

Trust Deed

Introduction

Important Note

The Flexible Future Benefit Trust is a trust which enables an individual (the Settlor) to establish a Friends Provident International Limited (Friends Provident International) Bond in trust into which he/she can, if he/she so desires, make future contributions. Under the trust:

- (a) he/she will benefit from receiving capital payments from time to time if he/she survives to selected future dates.
- (b) the funds can be used for his/her Beneficiaries if either he/she does not survive to the selected future dates or if the Trustees exercise their discretionary powers to make payments to the Beneficiaries prior to the entitlement date – thereby defeating the Settlor's interest.

The features of the trust include:

- The ability to make gifts potentially free from Inheritance Tax (IHT)
- Control over who will ultimately receive benefits and when
- The flexibility to add or remove Beneficiaries at any time
- Investment growth is immediately outside of the Settlor's estate for IHT purposes and
- The ability to draw funds from the trust on survival to stated future dates ('Entitlement Dates')

The trust property is a Friends Provident International Single Premium Bond (the 'Bond'). This Bond consists of a number of identical but independent policies.

The Flexible Future Benefit Trust effectively splits the rights to the trust property into two parts:

- (i) A retained benefit which consists of the Settlor's entitlement to the proceeds of different individual policies held subject to the trust as and when the Settlor survives to a future stated date known as an 'Entitlement Date'. These policies are held within a number of Policy Funds. As the Settlor survives to each Entitlement Date he/she will be entitled to the policies held in the appropriate Policy Fund. The Settlor can, if necessary, defer the Entitlement Date(s) of the Policy Fund(s) or the Settlor's entitlement can be defeated altogether by the trustees making an appointment to one or more beneficiaries prior to the entitlement date.

- (ii) A gifted benefit which consists of the benefits under the policies held in trust if the Settlor does not survive to the stated Entitlement Dates (or a prior absolute appointment is made). In these circumstances, the benefits of the Policy Fund(s) are held subject to discretionary trusts (within the trust) which allow the Trustees to provide for a broad range of Beneficiaries. The Trustees have absolute discretion over who benefits although the Settlor would normally be one of the Trustees during his/her lifetime. After the Settlor's death the Trustees will, in practice, take account of the wishes of the Settlor expressed to them from time to time during the Settlor's lifetime. In this respect, the trust can meet a number of objectives including succession planning.

As with all trusts created during the Settlor's lifetime which provide discretion as to who should benefit and when, the Flexible Future Benefit Trust will be treated as a 'relevant property' settlement for IHT.

The following is our understanding of the IHT consequences of creating a relevant property settlement such as the Flexible Future Benefit Trust:

- Any gift (i.e. transfer of value) to the trust which is not exempt would normally be a chargeable lifetime transfer (CLT) and so the Trustees are subject to IHT at 20% to the extent that the CLT, together with other CLTs made by the same Settlor in the seven years immediately preceding the gift, exceeds the current nil rate band. Initially, the transfer will be the value of the Bond that is gifted into trust (subject to it not being less than the premiums paid). The Settlor's reversionary interest will only have negligible value because it can be defeated.
- On the Settlor's survival of a CLT by seven years, the CLT will drop out of account for IHT purposes.
- Every additional premium paid to the Bond will give rise to a further CLT to the extent that is not an exempt transfer.
- Where regular gifts are being made, the normal expenditure out of income IHT exemption may well apply. This exemption may be available in cases where the gifts are regular, made out of the Settlor's income and do not affect his/her standard of living. Whether this will be the case depends on the Settlor's personal circumstances. Payments to the trust that are covered by the Settlor's normal expenditure out of income exemption will be immediately exempt and will not give rise to a chargeable transfer.
- There is a potential liability on the trust to IHT on every tenth anniversary. This is known as the 'periodic charge'. At a maximum this will be 6% of the value of the Trust Fund but will frequently be much less than this.

