



The WAY Group Wrap Client Set-Up Form

Please complete all relevant sections and return to the Ascentric Client Services Team, 9 Palace Yard Mews, Bath, BA1 2NH. Should you require any assistance with the completion of this form please contact us on 0871 423 6100.

ASCENTRIC is a trading name of INVESTMENT FUNDS DIRECT LIMITED A company authorised & regulated by the Financial Services Authority Registered in England and Wales No. 01610781 Registered Office: 9 Palace Yard Mews, Bath, BA1 2NH Tel: 0871 423 6100 Fax: 0845 017 6293

Section 1 Registration details - WAY Tax & Trustee Advisory Services Ltd (WTTAS)

Should the client have? (Please tick)

- No Web Access
- Enquiry Only
- Trading Access

WTTAS signatory

Title	
Surname	
Forename(s)	
Position	

Contact Details

Telephone Work	01202 890 895
Address	CEDAR HOUSE, 3 CEDAR PARK
	COBHAM ROAD
	WIMBORNE
	DORSET
Post Code	BH21 7SB
e-mail	trustees@waygroup.co.uk



Section 1 Second Applicant Details (Settlor)

Personal Details of the Settlor

Title	
Surname	
Forename(s)	
Date of Birth	
National Insurance Number	

Contact Details

Telephone Home	
Telephone Work	
Mobile	
Address	
Post Code	
e-mail	



Section 2 Wrap Account Details

Please enter a name that will identify the Wrap Account

Adviser Remuneration to be deducted:

Please select either Option 1, 2 or 3 below by ticking the appropriate box:

1. Annual Adviser Remuneration: %

The Adviser Remuneration applies to:

- Collectives (incl. Investment Trusts & ETFs)
- Cash
- Stocks and Shares
- Non - Custody Assets

N.B. Adviser Remuneration will be deducted monthly in arrears on a pro-rata basis.

2. Fund Manager trail commissions only

3. Initial Remuneration %

Please note that initial remuneration on trades should be entered at the point of dealing, any other initial remuneration (for example on units transferred in or cash amounts deposited) will need to be requested via the online payments function or, alternatively, by issuing an invoice to Ascentric.

Should the initial remuneration requested via the online payments function or by invoice exceed £1,000 we will need confirmation of your client's authorisation to process this payment, therefore please ensure the box(es) below is completed.

I/We hereby confirm that our/my Independent Financial Adviser has authorisation to deduct the initial commission as stated above.

Applicant Name (1) (Block Capitals)	WAY Tax & Trustee Advisory Services Ltd
Signature	
Date	
(If applicable)	
Applicant Name (2) (Block Capitals)	
Signature	
Date	



Section 3 The WAY Group Inheritance Tax Planning

Please indicate in the boxes the Wrappers you wish to open

- | | |
|--|-------------------------------------|
| General Investment Account (mandatory) | <input checked="" type="checkbox"/> |
| The WAY-Ascentric Gifts from Income Inheritor Plan | <input type="checkbox"/> |
| The WAY-Ascentric Inheritor Loan Plan | <input type="checkbox"/> |
| The WAY-Ascentric Flexible Inheritor Plan | <input type="checkbox"/> |

Please refer to the product partner details on the Ascentric website.

Should you wish to transfer any existing Plans onto the Ascentric Wrap platform please complete the relevant Product Transfer Form(s) details of which can be found within the Transfers section of the IFA Zone.



Section 4 Client Withdrawal/Regular Payment Mandate

Please enter bank account details to which outbound payment(s) should be made and ensure that the form is signed.

For any queries or to confirm details surrounding payment instructions, you can contact the Ascentric Payments Team via email to payments@ascentric.co.uk or by telephone on Tel: 0871 423 6100.

Single Applicant or Joint Bank Account Details

Names of account holder(s)	WAY TAX AND TRUSTEE ADVISORY SERVICES LTD – CLIENT A/C							
Bank/Building Society account number	1	2	2	3	7	8	0	6
Branch sort code	4	0	-	1	3	-	0	7
Name and full postal address of your Bank or Building Society								
Address	HSBC PLC						Bank/Building Society	
	59 OLD CHRISTCHURCH ROAD							
	BOURNEMOUTH							
	DORSET				Post code		BH1 1EH	
Payment notes (If any)								

I/we hereby confirm that the above bank account details are those of my/our bank account and that I/we have given our/my Independent Financial Adviser instruction to use this account for cash withdrawals.

Applicant Name (1) (Block Capitals)	WAY Tax & Trustee Advisory Services Ltd
Signature	
Date	

(If applicable)

Applicant Name (2) (Block Capitals)	
Signature	
Date	



Section 5 WTTAS signatory

I hereby confirm that we have read the following documentation;

- Ascentric Terms & Conditions
- Ascentric Key Features Document
- Ascentric Charging Schedule

Firm Name	WAY Tax & Trustee Advisory Services Ltd
Authorised Signatory	
Authorised Signature	
Date	

Section 6 Independent Financial Adviser details

I hereby confirm that my client(s) has read the following documentation;

- Ascentric Terms & Conditions
- Ascentric Key Features Document
- Ascentric Charging Schedule

I enclose a copy of my client(s) Identification Certificate (Please tick)

Firm Name	
Registered Individual	
Authorised Signature	
Date	

You are applying for dealing access to the Ascentric platform. Dealing on the Ascentric platform requires knowledge and experience of financial services products and the financial implications of trading in them. You have presented us with your professional registration documents and you are an FSA regulated firm. As such, Ascentric will assume that any staff given access to our dealing functions has appropriate skills and qualifications to perform their tasks in accordance with COBS 4. In signing this form, you are agreeing that this is the case.



DATA PROTECTION ACT 1998

We "Investment Funds Direct Holdings Limited" will use the information supplied on this form and information we obtain from other sources for:

- Administering your investments;
- Customer services;
- Market research; and
- Crime prevention.

In addition, in order for us to carry out business effectively, that information may also be passed to:

- Our regulator;
- Auditors;
- Legal and financial advisers;
- Other financial institutions;
- Authorised agents; and
- Third party service providers.

However, your personal information will not be passed to other companies outside the Group unless we have permission to do so, are under a legal obligation or duty to do so or it is required to provide the services requested.

In order to ensure the efficient running of the investment, we may share the information provided by you with other data processors who provide assistance and who may be outside the European Economic Area. In this event we are bound by our obligations under the Data Protection Act to ensure your information is adequately protected.

We may carry out an identity authentication check to verify your identity. This involves checking the details you supply against those held on databases that may be accessed by the reputable third party company that carries out checks on our behalf. This includes information from the Electoral Register and fraud prevention agencies. We will use scoring methods to verify your identity. A record of this search will be kept and may be used to help other companies to verify your identity. We may also pass information to other organisations involved in the prevention of fraud and money laundering, to protect ourselves and our customers from fraud and theft. If false or inaccurate information and fraud is suspected, this will be recorded and may be shared with other organisations.

Under the terms of the Data Protection Act 1998, you are entitled to ask for a copy of the information we hold on you. A fee may be charged for this service. In addition, if any of the information we hold on you is inaccurate or incorrect, please let us know and we will correct it. Requests should be made in writing to: Investment Funds Direct Limited, 9 Palace Yard Mews, Bath, BA1 1NH.

Section 7 Client Declaration

I hereby confirm that I have read and agree with all the information provided with this form and that I have read and agree to the Ascentric Terms and Conditions.

Settlor	
Signature	
Print Name	
Date	

APPLICATION FORM for the WAY-ASCENTRIC INHERITOR PLANS

PART A – SETTLOR INFORMATION

A1. Settlor's Personal Details (BLOCK CAPITALS please)

Surname	Forename(s)	Title
Permanent Residential Address		
Postcode		
Telephone (daytime)	Telephone (evening)	
Date of Birth	Email	
Full name of Spouse / Civil Partner (if any)		
Number of adult children	Number of adult grandchildren	Other dependents
Number of minor children	Number of minor grandchildren	
HMRC Tax Office that deals with you		Your Tax Reference

A2. Named Beneficiaries of the Inheritor Trust (please enter further details for the trust beneficiaries):

Full Name	Date of Birth	Address

A3. Settlor's Inheritance Tax (IHT) Profile

The settlor is **DOMICILED** or **DEEMED DOMICILED** in the **United Kingdom** (please tick to confirm)

Give details of any **Potentially Exempt Transfers (PET)** or **Chargeable Lifetime Transfers (CLT)** made in the last 7 years:

Date of Transfer	Type (circle one)	Amount £ *	Details of Transfer
	PET CLT		
	PET CLT		
	PET CLT		
	PET CLT		
	PET CLT		

* (net of annual exemptions)

APPLICATION FORM for the WAY-ASCENTRIC INHERITOR PLANS

PART B – PLAN & INVESTMENT SELECTION & INVESTMENT OBJECTIVES

B1. Investment Amount

Enter the amount to be invested below. A cheque for this amount payable to “FundsDirect Nominee Client Account” must be included with this application.

Settlor's Investment	£ (Enter Amount)
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B2. Inheritor Plan Selection

Tick the appropriate box for the type of WAY-Ascentric Inheritor Plan required:

Inheritor Plan Selection (Tick one only)	<input checked="" type="checkbox"/>
The WAY-Ascentric Flexible Inheritor Plan The Settlor's Investment shall be initially invested into the fund selection shown in section B5 and the units gifted into the WAY-Ascentric Flexible Inheritor Trust following expiry of any cancellation rights and payment of the authorised establishment charges.	<input type="checkbox"/>
The WAY-Ascentric Gifts from Income Inheritor Plan The Settlor's Investment shall initially be invested into the fund selection shown in section B5 and the units gifted into the WAY-Ascentric Gifts from Income Inheritor Trust following the expiry of any cancellation rights and payment of the authorised establishment charges. The Settlor confirms that he/she intends to make at least three further annual investments for transfer into the trust.	<input type="checkbox"/>
The WAY-Ascentric Inheritor Loan Plan The Settlor's Investment shall be loaned to the Trustee of the WAY-Ascentric Inheritor Loan Trust upon the terms of the WAY-Ascentric Inheritor Loan Trust Loan Agreement, and initially invested into the fund selection shown in section B5 after payment of the authorised establishment charges. Regular repayment of the outstanding loan (if regular repayments are to commence immediately) Amount or percentage of loan to be repaid each year :% / £..... Frequency of repayments (circle one): Monthly Quarterly Half-yearly Annually	<input type="checkbox"/>

B3. Preferred Investment Adviser

Preferred Investment Adviser – Name:	(Enter Adviser's Name)
Preferred Investment Adviser - Firm:	(Enter IFA Firm Name)
FSA Reference Number:	(Enter IFA Firm FSA Number)

B4. Investment Objectives

Standard Investment Criteria:

The investment objective for the plan is to generate long-term capital growth.

