PLEASE READ THE FOLLOWING BEFORE USING THIS DOCUMENT

About this document

This document is for a Principal Employer that is a limited company, PLC, LLP or traditional partnership.

It has been prepared for customer use as an example template only.

It can be used to establish a stand-alone group life assurance trust to hold excepted group life or relevant life policies. Additional participating employers can be added by amending this document.

It is intended for execution in the UK in accordance with English Law.

Notes on the use of the template

1. Please complete the scheme name, commencement date and party details on the first two pages of the Declaration of Trust. You can choose the scheme name.
2. The commencement date should coincide with the date on which the policy or policies with Canada Life Limited comes into force.
3. Sections marked with an \* can be modified or deleted by for parties who are not registered businesses, for instance by providing the business address but striking out the word “registered”.
4. You can choose who your trustees are to be. The trustees can be a company, individuals or a mix of both. If the Principal Employer is also to be the initial trustee, please include the company's details again, in full, in the Trustee Details section.
5. Other employers can participate in the new scheme. If you have any other employers who you wish to include, their details should be included in the Participating Employer section.
6. Each party to the document must also sign the document. The document has been prepared so that it can be executed in counterpart form, with separate copies capable of being signed by separate signatories.
7. The signature section on pages 8-10 includes alternative example signature clauses for use depending on whether the signatory is a limited company or PLC. You are responsible for determining the appropriate method by which a signatory can sign the document. Corporate signatories are likely to have special rules governing how documents are to be signed, and by whom.
8. Once signed, you must ensure that the document is kept safely. You may be required to produce it if you wish to set up a trustee bank account to receive claim payments or if required by HM Revenue & Customs. It will also need to be referred to in the event that the trustees are required to pay a death benefit.

|  |
| --- |
| We recommend that you refer this document to your independent legal adviser for review to ensure that it meets your own circumstances before it is executed. You are responsible for any legal fees that you incur.Provision of this template shall not constitute advice of any sort, whether legal or otherwise. Canada Life Limited does not provide a specialist legal documentation service. Canada Life Limited does not warrant that the template is suitable to your specific circumstances, in its present form or as it may be amended after you receive it, nor that its wording will be legally effective.It remains your responsibility to ensure that the deed is appropriate and complete in all respects for its intended purpose.Canada Life Limited shall not be liable for any loss or damage arising out of or in any way connected with the use of this template, whether in its original form or as amended under any law or on any basis whatsoever, whether contractual or otherwise, including, without limitation, any direct, indirect, incidental, special or consequential damages (such as loss of business or profits or any other financial loss). The law and tax rules in relation to trust deeds are subject to change and as a result the deed may become outdated. However, Canada Life Limited is under no obligation to notify you of any such changes. Nothing in this note shall restrict or limit Canada Life Limited's liability for death or personal injury caused by our negligence or for fraud or fraudulent misrepresentation.All references to Canada Life Limited in this note shall be construed to include its affiliates or their respective directors, officers and employees. |

Declaration of Trust

This declaration of trust (the "Deed") is made on the day set out below (the "Commencement Date") by the principal employer, trustees and any participating employers.

|  |
| --- |
| SCHEME DETAILS |
| Scheme Name (the "Scheme") |  |
| Commencement Date |  |
| Principal Employer |
| Principal Employer(the "Principal Employer") |  |
| Company Number of the Principal Employer\* |  |
| Registered Address of the Principal Employer\* |  |
| Name and Address of the trustees (together, the "trustees") |
| Trustee 1 This should also be completed if Principal Employer is to be the initial trustee |  |
| Trustee 2 (if applicable)  |  |
| Trustee 3 (if applicable) |  |

|  |
| --- |
| PARTICIPATING EMPLOYERS |
| Participating Employer 1(a "Participating Employer") |  |
| Company Number of Participating Employer 1\* |  |
| Registered Address of Participating Employer 1\* |  |

WHEREAS

1. The Principal Employer wishes to establish the Scheme for the purpose of providing certain benefits on the death of such persons as are admitted to membership (the "Members").
2. The initial Members have been informed by the Principal Employer of the benefits payable under the Scheme and of any additional rules or terms and conditions (the "**Rules**") applicable to their membership of the Scheme and entitlement to such benefits.