- There is a potential liability to IHT when capital leaves the trust (an 'exit charge') which will be linked to the rate of IHT paid at the last ten year anniversary or, if the capital leaves the trust in the first ten years, to when the trust was created. However, the exit charge does not apply where the capital reverts to the Settlor on the Entitlement Date because the Settlor's interest has been carved out for him at outset and so was never within the discretionary trust environment.
- To the extent that no exemptions apply, provided he/she survives at least seven years following the transfer, on the Settlor's death before the appropriate Entitlement Date(s) of Policy Funds, no value will be included in the Settlor's taxable estate in respect of those Policy Funds.
- The value of the Trust Fund will be outside the Settlor's estate for IHT purposes, even though the Settlor retains the right to benefit at Entitlement Dates.
- No part of the Trust Fund will form part of a Beneficiary's estate while the discretionary trusts apply.
- If the Settlor decides to defer his/her Entitlement Date(s), this will not give rise to a measurable chargeable transfer because the reversionary interest is of negligible value.
- The Trust can only be used in respect of a single Settlor. This means that the Settlor's spouse can be a Potential Beneficiary. If, however, appointments are made to the Settlor's spouse during the lifetime of the Settlor, care should be taken to ensure that no direct or indirect benefit to the Settlor arises.

HM Revenue & Customs reporting

It is currently a legal requirement for any chargeable lifetime transfers that exceed certain thresholds to be reported to HM Revenue & Customs (HMRC). In respect of the transfer of a Bond into the Flexible Future Benefit Trust, the transfer is reportable if it causes the Settlor to exceed 80% of the nil rate band. Transfers can be reported using Revenue forms IHT 100, IHT100a and D34. These forms are available on HMRC website. Of course if it is considered that the transfer is exempt within the normal expenditure out of income exemption, such a return will not be necessary. However, HMRC will need to know that a claim for this exemption is being made by completion of Form IHT 403. Records should be kept of all gifts if the intention is to claim this exemption.

The occasion of a periodic charge or exit charge also needs to be reported even if no IHT liability arises unless the cumulative total of the assumed transfer does not exceed 80% of the then nil rate band. The forms to use here, when relevant, are IHT 100c and d.

Flexible Future Benefit Trust Deed

The governing law of this Trust is that of the Isle of Man.

Whilst trusts may be used for financial planning for jurisdictions other than the United Kingdom this document and the incorporated explanatory notes are focussed on the application of the Flexible Future Benefit Trust under UK tax law which will be relevant where the Settlor is UK resident and/or domiciled. Accordingly this document is presented as a draft for the consideration of an investor's professional adviser and is based on Friends Provident International's understanding of UK tax law and UK HMRC practice as at November 2015 and may be subject to change in the future.

Friends Provident International policies are written under the law of the Isle of Man and, regardless of the place of residence of the policyholder, are Isle of Man assets. The political and economic stability of the Isle of Man makes it a secure environment.

In all cases, investors should seek their own financial and legal advice regarding the taxation implications of a particular arrangement or course of action, and to ensure that the use of a particular trust is suitable for their personal circumstances taking account of the tax and other legal provisions relevant to the jurisdiction that is relevant to their residence and domicile.

Flexible Future Benefit Trust – a guide to the stages involved

Stage 1

The Settlor completes a product application form for a Friends Provident International single premium bond. These forms are available separately.

Checklist

- The Applicant is the Settlor.
- Signed investment instructions must be given and a Personal Charging Structure obtained.
- If an Investment Adviser, or Discretionary Fund Manager & Custodian is to be appointed, or a Fund Platform provider used, the appropriate sections in the application form must be completed by the Trustees.
- Important:** The Settlor must provide Friends Provident International with a certified copy of his/her or her passport or national identity card together with an original or certified copy of a utility bill (or bank statement, employer's letter) verifying their residential address.
- Please complete page 5 of this document with details of any expected future contributions. Source of wealth for total expected premiums can be provided with the application.

Stage 2

Having ensured the draft trust is suitable to his/her personal circumstances, the Applicant completes the Flexible Future Benefit Trust – Trust Deed.

Checklist

- The Settlor inserts his/her full name and address and the full names and addresses of the additional Trustees.
- It is assumed that the Settlor will act as a Trustee. If this is not the case the words 'THE SETTLOR and' will need to be deleted and the deletion initialled by the Settlor and all Trustees.
- The Trust Deed must be given a date which is not earlier than the date the Bond comes into effect. Therefore, please leave this section blank.**
- In Part 2(ii) of the Trust Deed the Settlor must include the names of persons currently alive who will benefit if the Trust Fund remains undisposed at the end of the Trust Period. If more than one person is named, it is important to state the shares in which they will benefit. If those persons have by then died, their estates will benefit. Typically these named individuals will be the Settlor's children or grandchildren.
- The Settlor must, in Schedule 2 of the Trust Deed, insert the year (ie. the anniversary date of the issue of the policies) that individual policies within the Bond will revert to him (note that because the Settlor's Entitlement Dates must correspond with the Policy anniversary date and the issue date of the Policy will not yet be known, the years of entitlement only should be inserted).
- The Settlor and all Trustees must sign the document in the presence of an independent witness, who must also sign.