Risk Profile: (Tick one only) Cautious Balanced Adventurous

Please detail any additional investment considerations to be taken into account (e.g. ethical funds, planned future expenditure):

APPLICATION FORM for the WAY-ASCENTRIC INHERITOR PLANS

B5. Investment Fund Selection

The Settlor requests that upon receipt of the investment amount the Trustee invests the assets in the following funds from the WAY-Ascentric Inheritor Investments list in the percentage proportions shown below after payment of the authorised establishment charges:

Fund Name	Percentage
0. Cash Reserves <i>(to facilitate the payment of ongoing charges)</i>	3%
1.	(Enter %)
2.	(Enter %)
3.	(Enter %)
4.	(Enter %)
5.	(Enter %)
6.	(Enter %)
7.	(Enter %)
8.	(Enter %)
9.	(Enter %)
10.	(Enter %)
11.	(Enter %)
12.	(Enter %)
Total Net Investment	100%

PART C – TRUSTEE

C1. Trustee's Details (BLOCK CAPITALS please)

WAY TAX AND TRUSTEE ADVISORY SERVICES LIMITED

of **CEDAR HOUSE, 3 CEDAR PARK, COBHAM ROAD, WIMBORNE, DORSET, BH21 7SB**

Telephone (daytime): **01202 890 895**

Email: **trustees@waygroup.co.uk**

C2. Trust reference:

(leave blank)

APPLICATION FORM for the WAY-ASCENTRIC INHERITOR PLANS

PART D – LETTER OF WISHES TO TRUSTEE

The Settlor may list in the box below any additional wishes to assist the Trustee in performing its duties.

Examples:

- Distributions of capital to beneficiaries during the settlor's lifetime
- Appointing the Settlor's widow(er) / surviving civil partner on the death of the Settlor to ensure that he/she is reasonably provided for.
- Who should benefit following the death of the Settlor and/or surviving spouse or civil partner.
- Contingent beneficiaries if no defined beneficiary survives the settlor.

To: WAY Tax and Trustee Advisory Services Ltd.

While I in no way wish to fetter your discretionary powers as trustee, I would like you to take the following wishes into account for the future administration of the Trust:

Signed:

Date:

Settlor's name:

APPLICATION FORM for the WAY-ASCENTRIC INHERITOR PLANS

PART E - DECLARATIONS

E1. Settlor Declarations

Application to WAY Investment Services Ltd for a WAY-Ascentric Inheritor Plan

- I confirm that I am over 18 years of age.
- I confirm I have read, understood and retained copies of the Terms and Conditions for the WAY-Ascentric Inheritor Plans.
- I authorise WAY Investment Services Ltd to instigate the transfer of units or money described in parts B1 & B2 above from my General Investment Account to the Inheritor Plan Account on the Ascentric Platform upon receipt of the required trust and transfer documents and following the expiration of any cancellation rights as detailed below, and to date the WAY-Ascentric Inheritor Trust Deed with the date that transfer is effected.
- Whilst the Plan is based on WAY's understanding of current law and HM Revenue and Custom's practice, which cannot be guaranteed, I understand that I must rely on my own legal, investment and tax advice on the Plan's suitability to my needs.
- I understand that WAY Investment Services Ltd or Ascentric may require further information from me, or about me, to satisfy the requirements of the Money Laundering Regulations in force.
- I confirm that I have received details of the fees and charges applicable to the WAY-Ascentric Inheritor Plans, WAY Tax and Trustee Advisory Services Ltd and the Ascentric Platform Charges Schedule, and I authorise the Trustee to pay these fees and the agreed Adviser fees and/or commissions from the trust assets.

Appointment of WAY Tax and Trustee Services Ltd as Trustee

- I appoint WAY Tax and Trustee Advisory Services Ltd to act as sole Trustee of the Plan in accordance with its Terms of Business.
- I confirm that I have read, understood and retained copies of the Terms of Business relating to the appointment of WAY Tax and Trustee Advisory Services Ltd as Trustee.
- I confirm that I have read and understood the Fee Schedule for WAY Tax and Trustee Services Ltd and agree that the fees set out therein may be deducted from the trust assets.
- I confirm that I have also received details of the fees and charges applicable to the WAY-Ascentric Inheritor Plans, WAY Tax and Trustee Advisory Services Ltd and the Ascentric Platform Charges Schedule, and I authorise the Trustee to pay these fees and the agreed Adviser fees and/or commissions from the trust assets.
- I instruct the Trustee to open an account for this plan on the Ascentric platform.
- I authorise that all fees and costs incurred as a result of setting up the Plan may be deducted from the trust assets by the Trustee.
- I confirm that I have taken independent advice on the tax and legal implications of the Plan and that the Plan meets my requirements. I understand that WAY Tax and Trustee Advisory Services Ltd do not offer such advice.
- I request that the Trustee appoints my Preferred Investment Adviser nominated in part B3 as its investment adviser, in accordance with clause 9 of the Second Schedule in the associated WAY-Ascentric Inheritor Trust Deed.
- I further request that the Trustee invests the trust fund in accordance with the investment objectives and risk profile set out in part B4.
- I recommend that the Trustee invests in the funds specified in part B5 to form the initial portfolio of the Trust. I confirm that this portfolio is in line with my stated investment objectives and attitude to risk for the trust assets.

Cancellation Rights (The WAY-Ascentric Flexible Inheritor Plan or The WAY-Ascentric Gifts from Income Inheritor Plan only)

Under the Financial Services Authority's Conduct of Business Sourcebook, cancellation rights will apply where the contract was arranged through an independent intermediary, unless they hold an appropriate Customer Agreement with me or dealt on my behalf on an execution-only basis. I understand that the transfer into trust will not proceed until the expiry of any cancellation rights, which might apply.

If cancellation rights **do not** apply please tick this box.

Data Protection Act

The details you have provided will be held on computer by WAY Investment Services Ltd, WAY Tax and Trustee Advisory Services Ltd and Ascentric, but will not be used for any purpose except to fulfil obligations to plan holders. A copy of this completed application form is available on request.

Settlor's Signature

Date

APPLICATION FORM for the WAY ASCENTRIC INHERITOR PLAN

E2. Investment Adviser Declaration

- I confirm that I have read, understood and retained the Terms of Business for acting as Investment Adviser to WAY Tax and Trustee Services Ltd on the investments comprised in the Trust and agree to act in accordance with them.
- I approve the investment fund selection shown in part B5 and confirm that it meets the Standard Investment Criteria of the trust.
- I acknowledge that the investment portfolio for the trust should not be diversified beyond Open Ended Investment Companies, Unit Trusts and Exchange Traded Funds
- I confirm that I have the authorisation necessary under the legislation and regulations in the UK to act in such capacity and will remain so authorised and comply with the rules of the appropriate regulatory body while acting as Adviser to the Trustee.
- I confirm that I will notify WAY Tax and Trustee Advisory Services Ltd of any change to my authorisation including any disciplinary action taken against me.
- I confirm that I will adhere to the Settlor's stated investment objectives and risk profile for the Trust when making recommendations to the Trustee.

Intermediary Stamp:

Name of Registered Individual:

Signature of RI:

E3. Trustee Declarations

- We confirm our agreement to act as Trustee of the Trust and will act in accordance with its terms and our Terms of Business.
- We confirm the Preferred Investment Adviser nominated by the Settlor in part B3 is appointed as Investment Adviser to the Trust and authorise WAY Investment Services Ltd and Ascentric to provide them with information on the plans and to pay the agreed fees and commissions.
- We agree to the Investment Objectives in part B4, and confirm that the Investment Fund Selection in part B5 shall comprise the initial portfolio of the Trust.

Data Protection Act

The details you have provided will be held on computer by WAY Tax and Trustee Advisory Services Ltd, but will not be used for any purpose except to fulfil obligations to plan holders.

For and on behalf of WAY Tax and Trustee Advisory Services Limited:

Authorised Signatory's Signature:	
Name of Authorised Signatory:	
Date:	

APPLICATION FORM for the WAY ASCENTRIC INHERITOR PLAN

PART F – IFA SUBMISSION

F1 - Checklist

Please make sure you have:

- Enclosed a completed Ascentric Wrap Service Client Set Up Form for this plan
- Enclosed a completed WAY-Inheritor Trust Deed to effect the gift or loan into trust.
- Enclosed a fully completed Loan Agreement, signed by the Settlor and Trustee to lay out the terms of the loan
(*The WAY-Ascentric Inheritor Loan Trust only*).
- Enclosed a fully completed stock transfer form, signed by the Settlor for each of the funds listed in section B5, to instruct the transfer of gifted units to the Trustee.
(*not required for the WAY-Ascentric Inheritor Loan Trust*).
- Enclosed a cheque for the appropriate Settlor's Investment amount (as shown in part B1) and payable to "**FundsDirect Nominee Client Account**".
- Complied with the UK law on money laundering by having cheques drawn on the Settlor's own sole or joint account. If the cheque is drawn on the Settlor's bank, building society or regulated financial adviser's client account. The cheque must state that the funds have been drawn from an account in the Settlor's name. For example, the payee would be "FundsDirect Nominee Client Account (Re: A. N. Other)". Alternatively, ask them to write the Settlor's name and address on the reverse of the cheque and add the bank/building society/financial adviser stamp and signature to confirm the money is drawn from the Settlor's account.
- Completed all money laundering identification requirements for the Settlor and enclosed your Identity Verification Certificate.

Intermediary Comments:

WAY Investment Services Limited

Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB

Telephone: 01202 850895 Facsimile: 01202 850894

Registered No. 3181187 England.

WAY Investment Services is an Appointed Representative of WAY Fund Managers Limited
which is Authorised and regulated by the Financial Services Authority

A member of IMA

www.wayinvestments.com

November 2009

THIS SETTLEMENT is made the _____ (LEAVE BLANK) day of _____ (LEAVE BLANK) 20 _____ (LEAVE BLANK)

BETWEEN _____ (Full name of Settlor)

of _____ (Address of Settlor)

(in this Deed called “the Settlor”) of the one part

and **WAY TAX AND TRUSTEE ADVISORY SERVICES LIMITED** of **CEDAR HOUSE, 3 CEDAR PARK, COBHAM ROAD, WIMBORNE, DORSET, BH21 7SB** (in this Deed called “the Trustees” which expression shall where the context so admits include the trustees or trustee for the time being of this Settlement) of the other part.

WHEREAS:

- (A) The Settlor has contemporaneously with this Deed transferred to the Trustees the number of units or shares specified in Part One of the First Schedule to this Deed (in this Deed called “the Initial Gifted Property”).
- (B) The Initial Gifted Property has been acquired by the Settlor out of his taxed income specifically for the purpose of making the gift effected by this Deed to the intent that the gift should be made out of his income.
- (C) The Settlor wishes to settle the Initial Gifted Property upon the trusts and with and subject to the powers and provisions declared and contained below.
- (D) The Settlor intends to make regular additions to the property hereby settled by way of normal expenditure out of his taxed income such additions consisting of cash and/or units and/or shares acquired out of his taxed income for the purpose of making such additions.

NOW THIS DEED WITNESSES as follows:-

1 Definitions

In this Settlement the following expressions shall unless the context otherwise requires have the following meanings:-

1.1 “the Appointed Class” means:-

- 1.1.1 the Beneficiaries as detailed under clause 1.2 below,
- 1.1.2 the children and remoter descendants (whether now living or hereafter born) of the Beneficiaries,
- 1.1.3 the spouses, civil partners, widows and widowers (whether or not remarried) of such children and remoter descendants of the Beneficiaries,
- 1.1.4 the person or persons named in the following box (if any)

and,

- 1.1.5 such other person or persons who may be added to the Appointed Class by any deed or deeds executed at any time before the Perpetuity Day by the Trustees (being at least two in number or a company) in their absolute discretion PROVIDED that no Excluded Person and none of the Trustees as at the date of such deed or deeds shall be capable of being added to the Appointed Class nor shall this power be capable of being exercised so as to benefit any Excluded Person whether directly or indirectly;

1.2. “the Beneficiaries” means

	Relationship to Settlor	Proportions
(Names of the beneficiaries)	(Relationship)	(Proportion)
(may not include the Settlor, their Spouse or Civil Partner as per clause 1.3)	(Relationship)	(Proportion)

and “Beneficiary” means any one of the Beneficiaries

(Please note that in the event that one or more of the above named beneficiaries pre-decease their children or remoter issue then their children or remoter issue will take their Stated Proportion in accordance with clause 4.3.)