NOW THIS DEED WITNESSES as follows:

1. The Principal Employer hereby confirms the establishment of the Scheme upon irrevocable trusts with effect on and from the Commencement Date.
2. The Principal Employer may, by deed, appoint new or additional trustees or may appoint a body corporate as the sole trustee or as an additional trustee of the Scheme and may in its absolute discretion remove any Trustees.
3. The Principal Employer hereby appoints the Trustees as the initial trustees of the Scheme (the definition of "**Trustees**" shall include the trustees for the time being of the Scheme).
4. The Trustees will have all powers necessary for the proper implementation and administration of the Scheme. The Trustees may delegate the exercise of any of their powers, duties and discretions as they consider appropriate. In doing so, the Trustees may impose such conditions and restrictions as they think prudent in the circumstances.
5. Unless there is only a sole corporate trustee, the Trustees shall make such arrangements for their meetings and for the conduct of their affairs (in addition to the provisions of this Deed and the Rules) as they, with the consent of the Principal Employer, may consider to be necessary.
6. The Trustees shall administer and manage the Scheme in accordance with this Deed and the Rules.

7 (a) The Principal Employer may admit to participation in the Scheme any other employer (a "Participating Employer") provided that it executes a deed to add a new Participating Employer with the Trustees and the Principal Employer under which the Participating Company covenants to discharge all of the duties and obligations imposed upon it by this Deed and the Rules.

(b) A Participating Employer shall cease to participate in the Scheme on the expiry of three months' written notice to the Trustees terminating its liability to pay contributions to the Scheme.

(c) The Principal Employer will be released from all its obligations under this Deed and the Rules as the principal firm if any Participating Employer agrees with the Principal Employer and the Trustees to be substituted as a new Principal Employer and executes a deed undertaking all the obligations of the Principal Employer as principal firm under the Scheme.

(d) The Principal Employer hereby invites each of the Participating Employers to be Participating Employers of the Scheme, and each, as signified by their execution of this Deed, hereby accepts that invitation.

8 The benefits of the Scheme shall be as specified in the Rules and shall be secured by means of:

1. an excepted group life policy, or policies, satisfying the conditions specified in section 480 to 482 of the Income Tax (Trading and Other Income) Act 2005; and/or
2. an individual relevant life policy, or policies, satisfying the conditions specified in section 393B(4)(b) of the Income Tax (Earnings and Pensions) Act 2003,

effected by the Trustees with a United Kingdom branch or office of Canada Life Limited or any other insurance society or company as may for the time being be used by the Trustees to secure benefits under the Scheme (together called the "**Policy**", although each shall retain its separate legal status), or otherwise as specified in the Rules.

9 Benefits from the Scheme shall be payable on the death of a Member only, and if and to the extent that the proceeds of the Policy are received by the Trustees in respect of that death.

10 (a) Any sums or benefits payable under the Scheme which arise from a payment under the Policy must be paid (whether directly or indirectly) to, or for, or conferred upon, or applied at the direction of:

1. an individual or charity beneficially entitled to them; or
2. a trustee or other person acting in a fiduciary capacity who will secure that the sums or other benefits are paid to or for, or conferred on, or applied in favour of, an individual or charity beneficially.

(b) No person who is, or is connected with, an individual whose life is insured under the Policy may, as a result of a group membership right relating to that individual, receive (directly or indirectly) any death benefit in respect of another individual whose life is so insured.

For this purpose, a “**group membership right**” means, in relation to an individual insured under the Policy, any right (including the right to be considered by trustees in their exercise of a discretion) that is preferable to that individual being one of the individuals whose lives are insured under the Policy.

11 (a) Subject to the provisions of Clause 10, the Trustees shall have power within the period of two years less one day after a Member’s death or within two years of the earlier of the date the Trustees could have reasonably have known of the Member's death and the date when he/she knew of the death (the "**Relevant Period**”) to pay or apply the benefit arising under the Scheme on the Member’s death to, or for the benefit of, any one or more of the Member’s Beneficiaries (as defined below) who are living at the date of death of the Member or such persons or bodies within that class as the Member may have notified in writing to the Trustees for this purpose, in such shares and in such manner as the Trustees shall in their absolute discretion decide.

 (b) In exercising this power, the Trustees may have regard to, but shall not be bound by, any wishes notified to the Trustees by the Member.

1. If, at the end of the Relevant Period, the Trustees have not exercised such power or have exercised it only in respect of part of any such benefit, the Trustees shall pay the whole or the balance (as the case may be) of such benefit to such charity or charities as the Trustees shall in their absolute discretion decide.
2. For the purposes of this clause a Member's "Beneficiaries" shall be:
3. the Member's widow, widower, or surviving Civil Partner;
4. any ancestor or descendant (however remote) of a Member or of his widow, widower or surviving Civil Partner and the spouse or Civil Partner of any such ancestor or descendant;
5. any stepchild, brother or sister of a Member (whether of the whole or of the half-blood) and any descendant of any such stepchild, brother or sister and the spouse or Civil Partner of any such stepchild, brother or sister and the spouse or Civil Partner of any descendant of any such stepchild, brother or sister;
6. any stepbrother or stepsister of a Member, and the spouse or Civil Partner of any such stepbrother or stepsister (whether or not the Member was liable for, or contributed to, their maintenance or support);
7. any person in respect of whom financial interdependence existed between that person and the Member immediately before the date of his death;
8. anyone to whose advancement, maintenance or support the Member shall, in the opinion of the Trustees, have contributed;
9. any person which a Member has notified in writing to the Trustees, or to the Principal Employer or, where appropriate, a Participating Employer, as being a person whom the Member wishes to be considered as a recipient of benefit in the event of his death;
10. any person or charity beneficially interested under any testamentary disposition of a Member; and
11. a charity nominated in writing either by the Member or the Trustees.