Stage 3

After completion, ALL the following items must be forwarded to Friends Provident International:

- Application form for a Friends Provident International single premium bond.
- Personal Charging Structure.
- Method of payment details.
- Flexible Future Benefit Trust – Trust Deed (page 6 onwards).
- A certified copy of a passport or national identity card in respect of the Settlor and each Trustee, together with an original or certified copy of a utility bill (or bank statement, employer's letter) from the Settlor and each Trustee verifying their residential address.

Stage 4

When Friends Provident International receives the premium, it is invested according to the applicant's investment instructions and the policy is issued.

Flexible Future Benefit Trust – contributions

Completing this section would allow us to collect the necessary source of wealth information for your future contributions at outset. This may reduce our source of wealth requirements when the additional premiums are processed and make the process easier for you. You do not have to complete this section, neither are you bound by these amounts.

Do you intend to make regular (at least annual) contributions to the bond?

Yes No

If **Yes**, please complete the following:

Frequency of contributions (tick as appropriate)

Annually Quarterly Monthly until (year)

Estimated total premium amount per annum

GBP/EUR/USD*

Please note that you are not bound to these amounts, this information is for administrative purposes only.

*Please delete as appropriate

Flexible Future Benefit Trust – Declaration of Trust

1 Declaration of Trust

This is the date the Trust will take effect and should not pre-date the policy commencement date.

Therefore, please leave this section blank.

The name and address of the Settlor should be inserted here. The Settlor is automatically included as Trustee unless the appropriate deletion is made here*. If the settlor is NOT to be a trustee, please delete "THE SETTLOR and".

The name and address of the additional Trustees should be inserted here. Please note proof of identity will be required for all Trustees, i.e. passport, plus confirmation of each Trustee's residential address, i.e. utility bill. **It is important that at least one additional Trustee is appointed and that the Trustees should include at least one person who is neither the Settlor or the Settlor's spouse.**

This DEED OF TRUST is made the day of 20

(A) Between

of

(hereinafter called 'the Settlor') of the one part and

(B) THE SETTLOR and*

(i)
of

and (ii)
of

and (iii)
of

and (iv)
of

('the Trustees') of the second part

WHEREAS the Settlor is the absolute beneficial owner of the Bond comprising the Policies detailed in Schedule 2 to this Deed effected with Friends Provident International Limited ('the Company') and the Settlor being desirous of transferring the Bond and the Policies into Trust hereby declares that from the date first before written the Trust Fund shall be held by the Trustees on the trusts set out below:

2 Definitions

In this Deed where the context admits the following terms have the following meanings:

- (i) 'Potential Beneficiaries' means:
 - (a) any person to whom the Settlor shall be or shall have been married and any widow or widower of the Settlor provided however that it shall not be possible for a spouse or widower of the Settlor who adds any property by way of gift to this Trust to be a beneficiary in this class;
 - (b) any children of the Settlor whenever born;
 - (c) any grandchildren or remoter issue of the Settlor whenever born;
 - (d) any person to whom any Beneficiary in classes (b) or (c) shall be or shall have been married;
 - (e) any other object or person who has been added to the Beneficiaries by the Settlor under Part 4(iv) on page 9;
 - (f) any one or more of the objects or persons (other than the Settlor or any person who has added property to this Trust by way of gift) who is beneficially entitled under the Settlor's will or in accordance with the rules relating to intestacy to any interest in the Settlor's estate;

Flexible Future Benefit Trust – Declaration of Trust (continued)

2 Definitions (continued)

(g) any person named in Part 2 (ii) below;

(h) any person named immediately below.

Insert in (h) the details of any person or class (not covered by the above classes, for example a charity) you wish to include as a potential beneficiary.

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

The term spouse also includes a civil partner for UK-domiciled individuals under the UK Civil Partnership Act 2004 and widow/widower should have a corresponding meaning.

(ii) 'Default Beneficiaries' means the one or more persons named in the boxes below.