- 1.3 “Excluded Person” means the Settlor and any person who is for the time being the spouse or civil partner of the Settlor;
- 1.4 “the Perpetuity Day” means the date of expiry of a period 80 years commencing on the date of this Deed which period shall be the perpetuity period applicable to the dispositions of this Deed;

Initials of the parties to this deed:	Settlor:	Trustee:
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- 1.5 “the Relevant Date” in relation to each Relevant Share means the annual anniversary calculated from three days before the date of this Settlement specified against that Relevant Share in Part Two of the First Schedule to this Deed PROVIDED that the Trustees (being at least two in number or a company) shall have power exercisable by deed to postpone the Relevant Date applicable to that Relevant Share as follows:
 - 1.5.1 the power may be exercised as regards the whole of that Relevant Share or any of the property comprised in it;
 - 1.5.2 the Relevant Date must be postponed to a date later than the Relevant Date applicable for the time being to that Relevant Share;
 - 1.5.3 the Relevant Date must not be postponed to a date which falls on or after the Perpetuity Day;
 - 1.5.4 the power cannot be exercised in relation to any of the property comprised in that Relevant Share if the Relevant Date for the time being applicable to that Relevant Share has occurred;
 - 1.5.5 the power may be exercised so as to further postpone the Relevant Date consistently with the above requirements of this proviso in relation to that Relevant Share or any of the property comprised in it as regards which the power has previously been exercised;
- 1.6 “the Relevant Event” in relation to each Relevant Share means the death of the Settlor before the Relevant Date;
- 1.7 Uni-Tech - “Relevant Share” means any one of the percentage shares of the Trust Fund as detailed and specified in Part Two of the First Schedule to this Deed and the property from time to time representing that share or accruing to it; TM
- 1.8 “the Stated Proportions” means the proportions which are shown in respect of the Beneficiaries in Clause 1.2 PROVIDED THAT:
 - 1.8.1 if the proportions which are shown in respect of the Beneficiaries in Clause 1.2 do not add up to 100% precisely then those proportions shall be adjusted by rateably increasing or decreasing the same as requisite to ensure that they add up to 100% precisely;
 - 1.8.2 if one or more of the Beneficiaries dies before the date when the Relevant Event occurs in relation to any Relevant Share without leaving children or remoter descendants who are living on that date then the proportions shown in Clause 1.2 (subject to any requisite adjustment under Clause 1.8.1) shall be adjusted in relation to that Relevant Share so that the proportions so shown in respect of any other of the Beneficiaries shall be increased rateably as requisite to ensure that they add up to 100% precisely (and the presumptive shares of Beneficiaries shall be determined accordingly);
- 1.9 “the Trust Fund” means:
 - 1.9.1 the Initial Gifted Property;
 - 1.9.2 any additions to the property hereby settled made by the Settlor; and
 - 1.9.3 the property from time to time representing or accruing to the foregoing;
- 1.10 “the Trust Period” in relation to each Relevant Share means the period commencing on the date of this Deed and ending on the Perpetuity Day PROVIDED THAT the Trust Period shall forthwith be determined in relation to that Relevant Share if:
 - 1.10.1 the last survivor of the Beneficiaries and their descendants dies before the Relevant Event in relation to that Relevant Share has occurred; or
 - 1.10.2 (before such Relevant Event has occurred) the Relevant Event in relation to that Relevant Share ceases to be capable of occurring.
- 1.11 “deed” includes instrument in writing.

The Clause headings are inserted for convenience only and do not affect the interpretation of this Deed.

2 Trusts of the Trust Fund

- 2.1 The Trustees shall hold the Initial Gifted Property upon trust to divide the same into shares specified in Part Two of the First Schedule to this Deed and so that the Trustees shall hold the Initial Gifted Property corresponding to each of those percentage shares as the original capital of each Relevant Share.
- 2.2 The Trustees may accept as additions to the Trust Fund any additional property settled by the Settlor and any such additional property shall be divided into the same shares as are specified in Part Two of the First Schedule to this Deed and so that the Trustees shall hold any such additions corresponding to each of those percentage shares as additional capital of each Relevant Share.
- 2.3 The Trustees shall hold each Relevant Share upon the trusts and with and subject to the powers and provisions declared and contained below.

3 Powers of the Trustees in relation to Relevant Shares

- 3.1 The Trustees shall have the powers conferred by this Clause in relation to each Relevant Share subject to the restrictions contained below.
- 3.2 The Trustees (being at least two in number or a company) shall have power at any time or times during the Trust Period by deed revocable at any time during the Trust Period or irrevocable to appoint the capital and income of each Relevant Share upon such trusts and with and subject to such powers and provisions (including powers in like terms to the powers conferred by this Clause 3.2 or Clause 3.3 exercisable during any period expiring not later than the Perpetuity Day and any other discretionary trusts or powers including powers authorising the sub-delegation of discretion to any extent) and in such manner generally in favour or for the benefit of all or any one or more of the Appointed Class as the Trustees in their absolute discretion think fit.
- 3.3 Subject to and until and in default of appointment under the foregoing power the Trustees (being at least two in number or a company) shall have the following powers exercisable during the Trust Period in relation to each Relevant Share:-

Initials of the parties to this deed:	Settlor:	Trustee:
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- 3.3.1 power to pay, transfer or apply any capital of that Relevant Share to or for the benefit of all or any one or more of the Appointed Class;
- 3.3.2 power to assure (whether by way of payment, transfer, declaration of trust or otherwise) all or any capital of that Relevant Share to the trustees of any trust or settlement (whether governed by English Law or the law of any other country) containing trusts, powers and provisions (whether or not including discretionary trusts or powers and powers authorising the sub-delegation of discretion to any extent) in favour or for the benefit of all or any one or more of the Appointed Class whether or not persons other than members of the Appointed Class but not including any Excluded Person may be or become entitled or eligible to benefit under it;
- 3.3.3 (in addition to any borrowing power conferred by law) power to borrow money in connection with that Relevant Share on such terms and conditions as the Trustees thinks fit (but so that the money so borrowed shall be repayable out of that Relevant Share and all costs and charges in connection with such borrowing shall fall on that Relevant Share or its income, and so that a separate Relevant Share constituted pursuant to the proviso to Clause 1.5 shall take what the Trustees consider to be a just and equitable proportion of the burden previously borne by the Relevant Share out of which that separate Relevant Share is constituted) and to apply the same for any purpose authorised by this Deed or by law (including application under Clause 3.3.4);
- 3.3.4 power to lend any money borrowed under Clause 3.3.3 or otherwise comprised in that Relevant Share on such terms and conditions (whether interest free or interest bearing or equity participating and whether secured on any property whatever or on personal security) to any one or more of the Appointed Class (any such loans to be repayable not later than the date of expiry of the Trust Period);
- 3.4 The Trustees shall have power at any time or times during the Trust Period after the Relevant Event has occurred in relation to a Relevant Share by deed to release or restrict the future exercise of any of the powers conferred by this Clause so far as concerns that Relevant Share (including this power).
- 3.5 In exercising the powers conferred by this Clause the Trustees shall have due regard to the rules against perpetuities and excessive accumulations.
- 3.6 No powers conferred by this Clause (and no powers conferred by any appointment under Clause 3.2 or by any trust or settlement to which an assurance is made under Clause 3.3.2) shall be capable of being exercised so as to benefit any Excluded Person directly or indirectly.
- 3.7 No exercise of the powers conferred by this Clause shall invalidate any previous payment or application of the capital or income of any Relevant Share.
- 3.8 The powers conferred by this Clause shall not be exercisable at a time when all the Trustees are members of the Appointed Class but subject to that restriction the powers conferred by this Clause may be exercised even though a Trustee who is a member of the Appointed Class benefits under the exercise.

4 Trusts of the Relevant Shares

- 4.1 Subject to and until and in default of any exercise of the powers conferred by Clause 3 the Trustees shall hold each Relevant Share as follows.
- 4.2 The Trustees shall hold each Relevant Share in trust if the Relevant Event occurs for such of the Beneficiaries who are living on the date when the Relevant Event occurs and if more than one in the Stated Proportions.
- 4.3 If a Beneficiary dies before the Relevant Event occurs in relation to a Relevant Share leaving children or remoter descendants then if the Relevant Event occurs in relation to that Relevant Share such of the children and remoter descendants of that Beneficiary (whether born before or after the death of that Beneficiary) who are living on the date when the Relevant Event occurs shall take the share or interest which that Beneficiary would have taken had he or she survived to that date and if more than one in equal shares on a stirpital basis and so that parents shall take to the exclusion of their own children or remoter descendants.
- 4.4 The trusts contained in this Clause shall carry a right to the intermediate income from the date of this Deed and Section 31 of the Trustee Act 1925 shall apply to the trusts contained in this Clause (subject as provided below) so that from the date of this Deed a Beneficiary contingently interested under Clause 4.2 and (subject to any prior interest) a child or descendant of a Beneficiary contingently interested under Clause 4.3 has a beneficial interest in possession in his or her presumptive share until his or her death or the failure of his or her interest.
- 4.5 Section 31(1)(i) and (2) of the Trustee Act 1925 (concerning income arising during a minority) shall not apply and the Trustees shall hold for the absolute benefit of any minor any income which would apart from this provision be liable under Section 31(1)(i) and (2) of that Act to be accumulated in so far as not applied for the maintenance education or benefit of that Beneficiary to the intent that the Beneficiary shall have a beneficial interest in possession notwithstanding minority.

5 Ultimate trust of the Relevant Shares

Subject to the foregoing the Trustees shall hold each Relevant Share in trust for the Settlor absolutely.

6 Appointment of New Trustees

- 6.1 During the lifetime of the Settlor the statutory power of appointing new or additional Trustees of this Settlement shall be vested in the Settlor failing such ability or willingness to act then in the Trustees.
- 6.2 Any person may be appointed a Trustee of this Settlement whether or not he, she or it is resident, domiciled or incorporated in the United Kingdom and absence from the United Kingdom shall not be a ground of removal of a Trustee of this Settlement.

Initials of the parties to this deed:	Settlor:	Trustee:
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7 **Trustee Administrative Powers**

Except as may be specified within this Settlement in relation to Trustee dispositive powers the powers conferred upon the Trustees by this Settlement or by law shall be exercisable by a majority of them or in the event of there being no majority by the first named Trustee named above.

8 **Trustee Delegatory Powers**

- 8.1 The Trustees shall have the power to employ one or more of their own number or other suitable qualified person or persons for the purpose of advising on the administration of the Trust and carrying into effect the Trust purposes and to pay such person or persons appropriate remuneration for their services. Such remuneration will under no circumstances be paid to the Settlor or any spouse of the Settlor at any time.
- 8.2 The receipt of the Trustees or of any person duly appointed by them for the purpose shall be a valid discharge of any person's liability to pay money to the Trust (if he/she acts in good faith and has no notice of revocation of the Agent's authority where applicable) and such person shall not be concerned to see to the application of such money

9 **Governing Law**

- 9.1 Subject to Clause 9.2 the proper law of this Settlement shall be English Law.
- 9.2 The Trustees shall have powers exercisable at any time or times during the Trust Period to change the proper law of this Settlement to the law of any other country or state (other than one by which this Settlement or any trust powers or provisions herein contained would be rendered void or voidable or by which any trusts of this Settlement would be rendered revocable) and to move the administration of this Settlement and all documents relating thereto to any other country or state.