For the purposes of this definition:

1. lawfully adopted children or stepchildren of, and those persons who have been treated as children of the family by, any person, shall be treated as the lawful and natural children of such person;
2. the class of Beneficiaries shall be closed at the date of death of a Member, except that it shall include persons then conceived who, if they had then been born, would have been included in the foregoing definition of Beneficiary; and
3. "**Civil Partner**" means in relation to a Member who has died the person who was the Member's Civil Partner for the purposes of section 1 of the Civil Partnership Act 2004 (as amended or replaced from time to time), immediately prior to his death provided that a person shall only be regarded as a Civil Partner if details of such person and of such person's registration of civil partnership to the Member are supplied to the Trustees at such time and in such form as the Trustees may require.
4. The Trustees will decide matters of doubt arising in connection with the Scheme other than matters to be determined by the Principal Employer and the decision of the Trustees or the Principal Employer as appropriate on any matter to be decided by them will (except for manifest error) be conclusive.

12 The Trustees shall be entitled to deduct from any amount payable under the Scheme any tax, duty, expenses or other imposition for which the Principal Employer, the Trustees or all or any of the Members may be accountable in respect of such payment or the event giving rise to the payment of the proceeds, and including the costs of establishment of a trust set up by the Trustees pursuant hereto.

13 The Principal Employer covenants with the Trustees that it will discharge all the duties and obligations imposed on it under the Scheme or by law.

14 If the Trustees consider that any beneficiary of the Scheme is incapable of acting, by reason of illness, mental disorder or otherwise, they may apply any amounts due to that person for his benefit or may pay them to some other person to do so. The receipt of the person paid will be a full discharge to the Trustees. Any decision required to be made under the Scheme by such beneficiary may be made by the Trustees.

15 A Trustee or a director or employee of a corporate Trustee will not be personally liable for any breach of trust under the Scheme, except where it is caused by fraudulent or other dishonest conduct provided that a Trustee engaged in the business of providing a trustee service for payment will be liable for negligence.

16 The Trustees will not be obliged to bring or defend any legal proceedings in relation to the Scheme and will not be chargeable with any breach of trust in any way in connection with any such omission.

17 The Trustees, including the directors and employees of a corporate trustee, will not be liable in respect of any payment of benefit to any person erroneously made by them in good faith.

18 The Trustees will not be liable for any loss that results from having acted upon the advice of any solicitor, accountant, broker, medical practitioner or any other professional person.

19 Any person will be entitled to benefit under the Scheme regardless of whether that person is a trustee or a director or employee of a corporate Trustee. No decision of or exercise of a power or discretion by the Trustees will be invalidated or questioned on the ground that any Trustee, or a director or employee of a corporate Trustee, had a direct or other personal interest in such decision or the mode or result of exercising such power, right or discretion.

20 Subject to the powers, discretions and consents conferred on the Principal Employer or the Participating Employers, the Trustees will have all the powers necessary for the implementation of the Scheme and they may exercise their powers as they think fit.

21 The expenses of the Scheme will be paid by the Principal Employer (including any such costs and expense incurred in dealing with any dispute relating to the Scheme) unless arrangements have been made between the Principal Employer and the Trustees to enable the Trustees to do so.

22 The Principal Employer may (without prior notice to the Members) at any time by deed amend or add to all or any of the provisions of this Deed and/or the Rules and such amendments or additions may be made retrospectively in so far as permitted by law and in so far as will not alter the purpose of the Scheme. After an amendment or addition to the Rules has been implemented, the Trustees shall notify affected Members of its effect.

23 (a) The Principal Employer may at any time at its absolute discretion discontinue the Scheme and the trusts of the Scheme shall be terminated and the Principal Employer shall notify the Trustees, all Participating Employers and Members of any such discontinuance.

 (b) The Scheme shall in any event be discontinued and the trusts of the Scheme terminated no later than on the expiry of a period of one hundred and twenty five years (or such longer period as may be lawful) after the Commencement Date. Such period shall be the perpetuity period of the trusts of the Scheme.