FULL NAME(S) OF BENEFICIARY(IES) (in block capitals)

Insert the name of the person(s) who (or estates of which) the Settlor wishes to benefit from the Trust in the event of an appointment not being made before the end of the Trust Period. If a charity is included here, care should be taken to specify the correct name of that charity. The shares must add up to 100%. **DO NOT LEAVE BLANK.**

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

(iii) 'Beneficiary(ies)' means the Potential Beneficiaries and Default Beneficiaries.

(iv) 'Trustees' means the Trustees for the time being of this Trust.

(v) 'Trust Fund' means the one or more Policy Funds the full benefit thereof and any assets 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.

(vi) 'this Trust' means the trust powers and provisions which are constituted by this document.

(vii) 'Trust Period' means the period of one hundred and fifty years from the date hereof which period and no other shall be the perpetuity period for the purpose of this Trust.

(viii) 'Entitlement Date' means the annual anniversary of the issue date of the Policy occurring in any and every year specified the Policy Table in Schedule 2 as the Entitlement Year of that Policy Fund.

(ix) 'Bond' is the contract specified in Schedule 2 which comprises all the Policies.

(x) 'Policies' means the one or more life assurance or capital redemption contracts initially effected between the Settlor and the Company as described in the Policy Table in Schedule 2 and 'Policy' means any such contract.

(xi) 'Policy Fund' means the Policy(ies) designated to that Fund as indicated in the Policy Table in Schedule 2 the full benefit thereof (whether on realisation by surrender assignment or otherwise) and the proceeds thereof and all property from time to time representing the same together with any accumulations of income arising therefrom and all property from time to time representing the same and each Policy Fund shall be known by the one or more letters assigned to it in the Policy Table in Schedule 2.

(xii) 'Relevant Consent' means during the life of the Settlor the written consent of the Settlor.

Flexible Future Benefit Trust – Declaration of Trust (continued)

2 Definitions (continued)

- (xiii) 'Relevant Date' means in relation to a Policy Fund the date which is the Entitlement Date of the Policy originally comprised in that Policy Fund as indicated in the Policy Table in Schedule 2 or such later date within the Trust Period (not being a date earlier than the date which is for the time being the Relevant Date) as the Settlor during his/her life may from time to time before the date which is the Relevant Date for the time being specify in writing to the Trustees.
- (xiv) 'Relevant Event' means the survival by the Settlor to the appropriate Relevant Date.
- (xv) A person who has been adopted (whether adopted before or after the date hereof and whether under English law or any other system of law) shall be treated for all the purposes of this Trust as the child of his/her or her adoptive parents or parents.
- (xvi) Where the context permits, words importing the singular shall include the plural, the masculine shall include the feminine and vice versa.

3 The Trust

NOW THIS DECLARATION OF TRUST WITNESSES as follows:

The Settlor HEREBY ASSIGNS the Policies comprised in the Bond, the full benefit thereof and all money assured thereby to the Trustees to hold for the Trust Period subject to the trusts and powers and provisions set out below from the date first before written.

A Discretionary Trusts

- 1 Notwithstanding Clause B of this Part 3 below, the following trusts will apply.
 - (i) The Trustees 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 the Trustees shall hold the Trust Fund on trust for the benefit of such one or more of the Beneficiaries and in such shares (or wholly to one) and for such interests including an appointment on to discretionary or other trusts (provided always that such trusts exclude the Settlor from receiving any benefit therefrom) as they may in their absolute discretion appoint during the Trust Period and if the terms of any revocable appointment have not been revoked at the end of the Trust Period such appointment shall become irrevocable at that time.
 - (ii) The Trustees shall have power by deed to declare that they hold any part of the Trust Fund 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 every person who may benefit under that settlement is (or would, if living, be) a Beneficiary.

PROVIDED THAT:

 - (a) No appointment shall infringe the rule against perpetuities or affect the entitlement of any person to any payment made or asset transferred to him previously; and
 - (b) No appointment shall be made by the Trustees unless there are at least two individual Trustees in number (one of whom is not the settlor or settlor's spouse) or the Trustees are a corporation.
 - (c) No appointment shall be made in favour of a Beneficiary who is also a Trustee, or a spouse of a Trustee, unless there is at least one other Trustee who does not, and whose spouse does not, benefit directly or indirectly from the appointment.
 - (d) The Settlor is not a beneficiary under any trusts to which an appointment is made.
 - (e) No appointment shall be made in respect of any Policy Fund to which the Settlor has become entitled by virtue of his/her survival to the Relevant Date.
- 2 Subject to any exercise of the power of appointment conferred by paragraph 1 of Clause A of this Part 3:
 - (i) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period. Such income shall be added to the Trust Fund.
 - (ii) The Trustees shall pay or apply the remainder of the income to or for the benefit of such one or more of the Potential Beneficiaries as the Trustees in their absolute discretion think fit during the Trust Period.