10 **Remuneration and indemnity of Trustees**

- 10.1 Any of the Trustees (other than any Excluded Person) being a solicitor, accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted time spent and acts done by him or any partner of his in connection with the trusts of this Settlement including any acts which a Trustee not being in any profession or business could have done personally.
- 10.2 Any trust corporation or other company appointed to be the sole Trustee or one of the Trustees in this clause known as the "Appointee/s" of this Settlement shall have power to charge remuneration and otherwise to act in the trusts of this Settlement upon such term and conditions in all respects as the appointor or appointors as defined in Clause 6 shall approve (including terms capable of alteration whether by reference to a scale of fees and conditions in force from time to time or in any other way or in consequence of exercise of direction by the appointor or appointors or any other persons).
- 10.3 No Trustee (other than any Excluded Person) shall be liable for any loss to or diminution in or charge or fine in respect of the Trust Fund however caused except for a loss caused by his own fraud or wilful misconduct.

11 **Excluded Persons**

Notwithstanding anything to the contrary herein expressed or implied no powers by this Settlement or by law conferred on the Trustees or any other person shall be exercisable so as to benefit any Excluded Person in any circumstances whatever PROVIDED only that this provision does not prevent Clause 5 taking effect according to its terms in relation to each Relevant Share on the total failure or determination of the preceding trusts of this Deed concerning that Relevant Share.

12 **Additional powers of the Trustees**

The powers and provisions contained in the Second Schedule to this Deed shall (in addition to all other powers by this Deed or by law conferred upon the Trustees) have effect but those powers and provisions shall be exercisable and take effect only insofar as consistent with the trusts, powers and provisions contained in the body of this Deed.

13 **Irrevocability**

This Settlement shall be irrevocable.

14 **Stamp Duty Certificate**

It is hereby certified that this instrument falls within Category L in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

IN WITNESS of which the parties hereto have executed this Deed the day and year first above written.

Initials of the parties to this deed:	Settlor:	Trustee:
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FIRST SCHEDULE
Part One - Description of Initial Gifted Property

Fund Name	Number of Units/Shares
ELITE INCOME PLAN CASH TRUST (INCOME UNITS)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK
Enter fund name (income units/shares only)	LEAVE BLANK

Total Value Gross Initial Gift	£ (Enter Amount)
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Part Two - Relevant Share or Shares and Relevant Dates as defined at Clause 1.7 and 1.5

Uni-Tech - Each 'Relevant Share' is a percentage, or fractional portion, of the original and subsequent Trust Fund gifted into trust and the total of all 'Relevant Shares' may not exceed 100%, or the whole, of the Trust Fund. TM

Number	Percentage Share of the Units/Shares which is a Relevant Share	Anniversary of the date of this Settlement which is the relevant Date
1	50%	Fifth
2	50%	Tenth

THE SECOND SCHEDULE

- 1 The Trustees shall have all powers of investment, management, sale, exchange, partition, mortgaging, leasing, charging, insurance and dealing with all property comprised in the Trust Fund as if they were its absolute owners.
- 2 Any money comprised in the Trust Fund may be invested by the Trustees without any need for diversification in the acquisition of any property of whatever nature and wherever situate and whether producing or capable of producing income or not and whether involving liability or not and upon such security if any as they think fit.
- 3 The Trustees shall have power to appropriate any property from time to time comprised in the Trust Fund in or towards satisfaction of the beneficial interest of any beneficiary (including a beneficiary who is a Trustee).
- 4 The Trustees shall have power to purchase or retain any property for the use of any beneficiary under this Settlement for the time being entitled to the income of such property on such terms and conditions as they think fit.
- 5 The Trustees shall have power to effect and maintain out of the capital of the Trust Fund any capital redemption policy or any policy of insurance or assurance on the life or lives of any person or persons and to surrender exchange or otherwise deal in all respects with such policy or exercise any option under it in such manner as they think fit.
- 6 All recurrent ongoing investment expenses and other outgoings incurred by the Trustees in managing the Trust Fund shall be paid out of income unless decided otherwise by the Trustees
- 7 The Trustees shall have power to pay to the parent or guardian of any minor beneficiary under this Settlement any part of the capital or income of the Trust Fund held absolutely for that beneficiary so that the receipt by such parent or guardian shall be a complete discharge to the Trustees who shall not be bound to see to its application.

Initials of the parties to this deed:	Settlor:	Trustee:
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- 8 The Trustees shall have power to permit any property comprised in the Trust Fund to be held in the name or names of any person or persons as the nominee or nominees of the Trustees upon such terms and for such period or periods as they shall think fit and the Trustees shall have power to pay the charges of any such nominee or nominees out of the Trust Fund and the Trustees shall have power to permit any assets to be held by the Trustees, their nominees or agents in uncertificated form.
- 9 The Trustees shall have power to engage the services of any person or persons other than any Excluded Person to advise them or act for them on all matters relating to the investment and management of the Trust Fund upon such terms and conditions as they shall think fit (including terms concerning remuneration, indemnity, protection, conflict of interest, retention of profits and delegation or sub-delegation of discretion).
- 10 The Trustees shall be under no duty to supervise or enquire into the conduct of any company in the capital of which they are interested as trustees and so long as the Trustees have no notice of any act of dishonesty or any other breach of duty on the part of the directors of any such company they shall be at liberty to leave the conduct of the affairs of the company wholly to the directors.
- 11 The Trustees shall have power to give or enter into any indemnity, warranty, guarantee, undertaking or covenant or to enter into any other type of agreement in connection with the sale of a shareholding in a company for the time being owned by the Trustees upon such terms as they shall think fit.
- 12 The Trustees shall have power to promote or incorporate any company and to procure or accept the appointment of any of them other than any Excluded Person as director or other officer or employee of any company.
- 13 The Trustees shall have power to enter into any indemnity in favour of any former Trustee or other person or persons (other than any Excluded Person) in respect of any tax or other liability and shall have power to charge or deposit any property comprised in the Trust Fund as security for such indemnity.
- 14 The Trustees shall have power to pay all taxes which may be assessed on them whether or not by reason of the residence of the person or persons assessed or otherwise the assessment shall be unenforceable.
- 15 The Trustees (being at least two in number or a company) shall have power by deed or deeds executed at any time or times before the Perpetuity Day to add to vary or delete any of the powers contained in this Schedule if they consider that to do so shall be necessary or expedient for the effective management and administration of the Trust Fund and of the trusts of this Settlement but only in so far as any such addition variation or deletion is wholly consistent with the beneficial interests or rights for the time being under this Settlement and does not prejudice them or any of them (and so that this power may not be exercised for the direct or indirect benefit of any Excluded Person).
- 16 The Trustees shall have power to enter into any transaction of any nature with any of the Trustees in their personal capacity or in some other fiduciary capacity if there is a majority of disinterested Trustees who shall approve the transaction but this power shall not authorise the Trustees to enter into a transaction with a Trustee who is an Excluded Person if such Trustee has a personal interest in the transaction.
- 17 Any of the Trustees (other than any Excluded Person) who shall be or become a director or employee of any company in the capital of which the Trustees shall be directly or indirectly interested as trustees may retain for himself or herself any reasonable amount of remuneration from that directorship or employment notwithstanding that the directorship or employment shall have been obtained or retained by the exercise or non-exercise by the Trustees of any voting or other rights attaching to shares of that or any other company.
- 18 The Trustees shall have power in the management or administration of this Settlement to deal with or dispose of any investments or to enter into any contractual agreement with any person in relation to any investments but only in so far as any such dealing disposal or agreement is wholly consistent with the beneficial interests or rights for the time being under this Settlement and does not prejudice them or any of them (and so that this power may not be exercised for the direct or indirect benefit of any Excluded Person).
- 19 All income shall be deemed to accrue on the day on which it is actually received and the Apportionment Act 1870 shall not apply.
- 20 The first named Trustee in this Deed and any trustee who directly or indirectly replaces that Trustee shall be the Senior Trustee. Any correspondence concerning this Settlement may be sent to the Senior Trustee who shall forward copies of such correspondence to the other Trustee or Trustees to the extent necessary or proper to enable the Trustees to exercise jointly their functions under this Settlement. Any third party dealing with the Trustees shall be entitled to send correspondence to the Senior Trustee and in the absence of fraud assume that any such correspondence has been forwarded to the other Trustee or Trustees to the extent necessary or proper. Nothing in this provision prejudices any power of the Trustees to appoint an agent for the purpose of receiving correspondence nor any requirement of law for notices or other documents to be served on all trustees.

Initials of the parties to this deed:	Settlor:	Trustee:
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SIGNED AS A DEED AND DELIVERED by _____ (Settlor)	(Full name of Settlor)	_____	(Settlor's Signature)
In the presence of Name _____	(Full name of Witness)	_____	(Witness Signature)
Address _____	(Address of Witness)	_____	
_____		Postcode _____	
Occupation _____	(Occupation of Witness)	_____	

SIGNED AS A DEED AND DELIVERED by WAY TAX AND TRUSTEE ADVISORY SERVICES LIMITED		_____	(Trustee's Signature)
(Trustee)			
In the presence of Name _____	(Full name of Witness)	_____	(Witness Signature)
Address _____	(Address of Witness)	_____	
_____		Postcode _____	
Occupation _____	(Occupation of Witness)	_____	

**STOCK
TRANSFER
FORM**

(above this line for Registrars only)

Consideration Money	Certificate lodged with the Registrar
NIL	(For completion by the Registrar/Stock Exchange)

Name of Undertaking.	THE ELITE INCOME PLAN CASH TRUST
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Description of Security.	INCOME UNITS
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Number or amount of Shares, Stock or other security and, in figures column only, number and denominations of units, if any.	Words <i>Leave blank</i>	Figures <i>Leave blank</i>
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Name(s) of registered holder(s) should be given in full; the address should be given where there is only one holder. If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)), of the person(s) making the transfer.	In the names(s) of <i>Enter Settlor's full name and address</i>
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We hereby transfer the above security out of the names aforesaid to the persons named below : <p style="text-align: center;">Signature(s) of transferor(s)</p> 1. 2. 3. 4. Bodies corporate should execute under their common seal or otherwise in accordance with applicable statutory requirements.	Stamp of Selling Broker(s) or, for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s). Date
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Full name(s) and full postal address(es) (including County or, if applicable, Postal District number) of the person(s) to whom the security is transferred. Please state title, if any, or whether Mr., Mrs. or Miss. Please complete in typewriting or in BLOCK CAPITALS.	WAY TAX AND TRUSTEE ADVISORY SERVICES LIMITED of CEDAR HOUSE, 3 CEDAR PARK, COBHAM ROAD, WIMBORNE, BH21 7SB
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We request that such entries be made in the register as are necessary to give effect to this transfer.

