

Flexible Trust Declaration

DEFINITIONS/INTERPRETATION

Definitions

“Declaration” means the trust declared in this document

“The Trust Fund” means

- (i) the Plan
- (ii) its proceeds
- (iii) any other property transferred to the Trustees to be held subject to this Declaration
- (iv) the assets for the time being representing (i) (ii) and (iii)

Interpretation

This Declaration takes effect under English law.

In this Declaration:

- The masculine includes the feminine
- The plural includes the singular and the singular the plural
- The headings and the Preliminary Notes do not effect the construction of this Declaration

Preliminary notes

These notes are essential to the understanding of the Trust Declaration. Please read them before continuing.

1. The Proposer

For inheritance tax reasons the Proposer should not be a Beneficiary of the trust.

2. Appointment of Trustees

It is necessary to appoint at least two Trustees of the Policy. They should be named in Box 3. We recommend that you appoint at least one or more additional Trustees to ensure that even if any of the other Trustees at the time of the Proposer’s death is unavailable, there will still be two Trustees available to act. Trustees must be over the age of 18 when the Declaration is signed.

3. Appointment of Beneficiaries

(a) The Principal Beneficiaries

The Principal Beneficiaries should be the people who the Proposer intends to benefit from the policy. The Principal Beneficiaries will have interests in possession for inheritance tax purposes. This means that if one of them dies (or if the Trustees take away the interests of the Principal Beneficiaries, because they decide that the Additional Beneficiary should benefit, instead), this could be seen as a disposal of their interest in possession and could therefore have inheritance tax consequences.

You must specify the shares which the Principal Beneficiaries are to take. For example:

PLEASE COMPLETE IN BLOCK CAPITALS AND ANSWER ALL QUESTIONS.

Name:

% Share:

(b) The Additional Beneficiaries

There may be circumstances where your original intentions or circumstances change. The Trustees are therefore given the power to change the Principal Beneficiaries and give the benefit of the Policy to any one or more of the people who are Additional Beneficiaries in whatever shares the Trustees shall decide. The Additional Beneficiaries may be selected by the Trustees from any of the groups described in Box 4 of the Trust Declaration. You can, as Proposer, cancel the Trustees' powers by deed.

PLEASE COMPLETE IN BLOCK CAPITALS AND ANSWER ALL QUESTIONS.

1 The Proposer

Please see note 1 before completing.

Full name

Address

Postcode

2 The Policy

Please complete details of your policy.

Policy Number

Type of Policy

Issue date

3 The Trustees

Please read Preliminary note 2 before completing.

The Proposer

First Trustee

Trustees must be over 18

Full name

Address

Postcode

Second Trustee

Trustees must be over 18

Full name

Address

Postcode

Third Trustee

Trustees must be over 18

Full name

Address

Postcode

Fourth Trustee

Trustees must be over 18

Full name

Address

Postcode

Declaration

The Policy shall be held in Trust for the benefit of such or more of the persons named or specified in the classes of beneficiaries set out below and in such shares subject to such conditions as the Trustees (being at least two in number) may at any time (but not later than two years after The Proposer's death) by deed or deeds revocable or irrevocable appoint:

4 The Additional Beneficiaries

Please read note 3(b).

- (i) My spouse, parents, children, grandchildren and any other descendant of my parents born within the period of eighty years from the date of the Declaration, any person who may benefit from my Estate in the event of my death, any person from time to time nominated by me in writing to the Trustees. I am excluded from the class of Additional Beneficiaries.
- (ii) The Additional Beneficiaries will only benefit if the Trustees sign a deed to that effect. That deed will determine which of the Additional Beneficiaries should benefit, in what shares and on what terms.
- (iii) The Trustees can impose conditions on the Additional Beneficiaries.

Subject to and in default of the Trustees exercise of their power of appointment of an Additional Beneficiary or in so far as any such appointment shall not extend or shall fail for any reason then the beneficiaries of this Trust shall be:

5 The Principal Beneficiaries

Please read note 3(a) before completing.