Flexible Future Benefit Trust – Declaration of Trust (continued)

3 The Trust (continued)

- 3 Subject to any exercise of the power of appointment conferred by paragraph 1 of Clause A 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 to or for the benefit of any Beneficiary who is absolutely entitled to that capital.
 - (ii) the Trustees shall have 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.
- 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 capital or income 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 as above and to the extent that any part of the Trust Fund and its income shall not have been appointed or otherwise disposed of by the Trustees during the Trust Period, the Trust Fund shall be held for the absolute benefit of the Default Beneficiaries and if more than one in the shares set out in paragraph (ii) of Part 2 and if no shares are specified in equal shares absolutely.
- 6 For the avoidance of doubt it shall not be possible for the Settlor to benefit in any way under Clause A of Part 3 of this Trust.

B Settlor's Reversionary Interests

Subject to any appointment made under paragraph 1 of Clause A of Part 3 and any default entitlement under paragraph 5 of Clause A of Part 3 if the Relevant Event shall occur in relation to a Policy Fund the Trustees shall as from that Relevant Event hold that Policy Fund and the income thereof thenceforth arising on trust absolutely for the Settlor; and for the avoidance of doubt it is hereby declared that notwithstanding any provision contained in this Trust;

- (a) the Settlor shall have no beneficial interest in that Policy Fund or the income thereof whatsoever until the occurrence of that Relevant Event, and
- (b) no discretion or power conferred hereby or by law on the Trustees shall be exercised and no provision contained herein shall operate directly or indirectly so as to cause or permit any part of that Policy Fund or the income thereof in any way or in any circumstances whatsoever to be or to become paid, payable, transferred, lent to, applied or applicable for the benefit of the Settlor in any way before the appropriate Relevant Event that applies to the Policy Fund.

4 Additional powers

- (i) During his/her lifetime the Settlor shall have power to remove a Trustee by delivering to such Trustee thirty days written notice of such removal at the expiry of which notice the Trust Fund shall be transferred to the remaining Trustees. The Settlor cannot exercise this power unless after such removal there remains at least two individual Trustees (one of whom is not the Settlor or Settlor's spouse) or a trust corporation.
- (ii) The power to appoint new or additional Trustees shall vest in the Settlor during his/her lifetime and after his/her death shall vest in the Trustees.
- (iii) The Settlor shall have the power to remove by deed any Beneficiary from the class of Beneficiaries listed in paragraph (i) of Part 2 provided that at least one Beneficiary shall remain after such removal and Provided Always that any such deed shall not affect the entitlement of any person so removed to any benefit previously conferred on him.
- (iv) The Settlor during his/her lifetime, and thereafter the trustees, may at any time during the Trust Period add to the class of Beneficiaries listed in paragraph (ii) of Part 2 such one or more objects or persons or classes of persons (other than the Settlor or any person who has added property by way of gift to this Trust) as the Settlor during his/her lifetime, thereafter the trustees, shall determine (subject to the application, if any, of the rule against perpetuities), and no Beneficiary may prevent the nomination of any new Beneficiaries under the provisions hereof.

Any such addition shall be made by deed; naming or describing the objects or persons or classes of persons to be added; and specifying the date of the happening of the event (not being earlier than the date of execution of the deed but before the end of the Trust Period) upon which the addition shall take effect.