Stamp of Buying Broker(s) (if any)	Stamp or name and address of person lodging this form if other than the Buying Broker(s)

FORM OF CERTIFICATE REQUIRED WHERE TRANSFER EXEMPT FROM STAMP DUTY

Instruments executed on or after 1st May 1987 effecting any transaction within the following categories are exempt from stamp duty:

- A. The vesting of property subject to a trust in the trustees of the trust on the appointment of a new trustee, or in the continuing trustees on the retirement of a trustee.
- B. The conveyance or transfer of property the subject of a specific device or legacy to the beneficiary named in the will (or his nominee). Transfers in satisfaction of a general legacy of money should not be included in this category (see category D below).
- C. The conveyance or transfer of property which forms part of an intestate's estate to the person entitled on intestacy (or his nominee). Transfers in satisfaction of the transferee's entitlement to cash in the estate of an intestate, where the total value of the residuary estate exceeds that sum, should not be included in this category (see category D below).
- D. The appropriation of property within section 84(4) of the Finance Act 1985 (death: appropriation in satisfaction of a general legacy of money) or section 84(5) or (7) of that Act (death: appropriation in satisfaction of any interest of surviving spouse and in Scotland also of any interest of issue).
- E. The conveyance or transfer of property which forms part of the residuary estate of a testator to a beneficiary (or his nominee) entitled solely by virtue of his entitlement under the will.
- F. The conveyance or transfer of property out of a settlement in or towards satisfaction of a beneficiary's interest, not being an interest acquired for money or money's worth, being a conveyance or transfer constituting a distribution of property in accordance with the provisions of the settlement.
- G. The conveyance or transfer of property on and in consideration only of marriage to a party to the marriage (or his nominee) or to trustees to be held on the terms of a settlement made in consideration only of the marriage. A transfer to a spouse after the date of marriage is not within this category, unless made pursuant to an ante-nuptial contract.
- GG. The conveyance or transfer of property on and in consideration only on the formation of a civil partnership to a party to the civil partnership (or his nominee) or to trustees to be held on the terms of a settlement made in consideration only of the civil partnership.
- H. The conveyance or transfer of property within section 83(1) of the Finance Act 1985 (transfers in connection with divorce or dissolution of civil partnership etc.).
- I. The conveyance or transfer by the liquidator of property which formed part of the assets of the company in liquidation to a shareholder of that company (or his nominee) in or towards satisfaction of the shareholder's rights on a winding up.
- L. The conveyance or transfer of property operating as a voluntary disposition inter vivos for no consideration in money or money's worth nor any consideration referred to in section 57 of the Stamp Act 1891 (conveyance in consideration of a debt etc.).
- M. The conveyance or transfer of property by an instrument within section 84(1) of the Finance Act 1985 (death: varying disposition).

(1) "I" or "We" We hereby certify that the transaction in respect of which this transfer is made is one which falls within the category **L** above. We confirm that we

(2) Insert appropriate category have been duly authorised by the transferor to sign this certificate and that the facts of the transaction are within my knowledge.

(3) "My" or "Our" Signature(s) Capacity ("Transferor", "Solicitor", etc.)

(4) Delete second sentence if the certificate is given by the transferor or his solicitor

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Date20.....

NOTES

- (1) If the above certificate has been completed, this transfer does not need to be submitted to the Controller of Stamps but should be sent directly to the Company or its Registrars.
- (2) If the above certificate is not completed, this transfer must be submitted to the Controller of Stamps and duly stamped. (See below).

FORM OF CERTIFICATE REQUIRED WHERE TRANSFER IS NOT EXEMPT BUT IS NOT LIABLE TO AD VALOREM STAMP DUTY

Instruments of transfer, other than those in respect of which the above certificate has been completed, are liable to a fixed duty of £5.00 when the transaction falls within one of the following categories:

- (a) Transfer by way of security for a loan or re-transfer to the original transferor on repayment of a loan.
- (b) Transfer, not on sale and not arising under any contract of sale and where no beneficial interest in the property passes: (i) to a person who is a mere nominee of, and is nominated only by, the transferor; (ii) from a mere nominee who has at all times held the property on behalf of the transferee; (iii) from one nominee of the same beneficial owner where the first nominee has at all times held the property on behalf of that beneficial owner. (NOTE - This category does not include a transfer made in any of the following circumstances: (i) by a holder of stock, etc., following the grant of an option to purchase the stock, to the person entitled to the option or his nominee; (ii) to a nominee in contemplation of a contract for the sale of the stock, etc., then about to be entered into; (iii) from the nominee of a vendor, who has instructed the nominee orally or by some unstamped writing to hold stock, etc. in trust for a purchaser, to such a purchaser.)
- (c) Transfer not falling within parts one or two for which adjudication is required.

(1) "I" or "We" [I/WE] hereby certify that the transaction in respect of which this transfer is made is one which falls within the category [CATEGORY] above. [I/We]

(2) Insert "(a)" or "(b)" or "(c)" confirm that [I/We] have been duly authorised by the transferor to sign this certificate and that the facts of the transaction are within [my/our] knowledge.

(3) Here set out concisely the facts explaining the transaction. Adjudication may be required. [FACTS]

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Date20.....

NOTE - The above certificate should be signed either by all the transferors and transferees, or a member of a Stock Exchange or a Solicitor acting for one or other of the parties, or an accredited representative of a bank. In other cases the certificate should be signed by a Solicitor or other person (e.g. a bank acting as a trustee or executor) having full knowledge of the facts.

**STOCK
TRANSFER
FORM**

(above this line for Registrars only)

Consideration Money

Certificate lodged with the Registrar

NIL

(For completion by the Registrar/Stock Exchange)

Name of Undertaking.

Insert Fund Name

Description of Security.

Insert Income Unit/Share Class

Number or amount of Shares, Stock or other security and, in figures column only, number and denominations of units, if any.

Words

Leave blank

Figures

Leave blank

Name(s) of registered holder(s) should be given in full; the address should be given where there is only one holder.

If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)), of the person(s) making the transfer.

In the names(s) of

Enter Settlor's full name and address

We hereby transfer the above security out of the names aforesaid to the persons named below :

Signature(s) of transferor(s)

1.
2.
3.
4.

Bodies corporate should execute under their common seal or otherwise in accordance with applicable statutory requirements.

Stamp of Selling Broker(s) or, for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s).

Date

Full name(s) and full postal address(es) (including County or, if applicable, Postal District number) of the person(s) to whom the security is transferred.

Please state title, if any, or whether Mr., Mrs. or Miss.

Please complete in typewriting or in BLOCK CAPITALS.

**WAY TAX AND TRUSTEE ADVISORY SERVICES LIMITED
of CEDAR HOUSE, 3 CEDAR PARK, COBHAM ROAD, WIMBORNE, BH21 7SB**

We request that such entries be made in the register as are necessary to give effect to this transfer.

Stamp of Buying Broker(s) (if any)

Stamp or name and address of person lodging this form if other than the Buying Broker(s)

WAY Investment Services - The WAY Ascentric Inheritor Plans Terms & Conditions, Technical Guide and Tax Summary

Introduction

- The purpose of this document is to help investors and their independent financial advisers fully understand the Plans, how they work and the tax implications. Throughout it is assumed that the investor is UK domiciled/UK resident and that the trust is regarded as UK resident for tax purposes. The contents are based on WAY Investment Services' understanding of current law and HM Revenue & Customs practice, which can change at any time.
- This publication must be read in conjunction with other Plan related literature and then kept safe for future reference.
- Since each Plan caters for different needs, investors must rely on the recommendations of their professional advisers on whether such an arrangement is appropriate for their individual circumstances. WAY cannot give financial advice.

What Plans are available?

- WAY Investment Services (WAY) offers the following 3 inheritance tax (IHT) mitigation Plans from its Inheritor range to wrap around a pre-screened range of UK authorised unit trusts, OEICs and Exchange Traded Funds (ETFs) on the Ascentric platform:
 - The WAY-Ascentric Flexible Inheritor Plan
 - The WAY-Ascentric Gifts from Income Inheritor Plan
 - The WAY-Ascentric Inheritor Loan Plan
- Independent financial advisers (IFAs) must be registered with Ascentric to offer these versions of the Plans.
- All application forms, agreements, trust deeds, brochures and fund prospectus are available on the platform.
- A condition of all Plans is that WAY Tax and Trustee Advisory Services Ltd is appointed as sole trustee.

Main aims of the Plans

- Apart from providing investors with the opportunity to reduce their potential IHT liability during lifetime, the Plans also permit them to retain varying access to the underlying capital. The prime aims of each Plan can be briefly summarised as follows:
- The Flexible Plan
 - To remove the sum invested from the investor's estate for IHT after surviving 7 years
 - To allow the investor to receive, at the trustees' discretion, a proportion of the trust fund each year by way of annual reversions
- The Gifts from Income Plan
 - To immediately remove surplus income from the investor's estate for IHT
 - To allow the investor to receive, at the trustees' discretion, up to 50% of the trust fund by way of reversions on both the 5th and 10th anniversaries
- The Loan Plan
 - To freeze the value of the loan capital for IHT in the investor's estate and enable any growth to occur outside it
 - To allow the investor to have flexible access to repayment of the original loan
- By necessity, the Flexible and Gifts from Income Plans involve the investor (settlor) investing in a portfolio of unit trusts, OEICs and/or ETFs and then transferring these into trust. The Loan Plan, on the other hand, requires the settlor to make a cash payment directly to the trustees for investment purposes.

Ascentric Wrap Service

- A 'wrap' (or 'wrap account') is an internet-based investment account, which allows investors and their financial advisers to instantly view and analyse their portfolio and also deal online. The 'platform' is the administrative system for the wrap and permits investments to be managed conveniently in one place.
- In terms of the Plans:
 - all investments and cash deposits are made and held on the Ascentric platform in individual trust-related accounts
 - all online transactions are carried out by the trustees
 - the settlor and his/her IFA have viewing access to the Plan wrap account
- An individual account will be opened in the name of the trustees for each Inheritor Plan created so that the assets of each trust are held independently. Each trustee account will contain a sub-account to hold assets that from time to time belong to the settlor. The trustees hold the sub-account assets as bare trustees for the settlor and this avoids the need for the settlor to hold their own account on the platform and thus incur the platform charges. The trustees will transfer or liquidate assets in the settlor's sub-account upon instruction from the settlor.
- Overall, the Ascentric platform enables trust assets to be managed and administered in an efficient manner.

- Further information on the Wrap Service, including details of the charges, can be found on www.ascentric.co.uk

Key features of the Trust

- The Plans use a specially designed interest in possession trust (with discretionary powers) that allows its assets to easily pass down the family generations.
- Although not legally binding on the trustees, the settlor should keep the trustees regularly informed of how he/she would like the trust fund distributed by writing them a letter of wishes.
- Under the terms of the trust, the trustees have the power to appoint capital to a wide range of beneficiaries (the Appointed Class) but in the meantime any income received by the trustees, after offsetting expenses, is payable to named Beneficiaries (usually, the settlor's children).
- The Appointed Class automatically includes the income Beneficiaries and their children, grandchildren, great grandchildren (born or future born), together with their respective spouses/civil partners. The settlor has the opportunity to add other potential beneficiaries (excluding the settlor and his/her spouse or civil partner) when completing the trust deed. Thereafter, the trustees have the power to make additions to the Appointed Class.
- Apart from enjoying an interest in possession from inception, the income Beneficiaries will also eventually become entitled to the trust capital unless the trustees exercise their powers to the contrary. The income share of a Beneficiary cannot be changed by the trustees.
- If an income Beneficiary dies, their right to income will pass to his/her living children in equal shares or be passed further down the bloodline under the 'per stirpes' rule. If there are no descendants alive, his/her share in the income will accrue proportionately to the surviving income Beneficiaries. However, if the deceased is the sole income Beneficiary and is not survived by children/other descendants, the trust will then fail and its assets will pass back into the settlor's estate unless the trustees can make an immediate and absolute appointment of the entire trust fund to somebody in the Appointed Class. If this situation could arise, the settlor should extend the Appointed Class at outset to include alternative beneficiaries, who may potentially benefit in these circumstances, and subsequently keep the trustees up to date with his/her wishes.
- In the case of Flexible and Gifts from Income Plans, capital payments are earmarked for the settlor in the form of reversions. These are subject to the trustees' power to reduce, postpone or defeat them. Under the Loan Plan, the settlor is entitled to receive loan repayments on demand.
- The trust also offers great flexibility for the trustees to meet the changing needs of the beneficiaries. They have discretion to advance capital or make loans to any beneficiary and, if appropriate, can create further trusts. The trustees must not take any action that could jeopardise their ability to, say, repay the settlor's loan under the Loan Plan.
- To ensure the Plans are IHT effective, neither the settlor nor their spouse/civil partner can be a beneficiary of the trust or a trustee. When the settlor dies, the widow(er)/surviving civil partner can be added to the Appointed Class and, at the trustees' discretion, can benefit from the capital in the form of payments or, perhaps more preferably, by way of loans, which may reduce the value of the survivor's estate for IHT if still outstanding at the time of their death.
- All the trusts are governed by the law of England and Wales.