24 The Scheme shall in all respects be governed by and interpreted according to the laws of England and be subject to the exclusive jurisdiction of the courts of England.

25 (a) References in this Deed and the Rules:

1. to an employee of the Principal Employer and of any Participating Employer shall, where appropriate, be deemed to include a reference to a director of the Principal Employer and of any Participating Employer; and
2. to any statute shall be deemed to include a reference to any statutory amendment modification or re-enactment thereof and any statutory regulations made thereunder for the time being in force.

(b) Where the context so admits words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine provided that this shall not make references to the widow of a male Member include the widower of a female Member.

26 It is hereby declared that none of the terms of this deed or the Rules will be enforceable by virtue of section 1 of the Contracts (Rights of Third Parties) Act 1999 by any person (other than the Principal Employer or the Trustees) and in consequence neither the Principal Employer nor the Trustees will have any obligation to any such person in relation to the variation or termination thereof or otherwise.

27 This deed may be executed in the form of two or more counterparts, each executed by one or more of the parties, but taken together executed by all of the parties, which shall together constitute one original instrument.

IN WITNESS whereof this Declaration of Trust has been executed as a deed and is delivered and takes effect on the Commencement Date.

[ALTERNATIVE SIGNATURE PROVISIONS – PLEASE AMEND / DELETE AS APPROPRIATE]

PRINCIPAL EMPLOYER:

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS A LIMITED COMPANY, PLC or LLP]

|  |
| --- |
| Signed as a deed on behalf of the Principal Employer by the following authorised signatories  |
| …………………………..………….Signature of Director of Limited Company or PLC / Member of LLP……………………………..……….Full name in block capitals | ……………………………………...Signature of Director of Limited Company or PLC / Company Secretary/Member of LLP……………………………………...Full name in block capitals | Company seal (if required) |

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS A PARTNERSHIP]

|  |
| --- |
| Signed as a deed by the Principal Employer by  |
| ……….……..…………………………………………….Signature……….…………..……………………………………….Full name of signatory in block capitalsActing as attorney of the Partners in the presence of……….………………..………………………………….Witness' signature……….……………………..…………………………….Full name of witness in block capitals | ……….……………………………………………………Signature……….……………………………………………………Full name of signatory in block capitalsActing as attorney of the Partners in the presence of……….……………………………………………………Witness' signature……….…………………………………………………...Full name of witness in block capitals |

TRUSTEES:

[TO BE USED WHERE TRUSTEE 1 IS A LIMITED COMPANY, PLC or LLP]

|  |
| --- |
| Signed as a deed on behalf of Trustee 1 by the following authorised signatories |
| …………………..………………….Signature of Director of Limited Company or PLC / Member of LLP……………………..……………….Full name in block capitals | ………………..…………………….Signature of Director of Limited Company or PLC / Company Secretary/ Member of LLP…………………..………………….Full name in block capitals | Company seal (if required) |

[TO BE USED WHERE TRUSTEE 1 IS AN INDIVIDUAL]

|  |
| --- |
| Signed as a deed by Trustee 1 |
| ………………..……………..……...Signature………………..………………..…...Full name in block capitals | ………………..…..………………...Signature of Witness……………...………………………Full name in block capitals | Address of witness…………………………………..…………………………………..…………………………………..…………………………………..Occupation of witness………………………………….. |

[TO BE USED WHERE TRUSTEE 2 IS AN INDIVIDUAL]

|  |
| --- |
| Signed as a deed by Trustee 2 |
| ………………..…………..………...Signature………………..……………..……...Full name in block capitals | ………………..………………….....Signature of Witness ……………...………………………Full name in block capitals | Address of witness………………………………………..………………………………………..………………………………………..………………………………………..Occupation of witness……………………………………….. |

 [TO BE USED WHERE TRUSTEE 3 IS AN INDIVIDUAL]

|  |
| --- |
| Signed as a deed by Trustee 3 |
| ………………..…………………….Signature………………..………………….....Full name in block capitals | ………………..………………….....Signature of Witness……………...………………………Full name in block capitals | Address of witness………………………………………..………………………………………..………………………………………..………………………………………..Occupation of witness……………………………………….. |

PARTICIPATING EMPLOYERS:

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS A LIMITED COMPANY, PLC, OR LLP]

|  |
| --- |
| Signed as a deed on behalf of the Participating Employer by the following authorised signatories  |
| …………………..………………….Signature of Director of Limited Company or PLC / Member of LLP……………………..……………….Full name in block capitals | ………………..…………………….Signature of Director of Limited Company or PLC / Company Secretary / Member of LLP …………………..………………….Full name in block capitals | Company seal (if required)  |