Flexible Future Benefit Trust – Declaration of Trust (continued)

5 Additional Trustee powers

The Trustees shall, subject to paragraph (v) overleaf, have the following powers in addition to the powers conferred on them by law:

- (i) The Trustees may exercise full powers of dealing with the Policies and any other assets for the time being held in trust including full powers of borrowing with or without security and full power to surrender or convert the Policies or any one or more of them to a paid up assurance in all respects as if they were the absolute beneficial owners thereof.
- (ii) The Trustees shall have the right to recover receive or to give valid receipts for all monies due or to become due under the Policies so that the receipt by the Trustees of any monies payable under or deriving from any dealing with the Policies shall be a full and sufficient discharge to the Company who shall not be concerned to see to the application of any such monies.
- (iii) Any monies for the time being representing the Trust Fund or under the control of the Trustees may without derogating from any other provision of the trusts hereof be invested or applied in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate and whether producing income or not, including investment in policies of life assurance or capital redemption contracts and including the purchase or improvement of real property anywhere in the world for use as a residence and whether involving liability or not or upon such personal credit with or without security as the Trustees may in their absolute discretion think fit to the extent that the Trustees shall have the same full and unrestricted powers of investing and varying investments (including the power to sell investments and reinvest the proceeds) in all respects as if they were absolutely and beneficially entitled thereto.
- (iv) The Trustees shall have power revocably to delegate any power or powers of making managing realising or otherwise dealing with any investment 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 Trustees in question employed or incurred expense in employing him in good faith.
- (v) Provided Always that the Trustees may only exercise in relation to any Policy any of the foregoing powers with the prior Relevant Consent.

6 Other Trust Provisions

- (i) Any Trustee (other than the Settlor or the spouse of the Settlor or any other person who has added property by way of gift to this Trust or the spouse of such person), who shall be an advocate or accountant or engaged in any profession or business including any company which is a Trustee shall be entitled to and be paid all usual and proper professional and other reasonable charges for any business or work done by it, him or his/her firm or his/her company in relation to the trusts hereof. In addition to any such charges as aforesaid the Trustees including any company which is a Trustee, any firm of which such Trustee is a partner, and any subsidiary, associated or parent company of such Trustee or in which such Trustee is interested whether as an officer or shareholder shall be entitled to retain beneficially any brokerage, commission, fee, or remuneration payable directly or indirectly to him or it, in respect of any work done or advice given in relation to the trusts hereof or in advising or working for the Beneficiaries or other Trustees in any other capacity. Provided however that where the Settlor or the spouse of the Settlor is Trustee no such entitlement shall vest in them or in any company in which they have shares or firm in which they are partners or company or partnership from which they receive any remuneration or payment whatsoever.
- (ii) In the professed execution and administration of the trusts hereof the following rules as to Trustees' liability shall apply.
 - (a) A lay Trustee (within the meaning of section 28 Trustee Act 2001) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his/her own actual fraud or dishonesty or conscious wrongdoing.
 - (b) A Trustee who is not a lay Trustee (within the meaning of section 28 Trustee Act 2001) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his/her own actual fraud or dishonesty or conscious wrongdoing or negligence.
 - (c) A Trustee shall not be liable for acting in accordance with the advice of counsel, of at least five years' standing, with respect to the Trust. The Trustees may in particular conduct legal proceedings in accordance with such advice without obtaining a Court Order. A Trustee may recover from the Trust Fund any expenses where he/she has acted in accordance with such advice.

Flexible Future Benefit Trust – Declaration of Trust (continued)

6 Other Trust Provisions (continued)

- (d) The above sub-paragraph (c) does not apply:
- (i) if the Trustee knows or has reasonable cause to suspect that the advice was given in ignorance of material facts;
 - (ii) if proceedings are pending to obtain the decision of the court on the matter;
 - (iii) in relation to a Trustee who has a personal interest in the subject matter of the advice; or
 - (iv) in relation to a Trustee who has committed a breach of trust relating to the subject matter of the advice.
- (e) The Trustees may distribute trust property or income in accordance with this Trust but without having ascertained that there is no person who is or may be entitled to any interest therein by virtue of a relationship unknown to the Trustees. The Trustees shall not be liable to such a person unless they have notice of his/her claim at the time of the distribution.
- (iii) In the event of any duties fees or taxes including without prejudice to the generality of the foregoing any probate succession estate gift capital transfer inheritance income or other duties fees or taxes being or becoming legally payable by the Trustees in any part of the world in respect of the Trust Fund or income or any part thereof to pay at their absolute discretion such duties fees and/or taxes out of the Trust Fund or out of the income to the extent that such duties fees or taxes are properly payable out of the Trust Fund or as the case may be the income notwithstanding that such duties fees or taxes or some part thereof are not or may not be recoverable from the Trustees by legal process and notwithstanding that payment of such duties fees or taxes may be prejudicial to one or all of the Beneficiaries.