WAY Tax and Trustee Advisory Services as sole trustee

- Trustees are responsible for administering the trust fund on behalf of the beneficiaries in accordance with the terms of the trust and trust law. Trustees must be seen to exercise their duties responsibly and impartially. Since their role is often onerous, choosing competent people to act as trustees can be a major issue for settlors. To remove these concerns and provide peace of mind, WAY Tax and Trustee Advisory Services Ltd are appointed as sole trustee.
- As a corporate trustee, WAY Tax and Trustee Advisory Services Ltd offer an independent and professional trust administration service that includes performing the following duties:
 - reviewing the continuing suitability of trustee investments at least once a year with the settlor's IFA
 - making impartial decisions regarding reversion payments and whether to appoint capital to a beneficiary
 - dealing with trust management expenses and reconciling the trustee bank account
 - handling other trust paperwork (eg reversions, loan payments and repayments)
 - distributing income to the named beneficiaries according to their individual shares

- preparing annual trust accounts
- completing annual tax returns and paying income tax and/or capital gains tax (CGT) when due
- meeting HM Revenue & Customs (HMRC) reporting requirements regarding IHT entry, periodic and exit charges
- keeping up to date with trust and tax legislation
- The trustees will not offer investment or tax advice. This remains the responsibility of the settlor's IFA, who will also act as investment adviser to the trustees.
- Please refer to the fee schedule and terms of business for information on the fees applicable and the service provided.
- As Plan provider, WAY have viewing access to the Plan wrap accounts and will extract/produce relevant information to aid the trustees in carrying out their duties.

Commitments

- The normal minimum investment limits are as follows. These may be altered at WAY's discretion:
 - Flexible and Loan Plans - minimum lump sum investment is £100,000. No further investments can be made
 - Gifts from Income Plan - minimum annual investment of £5,000 for at least 4 consecutive years
- Investments must be chosen from a pre-screened range of unit trusts, OEICs and ETFs. The purchase of accumulation units is not permitted. The IFA will provide a prospectus in respect of each recommended fund.
- Entering into formal agreements with Ascentric and WAY Tax and Trustee Advisory Services Ltd are an integral part of each Plan.

What are the Risks?

- The amount that the trustees or, where appropriate, the settlor will receive at a later date cannot be guaranteed as this will depend on how well the investments perform and other influencing factors such as currency movements and future changes in charges or tax legislation.
- In addition, the future spending power of money received from the Plan will be reduced by inflation if investment returns do not keep pace.
- The value of investments and any income from them can go down as well as up. Some investment funds also carry a higher level of risk than others. Past investment performance is not necessarily a guide to future investment returns. Any other risks associated with the investment funds are shown in the related prospectus.
- The settlor cannot be certain of receiving a reversion (Flexible and Gifts from Income Plans only) since the trustees have discretion to decide otherwise.
- Since tax legislation and HMRC practice may be subject to change, which cannot be foreseen, the tax implications stated in this publication are not guaranteed. The settlor must rely on the advice of his/her legal and financial advisers.

Cancellation Rights

- The settlor has the right to change his/her mind and cancel the initial investments (Flexible and Gifts from Income Plans) within 14 days of receiving the individual Cancellation Notice from Ascentric. If this happens, the amount refunded for each investment will be reduced by any fall in value since acquisition. For Loan Plans, the cancellation rights vest in the trustees but the settlor can call in the loan at any time.

Overview of how the Plans work

Common features

All Plans share a number of common characteristics:

- By only allowing a Plan to be set up by a single settlor and at the same time excluding their spouse/civil partner from benefiting, married couples and registered civil partners can each set up their own individual plans without infringing the gift with reservation provisions. This permits maximum flexibility and can greatly increase the IHT effectiveness of the trust. The trustees have the power to add the widow(er)/surviving civil partner as a potential beneficiary following the settlor's death.
- At the same time as appointing WAY Tax and Trustee Advisory Services as sole trustee, the settlor decides on the identity of the income Beneficiaries and if more than one, specifies their respective shares of any trust income. All percentages must add up to 100%.
- No medical evidence is required for any of the Plans.
- Part of the settlor's cash investment is used to pay the charges incurred for setting up the arrangement (the established costs). The trustees will also retain a sum to meet future expenses. The balance of the money held by them will be invested in a portfolio selected by the IFA from a pre-screened range of mainly growth orientated unit trusts, OEICs and ETFs. Since the trustees must be able to separately identify income and capital elements, only income units/shares can be purchased.
- The settlor is assessed on all income received in the trust. As part of the Plan's annual review, any residual income, after offsetting trust management expenses, will be paid by the trustees to the Beneficiaries named in the trust deed and in the proportions stated.
- The trustees have the discretion to appoint trust capital at any time during the 80 year perpetuity period to any members from the Appointed

Class, which automatically includes those beneficiaries entitled to the income. Similarly, the trustees can grant loans to any of the beneficiaries.

- The trust fund is potentially subject to IHT charges every 10 years (the periodic charge) and whenever capital is paid to a beneficiary (an exit charge).

Main differences

The main differences between the Plans are as follows. The tax treatment of each Plan can be seen in the Tax Summary.

Flexible and Gifts from Income Plans

- After paying the various establishment costs, the settlor invests the rest of his/her capital or surplus income in the portfolio recommended by the IFA, which will later be gifted into the trust. This will include a 3% investment in a specific cash unit trust (no initial charges).
- The trustees will then sell the cash unit trust and hold the proceeds as a cash reserve.
- Under the terms of the trust, the gifted investment is divided into specified percentage shares (Relevant Shares). These Shares comprise of reversions which are scheduled to revert back to the settlor 'in specie' if he/she is alive on specified annual anniversary dates (Relevant Dates) unless the trustees exercise their powers to the contrary. 'In specie' means that the units/shares are not converted into cash prior to transfer.
 - In the case of the Flexible Plan, the size, number and pattern of annual reversions are chosen by the settlor at outset. Each Relevant Share consists of a proportionate number of the units/shares held by the trustees and part of their capital cash balance
 - For the Gifts from Income Plan, the trust carves out 2 fixed reversions - 50% of the trust fund value on the 5th anniversary and the remainder on the 10th anniversary
- Reversions therefore enable the settlor to have potential access to the trust capital and still benefit from any increase in stockmarket performance. Other than this facility, the settlor is excluded from benefiting from the trust fund.

The Loan Plan

- Rather than establishing the trust with a gift, the settlor enters into a formal loan agreement with the trustees to make a cash loan. This loan is interest free and repayable on demand.
- The trustees will arrange for payment of the authorised set up costs from the loan and set aside 3% of the balance to create an initial cash reserve. The remainder is invested in a portfolio chosen by the IFA.
- Under this Plan, the settlor does not have potential enjoyment of reversionary payments. Instead, he/she retains access to the amount originally lent to the trustees.
- The settlor can ask the trustees to repay the loan in part or in full at any time (eg regular loan repayments to provide an 'income'; occasional lump sums when needed; or not take any repayments in the knowledge that the loan can be called in should circumstances unexpectedly change).
- If the settlor wants to take loan repayments straightaway, he/she must specify the rate at which these are to be received in the Plan Application Form.
- The settlor's only entitlement from the trust is therefore a contractual right to repayment of the loan. Once the loan is repaid, no further payments can be made to the settlor by the trustees.
- On death, the value of any unpaid loan can pass under the settlor's will to his/her spouse/civil partner or another beneficiary.

Investment panel

- A wide range of OEICs, unit trusts and ETFs has been carefully chosen. WAY funds are also included. All offer income units and generally a low yield. The main reasons for selecting growth orientated investments are tax efficiency and the potential for enhancing investment returns for the beneficiaries. For example:
 - Since the trusts are settlor-interested for income tax, all trust income is taxable on the settlor. By minimising the amount of income arising to the trustees, the amount of possible higher rate tax is reduced
 - As the trustees have the power to charge all expenses to income, the likelihood that the trustees will have to make an income payment to the named Beneficiaries is also greatly reduced
 - Returns primarily in the form of growth enable the trustees to take advantage of the more favourable capital gains tax (CGT) regime
- The trustees can initially invest in a maximum of 12 funds.
- If the IFA wishes to recommend funds not currently featuring on the panel, these must first be verified as suitable for inclusion by WAY before submitting the Plan Application Form.
- All investment recommendations must be in line with the stated objectives of the trust and will ultimately require the approval of the trustees prior to implementation.

Advantage of 'in specie' transfers

- By making all reversions to the settlor 'in specie', the settlor is not forced to encash the investments at a time of low prices. The units/shares will therefore be re-registered on the platform in the name of the settlor, who can then decide whether to retain or sell them.

Mechanics for setting up a plan

General

- The settlor completes the trust deed, appoints WAY Tax and Trustee Advisory Services Ltd as sole trustee and formally agrees to their terms of business. In the case of a Loan Plan, the settlor and trustees will additionally sign a Loan Agreement.
- At the same time, the settlor, the trustees and the IFA complete a Plan Application Form, which includes the settlor authorising specified establishment/ongoing charges, a request from the settlor for his/her IFA to act as investment adviser for the trustees and confirmation from the IFA that the fund recommendations for the Plan meet with the settlor's approval. The Form also incorporates an initial letter of wishes for the settlor to complete.
- In addition, the settlor, trustees and the IFA complete an Ascentric Application Form.
- The settlor will also need to sign stock transfer forms for each fund in the initial trust portfolio if a Flexible or Gifts from Income Plan is being established. These enable the units/shares to be eventually transferred to the trustees.
- All these documents must be left undated and returned to WAY, together with a cheque from the settlor made payable to 'FundsDirect Nominee Client Account' for the amount to be gifted or lent. WAY will insert dates and, where applicable, details of the units bought by the settlor. An Identity Verification Form for the settlor must be provided by the IFA.
- On receipt of these items, WAY will keep the trust deed and stock transfer form and send the rest to Ascentric, who will arrange for the cheque to be paid in and also set up related Plan accounts for the settlor and the trustees on the platform.
- All Plan investment purchases will be made on the platform by the trustees as soon as the cheque has cleared.
- An interest bearing cash account will automatically be created in the settlor's platform account. The trustees will open a cash account in their name (ie a trustee bank account) to deal with all receipts and payments relating to the trust.
- The trust deed will eventually be returned to WAY Tax and Trustee Advisory Services Ltd for safe-keeping.

