries and additional discretionary beneficiaries.

- Cancel an earlier Nomination form and make a fresh nomination of the persons you would now like the Trustees to make payment to. If you are cancelling an earlier Nomination, you should tell the Trustees in the 'Additional information' section of this form.

The Trustees are not bound to follow any Nomination that you make and they can always choose to use their discretion to make payment to any of the discretionary beneficiaries of the Trust.

Lump sum benefit

In the event of my death I would like the Trustees to consider paying any lump sum benefit to the following person(s) in the proportions shown:

| | |
|--|------|
| name | |
| address | |
| post code | |
| relationship with you (e.g. spouse or civil partner) | |
| proportion of total benefit:* | % |
| name | |
| address | |
| post code | |
| relationship with you (e.g. spouse or civil partner) | |
| proportion of total benefit:* | % |
| name | |
| address | |
| post code | |
| relationship with you (e.g. spouse or civil partner) | |
| proportion of total benefit:* | % |
| Total | 100% |

*You only need to specify a percentage if you would like provision to be made for more than one beneficiary.

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