7 Governing law

This Trust shall be irrevocable and shall be governed by and construed in accordance with the law of the Isle of Man.

Schedule 1 – Trust name

This Trust shall be referred to as:

Schedule 2 – Policy Table

Bond number:

Policy number	Entitlement Year (policy anniversary)	Policy Fund
<input type="text"/>	<input type="text"/>	A
<input type="text"/>	<input type="text"/>	B
<input type="text"/>	<input type="text"/>	C
<input type="text"/>	<input type="text"/>	D
<input type="text"/>	<input type="text"/>	E
<input type="text"/>	<input type="text"/>	F
<input type="text"/>	<input type="text"/>	G
<input type="text"/>	<input type="text"/>	H
<input type="text"/>	<input type="text"/>	I
<input type="text"/>	<input type="text"/>	J
<input type="text"/>	<input type="text"/>	K

You should insert here the name by which the Trust should be known. This name will appear on all future Policy documentation

Insert here the Bond number (if known).

Insert the policy numbers that are to be held in each Policy Fund and the policy anniversary on which entitlement is to fall, e.g:

1-5	1	A
6-10	2	B

If the policy is issued on the 1 June 2017, using the above example, the Entitlement Date for Policy Fund A will be 1 June 2018. The Entitlement Date for Policy Fund B will be 1 June 2019.

The issue date of the policy will be unknown when completing this deed, please note that the exact Entitlement Date will only be known once the policy is issued.

Flexible Future Benefit Trust – Declaration of Trust (continued)

7 Governing law (continued)

Please ensure the number of Policies listed in the Policy Table matches the number of Policies selected in the application form.

Policy number	Entitlement Year (policy anniversary)	Policy Fund
		L
		M
		N
		O
		P
		Q
		R
		S
		T
		U
		V
		W
		X
		Y
		Z
		AA
		AB
		AC
		AD
		AE
		AF
		AG
		AH
		AI
		AJ

If there is insufficient space (Schedule 2 – Policy Table), please continue on a separate sheet of paper, which should be signed.

Flexible Future Benefit Trust – Declaration of Trust (continued)

8 Settlement name and signatures

IN WITNESS whereof the parties have hereunto executed this Deed on the day and year first above written
SIGNED AND DELIVERED AS A DEED by the said Settlor

The signatures of the Settlor and additional Trustees should be included here. Please ensure that all signatures are witnessed by an independent person. The same person may witness all signatures.

Name of Settlor	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of witness	<input type="text"/>

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of witness	<input type="text"/>

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee	<input type="text"/>
Signature	<input type="text"/>
In the presence of	<input type="text"/>
Signature	<input type="text"/>
Address of witness	<input type="text"/>

Flexible Future Benefit Trust – Declaration of Trust (continued)

8 Settlement name and signatures (CONTINUED)

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee

Signature

In the presence of

Signature

Address of witness

Cautionary notes

The information given in this document is based on Friends Provident International Limited's understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at November 2015, which may change in the future. Individuals are advised to seek professional independent advice and no liability can be accepted for the personal tax consequences of this Trust or for the effect of future tax and legislative changes.

Each policy/contract is governed by and shall be construed in accordance with the law of the Isle of Man. If your client effects a policy whilst resident in the United Arab Emirates, all disputes regarding the policy shall be subject to the non-exclusive jurisdiction of the courts of the United Arab Emirates. The value of the bond cannot be guaranteed, your clients could get back less than they paid in.

Some telephone communications with Friends Provident International are recorded and may be randomly monitored.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence.

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. (Not applicable to Corporate Trustees.)

A written statement of the policy terms and conditions of the products may be obtained from Friends Provident International Limited on request.

Get in touch

To find out more about how the Flexible Future Benefit Trust could benefit your clients, please call us on **+44 1624 821153** or email us at: **alt@fpiom.com**

Data Privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit **www.fpinternational.com/legal/privacy-and-cookies** to view the full policy or this can be provided on request from our Data Protection Officer.

About Friends Provident International

We are a leading financial services provider, with a reputation for trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 35 years of international experience in offshore savings and investments.

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Friends Provident International Limited: Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0)1624 821212 | Fax: +44 (0)1624 824405 | Website: www.fpinternational.com. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | Website: www.fpinternational.sg. Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: www.fpinternational.ae. Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.