Flexible and Gifts from Income Plans

- The cheque will be credited to the cash account in the settlor's sub-account. The various establishment charges will be deducted before the balance is invested in the recommended portfolio, including a mandatory 3% in the Elite Income Plan Cash Trust. This particular investment does not attract any initial charges. The holdings (income units only) will be purchased in the settlor's name and held in the settlor's account during the cancellation period before they are transferred to the trustees. Details of the units purchased will be recorded in the stock transfer form signed by the settlor and sent to Ascentric.
- However, the units cannot be transferred into the legal ownership of the trustees and thereby properly constitute the trust until expiry of the 14 day cancellation rights (assuming these are not exercised).
- The settlor shall be deemed to have received the Cancellation Notice as from 72 hours after the same was put into first class post properly addressed to him/her.
- If any of the funds becomes ex-dividend during these 14 days, the income due belongs to the settlor and will be remitted to his/her cash account. The same procedure applies if any deposit interest is paid on the cash account.
- Once the Elite Income Plan Cash Trust has been transferred to the trustees, it will be encashed and the proceeds deposited in their cash account.

Loan Plan

- In this instance, the cheque/payment is credited to the trustees' cash account. After deducting the establishment costs and keeping 3% of the amount remaining as a working balance in the account, the trustees will use the remainder to purchase units/shares in accordance with the adviser's recommendations
- The trust is immediately constituted on receipt of the loan by the trustees.

Delay in processing an application

- Where documentation received by WAY is incomplete or incorrect, the financial adviser will be advised that the application cannot be progressed further until the relevant information is received. WAY will not accept any responsibility for any loss incurred by the settlor or the financial adviser resulting from such delay.

Charges

- As mentioned earlier, details of the fees charged by WAY Tax and Trustee Advisory Services Ltd (as corporate trustee) and Ascentric (as platform provider) can be found in their respective terms of business and/or fee schedules.
- In addition, WAY (as Plan provider) charges an initial 2% set up fee based on the amount initially invested by the trustees. A recurring fund based monthly Plan fee, equivalent to 0.65% a year, will also be charged to the trust.
- WAY fees will be reviewed on a regular basis and 3 months notice will be given to the settlor and the trustees prior to the introduction of any changes.
- The deduction of adviser remuneration in the form of commission and/or fees is a matter of agreement between the adviser and the settlor.
- When making investments, the trustees may also suffer initial charges levied by the individual funds. Internal annual management charges will also be made within the funds. Full details can be obtained from the fund prospectus.
- Under the terms of the trust deed, expenses incurred by the trustees in managing the trust will be offset against trust income unless decided otherwise by the trustees.

Trustee cash accounts

- The trustees are required to operate a trustee bank account on the platform so they can administer and keep accurate records of all trust income and capital transactions.
- Proceeds from the sale of the Elite Income Plan Cash Trust holding (Flexible and Gifts from Income Plans) will be placed in the account as will the loan made by the settlor under a Loan Plan. Income distributions from the underlying investments and rebates in fund charges will periodically be remitted to the account. Trust management expenses will be paid out of trust income wherever possible.
- It is very important that income arising to the trustees is separately identified since the named Beneficiaries under the trust are legally entitled to receive the trust income after deduction of expenses.
- If the payment of expenses will cause the bank account to go overdrawn and the trustees have not already sold sufficient units/shares to raise the necessary funds, Ascentric will alert the trustees so that action can be taken. Any sale of investments may be applied pro-rata across all reversions.
- Since the capital element of the cash account balance is a capital asset of the trust, a proportion of it forms part of each investment parcel that can potentially revert back to the settlor of a Flexible or Gifts from Income plan. The income portion, however, will be distributed to income beneficiaries, subject to the deduction of trust expenses.

Reversions (Flexible and Gifts from Income Plans only)

- For the Flexible Plan, the reversions (of Relevant Shares) take place on the selected Relevant Dates, which are annual anniversaries from when the trust was created.
- In the case of the Gifts from Income Plan, the trust carves out 2 fixed reversions for the settlor – 50% of the trust fund value on the 5th anniversary and the remainder at the 10th anniversary. Annual contributions to the Plan must cease immediately if the trustees allow a reversion to take place.
- Prior to each Relevant Date, the trustees must decide whether to allow the Relevant Share to revert to the settlor or to defer it in part or in total or to defeat it altogether (and/or appoint the capital to the beneficiaries). The trustees will consider the needs of the settlor and the beneficiaries as part of their decision making process.
- Although deferred reversions greatly enhance the flexibility of a Plan, they can also affect the IHT position of the trustees by increasing the value of the trust fund for periodic charge calculations.
- If units/shares revert back to the settlor, this is a disposal for CGT and may give rise to a tax liability for the trustees. Furthermore, if they are retained by the settlor instead of being cashed in and the proceeds spent, they will form part of his/her estate for IHT. CGT holdover relief cannot be claimed in these circumstances.

Mechanics of reversions

- Approximately 6 weeks before each Relevant Date, WAY will advise the trustees, the settlor and the IFA of the forthcoming reversion and send them a current valuation of the trust investments, including the capital cash balance, and a breakdown of how these are divided between the various Relevant Shares.
- The trustees will also be sent a 'reversion pack' that contains:
 - a Deed of Deferral for their completion if they are postponing the reversion partly/fully to a future date. This requests details of the shares/units being deferred and their revised reversion date(s)
 - stock transfer forms to be completed for any shares/units being transferred back to the settlor
 - a cash transfer instruction, if applicable, to transfer the relevant share of the capital cash balance to the settlor
 - details of the income cash balance

- Apart from considering whether to defer the forthcoming reversion and also the possible exercise of any other discretionary powers, the trustees will also review their investment portfolio under the advice of the financial adviser. They will document the reasons for any decisions.
- If the reversion is to be deferred in any way, WAY must receive the completed Deed of Deferral before the Relevant Date, otherwise a deemed reversion to the settlor occurs. WAY will chase the trustees shortly before the Relevant Date if a notification of their decision has not been received.
- Where a reversion is to take place, stock/cash transfer forms must be signed before this date and registered with Ascetric so that the various components can be transferred into the settlor's name.
- Where units/shares are being reverted to the settlor, the trustees will generally postpone making any investment switches recommended by the adviser and/or disposals needed to raise cash for topping up the trustee bank account until after the Relevant Date.
- Each reversion will be administered pro-rata by reference to the remaining proportions of Relevant Shares (e.g. where the initial gift has been divided into 10 equal Relevant Shares and the first year's Relevant Share is fully reverted, this would involve one-tenth of each holding being transferred to the settlor. If the same happened again on the next scheduled reversion, one ninth will be reverted).
- After the Relevant Date, a revised valuation and breakdown of the trust fund will be sent to the trustees by WAY.

Plan anniversary

- In addition to carrying out a review of the trust assets and performing other duties, the trustees will pay any cash income surplus to the named Beneficiaries in the proportions stipulated by the trust deed.
- They will also arrange for annual trust accounts to be prepared.

End of the Tax Year

- After 5 April each year, the trustees will complete a self assessment tax return and ensure any tax due on trust income and capital gains is paid by HMRC deadlines. They will provide the settlor with relevant details of the trust income for inclusion in his/her own tax return.

If the settlor no longer requires access to capital

- **Flexible and Gifts from Income Plans**
 - The settlor should inform the trustees at the earliest opportunity via a letter of wishes that he/she no longer wants to receive reversions so that they can take this into consideration at future reversion dates.
- **Loan Plan**
 - The settlor can give up right to part or all of the unpaid loan in favour of the trust beneficiaries by executing an appropriate deed. This will be a gift for IHT (ie a chargeable lifetime transfer) unless covered by the settlor's annual £3,000 exemption.

What happens on death of the settlor?

- The Trusts are capable of lasting for up to 80 years and can therefore continue beyond the death of the settlor. The settlor's personal representatives are responsible for informing WAY of the settlor's death. Transactions occurring between the date of death and WAY being so informed cannot be reversed.
- **Flexible and Gifts from Income Plans:**
 - The potential reversions back to the settlor now cease and the trust capital is held wholly for the benefit of the beneficiaries.
 - The trustees can decide whether to distribute the trust fund or retain the assets within the trust. Distributing capital is not always desirable, particularly where a young beneficiary may be involved. Tax may also be an influencing factor. By continuing with the trust, capital can be appointed over several years, may pass to future generations or perhaps be used to fund loans to the settlor's widow(er)/surviving civil partner.
- **Loan Plan:**
 - If the loan has not been fully repaid, the outstanding amount remains in the settlor's estate for IHT. Any balance (ie capital growth) in the trust fund is held for the beneficiaries.
 - Unless there is a clause to the contrary in the deceased's will, the settlor's personal representatives will generally be obliged to call in the loan balance. This may not be the most appropriate course of action (eg enforced encashment, tax, charges). Frequently, the settlor will amend their will so that the right to the remaining loan repayments passes free of IHT to the surviving spouse/civil partner. Alternatively, the settlor may insert a suitable clause in his/her will to write off any outstanding balance and so increase the amount eventually passing to the trust beneficiaries.
 - If the loan has already been repaid to the settlor and spent, the assets within the trust are outside his/her estate.

All Plans

- If applicable, the settlor's widow(er) or surviving civil partner can now be added by the trustees to the Appointed Class and can benefit at their discretion without the trust fund forming part of his/her estate for IHT.

- The overall IHT effectiveness of the trust can also be increased further if the trustees exercise their discretion to grant loans instead of making capital payments, which may attract exit IHT charges. If loans remain outstanding when the surviving spouse or civil partner dies, they will normally be allowable debts in his/her estate for IHT.

Final distribution of the trust fund

- The trustees could encash the various investments and pay out the proceeds to their chosen beneficiaries. This may create a CGT liability to the trustees.
- As an alternative, the trustees could consider selling sufficient units/shares to utilise their annual CGT exemption (and any brought forward losses) and then transfer an appropriate number of those remaining to each of these beneficiaries. These transfers are also disposals for CGT. However, assuming that holdover relief is available, this can be claimed jointly by both parties to defer the tax arising. The recipient beneficiary would become potentially assessable to CGT on subsequent sale or gifting of the holdings but can offset any gains against his/her own full annual CGT exemption. The beneficiary also has the option to stagger encashment over different tax years.
- Professional tax advice is essential if there is an intention to claim holdover relief. This must be obtained before an 'in specie' transfer to a beneficiary takes place.
- Similar advice should be taken if the proposed sale or transfer of units/shares would produce a capital loss for the trustees.
- Making capital distributions to beneficiaries can give rise to IHT exit charges.

TAX SUMMARY

This summary assumes that the settlor, the trustees and the beneficiaries are resident and domiciled in the UK for tax purposes. It further presumes that the underlying investments are UK authorised unit trusts/OEICs and so pay interest and dividends net of tax or are ETFs that are deemed to carry a tax credit by HMRC. Please remember that tax rules can change at any time. The settlor and the trustees must rely on their own tax advice.

Inheritance tax

There are 3 occasions when a potential charge to IHT may arise:

- on transferring assets into the trust
- on every 10th anniversary of the trust
- when capital leaves the trust

No IHT implications arise when a named Beneficiary (or a member of the Appointed Class) dies.

Creation of the trust

HMRC reporting requirements

- Form IHT100 and IHT event form 100A will need to be completed by settlor/trustees of a Flexible Plan if the cumulative total of all chargeable transfers made by the settlor, including the current gift, made in the last 7 years is more than the current nil rate band.
- Form 41G (Trust) must be submitted by the first named trustee to register the trust.