Full name	% Shares
<hr/>	
Address	
<hr/>	
Postcode	
<hr/>	

Full name % Shares

Address

Postcode

Full name % Shares

Address

Postcode

Full name % Shares

Address

Postcode

Trust Provisions

These trust provisions form a part of this Trust Declaration and have been included to confer the usual range of legal powers on the Trustees. These are particularly important on the maturity of the policy.

(a) Appointment of New Trustees

The Proposer shall have the power of appointing new and additional Trustees of this Declaration.

(b) Extension of Statutory Powers of Maintenance

Section 31 of the Trustee Act 1925 shall not apply to the trusts of this Declaration. If the Trustees make any selection under clause 3 of Section 1 of this Declaration. Section 31 of the Trustee Act 1925 may apply but income may be applied for the benefit of any Beneficiary as the Trustees think fit without the restrictions imposed by the proviso to sub section (1).

(c) Extension of Statutory Powers of Advancement

The Trustees may advance capital in accordance with Section 32 of the Trustee Act 1925 as if that section applied to the whole and not merely one half of a Beneficiary's interest.

(d) Receipts

If a Beneficiary is under the age of 18, the Trustees may pay or apply any part of the Trust Fund to which he is entitled to his parent or guardian for his benefit. If a Beneficiary suffers from mental or physical incapacity, payment may be made to any person or institution whom the Trustees consider to be responsible for his care. The Trustees have no responsibility to see to the application of such payment.

(e) Investment

The Trustees may invest or apply the Trust Fund as freely as if they were beneficially entitled which includes the right to:

- (i)** invest in unsecured interest free loans to any Beneficiary
- (ii)** invest in other non income producing assets including policies of life assurance
- (iii)** invest in or retain any property for occupation use or enjoyment on whatever terms the Trustees consider appropriate by any person who is (or would if they were of full age) entitled to the income of the proceeds of sale of such property.
- (iv)** hold investments in the name of such person or body as the Trustees think appropriate and so that the words “invest” or “investment” are given their widest general meaning rather than the restricted meaning given by law.

(f) Dealing with the Policy

The Trustees may deal with the Policy and all privileges elections and options conferred by the Policy as if they were beneficial owners of it.

(g) Professional Charging Clause

Any of the Trustees (other than the Proposer) who is engaged in any profession or business shall be entitled to charge and by paid all professional or other charges for any work done or time spent by him or his firm in connection with the administration of the trusts of this Declaration whether or not within the usual scope of his profession or business and although not of nature requiring the employment of a professional or business person.

Attestation

6 The Proposer and the Trustees must sign in the presence of a witness who is not a Beneficiary or a Trustee

Proposer

SIGNED and DELIVERED as a Deed by the proposer in the Presence of:

Witness

I accept my appointment as Trustee
First Trustee

SIGNED and DELIVERED as a Deed by the First Trustee in the presence of:

Witness

I accept my appointment as Trustee
Second Trustee

SIGNED and DELIVERED as a Deed by the Second Trustee in the presence of:

Witness

I accept my appointment as Trustee
Third Trustee

SIGNED and DELIVERED as a Deed by the Third Trustee in the presence of:

Witness

I accept my appointment as Trustee
Fourth Trustee

SIGNED and DELIVERED as a Deed by the Fourth Trustee in the presence of:

Witness

Effective date

Important Note

This Trust Declaration form does not guarantee to meet all of your specific requirements. We strongly recommend that you should consult a solicitor or other professional adviser as to its terms, or as to its effect for tax purpose.

Our privacy promise

Your privacy is of the highest importance to us, and unless you give us permission to do so, we will never release Personal Information to anyone outside the company for their mailing or marketing purposes.

You can view our full Privacy Notice by visiting our website - www.shepherdsfriendly.co.uk/privacy-policy



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