Flexible Plan

- After deduction of any available annual £3,000 exemption, the gift into trust is a chargeable lifetime transfer for IHT.
- If the gift, together with any other chargeable transfers made by the settlor in the previous 7 years, is within the current nil rate band, no charge to IHT will arise.
- If the gift takes the settlor's cumulative total over the nil rate band, the excess is immediately taxed at the lifetime IHT rate of 20%, assuming the trustees pay the tax. This is known as the 'entry charge'.
- Additional IHT may be payable if the settlor dies within the 7 years. Taper relief would be available if the settlor survives for 3 years and reduce any tax liability that falls upon the gift.
- If the IHT is paid by the settlor rather than the trustees, the settlor is treated as making a chargeable transfer of the gift and the tax. The gift therefore has to be 'grossed up' to reflect the total loss to the settlor's estate. In this instance, the settlor effectively pays a rate of 25% on the excess over the nil rate band.
- If the settlor lives for 7 years, the gift is outside the settlor's estate. However, it may be taken into account if subsequent potentially exempt transfers are made and then become chargeable following death of the settlor.
- Any growth in the value of the trust fund is outside the settlor's estate.
- If the settlor dies within 7 years, the original value of the gift remains in the estate and will use up part of the nil rate band when calculating IHT.
- Reversions retained by the settlor do not represent a gift with reservation.
- If the trustees defer a reversion in part or in total, this does not constitute a transfer of value because reversions are always subject to the trustees' overriding power to postpone or defeat them and so do not have a market value.

Gifts from Income Plan

- This particular Plan is designed to take advantage of the “Normal Expenditure out of Income” exemption.
- The regular annual contributions will be regarded as exempt and immediately fall out of the settlor’s estate, regardless of their size, provided they satisfy all the following conditions:
 - they form part of a regular pattern of gifts
 - they are made out of net income (including income from ISAs)
 - they leave the settlor with sufficient income to maintain their normal standard of living without having to resort to capital
- All investment growth is also outside the settlor’s estate.
- The units/shares gifted into trust are purchased by the settlor out of surplus income for the purpose of making the gift.
- This exemption has to be claimed retrospectively on death by the settlor’s personal representatives, who will submit HMRC IHT Form IHT403 as part of the probate process. Since it is important that the settlor keeps a record of the gifts, it is recommended that he/she has a IHT403 on file and inserts the required details each time a gift is made so that the relevant information is readily available on death.
- As in the case of the Flexible Plan, the reversions are not regarded as a gift with reservation and do not give rise to a transfer of value if deferred by the trustees.

Loan Plan

- No gift has been made at outset since there has been no reduction in the value of the settlor’s estate.
- The gift with reservation rules do not apply as the settlor is only entitled to loan repayments.
- The outstanding loan always remains an asset of the settlor’s estate, which will not reduce unless/until loan repayments are taken and either spent or gifted.
- Any growth is instantly outside the settlor’s estate.

During lifetime of the trust

The trust fund is potentially subject to a periodic IHT charge on each 10th anniversary of its creation and an exit charge when capital is distributed to a beneficiary. The maximum charge in both instances is 6%. Any tax due is payable by the trustees.

For significant sums, it may be possible to reduce the impact of the periodic charge by creating a series of separate trusts on different days so that each effectively has their own nil rate band. The order of gifts can also perform an important role. The settlor should seek the advice of their financial adviser in this respect before setting up the Plan(s).

HMRC reporting requirements

- On each 10th anniversary, the trustees must complete IHT Form 100 and IHT event form 100d even if no IHT is due.
- Similarly, when capital is distributed to a beneficiary, the trustees must submit IHT Form 100 and IHT event form 100c to HMRC.

Periodic charge

- In simple terms, a periodic charge will occur if the value of the trust fund on the 10th anniversary plus the cumulative total of any chargeable transfers made by the settlor in the 7 years before creating the trust and any capital payments made to the beneficiaries in the last 10 years (excluding reversions paid out to the settlor) exceed the then nil rate band. The excess will be charged to IHT at 6%.
- Chargeable transfers include chargeable lifetime transfers and any potentially exempt transfers that have subsequently become chargeable due to the settlor’s death.
- In the case of the Loan Plan, the value of the trust fund is reduced by the amount of any outstanding loan to the settlor at the time. However, for very large loans, where growth could result in a periodic charge, multiple loan plans should be considered at outset.

Exit charge

- Exit charges will generally be nil in the first 10 years of the trust if the initial transfer into the trust did not trigger an IHT liability and there are no related trusts or any additions to the trust since inception.
- Reversions or loan repayments back to the settlor do not attract an exit charge. Similarly loans granted by the trustees to beneficiaries are not subject to exit charges.
- If the trustees decide to exercise their power of appointment and distribute capital to a beneficiary, an exit charge may arise on the value of the property leaving the trust.
- This is based on the tax rate applicable at inception or at the last periodic charge and will be scaled down according to the number of complete 3 month periods that have expired since then.
- If the tax rate at the last periodic charge was zero, there will be no exit charge.

Other taxes

HMRC reporting requirements

- The trustees must complete an annual return of income and capital gains - Form SA900 (Trust and Estate Tax Return) plus relevant supplementary forms. Tax due must be paid out of the trust funds.
- The trustees will provide the settlor with appropriate information regarding the trust income for self assessment purposes.

Capital Gains Tax

- Transferring unit/shares into trust is a disposal for CGT and could give rise to a CGT liability for the settlor if they have grown in value since being purchased.
- Subject to an annual exemption, the trustees are liable to CGT at 18% on chargeable gains arising to them. Examples include investment sales, passing reversions back to the settlor and appointing capital to beneficiaries. Deferral of a reversion is not a disposal for CGT purposes.
- Trustees are eligible for an annual CGT exemption equal to 50% of that available to an individual.
- If the settlor has created more than one trust (excluding pensions) since 6 June 1978, the trustees’ annual exemption will be shared equally between them, subject to a minimum of 10% of an individual’s allowance for each trust.
- Where units/shares are reverted back to the settlor, their individual base costs will reflect the current value at the date of transfer.
- In specie transfers by the trustees to UK resident beneficiaries should be eligible for holdover relief, which would need to be claimed jointly by both parties. Under this relief, the beneficiary effectively inherits the trustees’ base costs for future CGT purposes.

Income Tax

- Since the trust is regarded as settlor-interested for income tax, all trust income is assessed on the settlor as it arises.
- The Loan Plan will cease to be settlor interested when the loan has been fully repaid. A similar position will be achieved for all Plans following the death of the settlor.
- Trustees pay tax at the basic rate but will not be subject to further liability if the income is received with a tax credit (i.e. 10% and 20% for dividends and interest respectively). Withholding tax may be deducted on the income arising on certain investments.
- Trust expenses are not an allowable deduction for income tax but will be used to determine the amount of income, if any, payable to the income Beneficiaries.
- If the settlor is liable to extra tax on the trust income, he/she has a statutory right to recover this from the trust. If the settlor chooses not to reclaim the tax, HMRC may deem the tax paid to be a further gift (although this is likely to be covered by the annual or normal expenditure exemption). However, WAY do not recommend reclaiming the tax as it may give rise to gift with reservation implications.
- Beneficiaries in receipt of trust income are not liable to further tax but cannot reclaim or offset any of the tax deducted at source from that income.

Pre-owned asset tax

- HMRC have confirmed that the Plans are not caught by this particular tax.

Information in this document is based on WAY’s understanding of current law and HMRC practice as at November 2009. Every care has been taken to ensure the material is correct. WAY does not offer investment and tax advice and can accept no liability for any actions based on the contents of this publication. The investor must obtain legal, tax and other appropriate advice on his/her own individual circumstances from his/her professional advisers before entering into a Plan. Legislation and taxation could change in the future.

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Registered office: As above. Registered No 3181187 England. An appointed representative of WAY Fund Managers Ltd, which is authorised and regulated by the Financial Services Authority, but solely in relation to investments into WAY Fund Managers Ltd funds and products.

www.wayinvestments.com

WAY Tax and Trustee Advisory Services Ltd Appointment as Trustee - Terms of Business

Definitions

- The Company means WAY Tax and Trustee Advisory Services Ltd and/or its officers and employees of the Company.
- The Service means the trust administration services provided by the Company.
- The Settlor means the person who has set up a WAY-Ascentric Inheritor Plan and is appointing the Company to act as sole trustee of the Plan.
- The Trust means the trust set up by the Settlor as part of the Plan and to which the Service is provided.
- The Trust Fund means the underlying assets of the Trust.

Confidentiality

- The Company's officers and employees will maintain full confidentiality but may release information to third parties where required to do so by law or by order of the court or where it is necessary to achieve the aims of the Trust.

The Service

- The provision of the Service is subject to the terms and exclusions of the trust deed and the terms and conditions of the chosen Plan.
- In providing the Service, the Company does not offer tax and legal advice and will not accept any loss or liability in this respect. The Settlor is responsible for taking professional advice on the tax, legal and administrative implications of the Plan, including its suitability in meeting the Settlor's requirements.
- The Settlor will immediately notify the Company of any changes in personal circumstances that could impact on the workings of the Trust or the Service provided to it.
- Although the Company may agree to the Settlor's request that a preferred investment adviser is appointed to act for the Trust, the Company is obliged to retain the power to refuse such an appointment on the grounds that the named adviser is not formally authorised, suitably qualified or experienced to advise the Company with regard to the Trust Fund. The Company also reserves the right to appoint or dismiss any investment adviser without seeking the Settlor's consent. Any request by the Settlor for a subsequent change in the investment adviser acting for the Trust must be made in writing to the Company.
- The Company reserves the right to require the appointment of a Protector.

Trust Assets

- The Settlor has authorised that all costs incurred by the Settlor in setting up the Plan are to be deducted from the Trust Fund as priority before creation of the initial portfolio by the Company in its capacity as trustee.
- All assets comprising the Trust Fund will be held on the Ascentric platform by FundsDirect as nominee for the Company. The Settlor has viewing access to the Trust portfolio.
- The Company will carry out an annual review of the Trust Fund in conjunction with the appointed investment adviser and in line with the investment objectives set out by the Settlor in the Application Form or any subsequent letter of wishes.
- The Settlor further authorises the payment of future fees and commissions levied by Ascentric and the investment adviser and agreed by the Company from the Trust Fund.
- The Trust will maintain a minimum cash reserve to cover recurrent trust management expenses.

Due diligence

- The Company is obliged to comply with money laundering requirements and will require certain information at outset and occasionally thereafter. If the Settlor or a beneficiary of the Trust fails to provide this information, the Company can terminate or suspend the Service without responsibility or liability.
- The Company will not provide the Service until such time that its acceptance procedures have been completed to its satisfaction.

Communication

- The Company will normally communicate via the investment adviser appointed to the Trust unless otherwise agreed.
- Communications will be by letter, e-mail or telephone. The Company will not be held responsible for any failure or breach in security.
- Formal requests or instructions required from the Settlor by the Company must be in writing.

Remuneration

- The Company is entitled to remuneration in accordance with the Fee Schedule in force from time to time and is authorised by the Settlor to pay these out of the Trust Fund as and when due.

Liability

- The Company is only liable for any loss or damage caused by its negligence and wilful default.
- Attention is drawn to Clause 10.3 of the trust deed.

Termination

- The Company reserves the right to terminate the Service on one month's written notice from the Company to the Settlor.
- Similarly, the Settlor may terminate the Service on one month's written notice to the company but must then provide the Company with details of its successors.

Data Protection

- The Company is registered under the Data Protection Act.

Other professional services

- The Company reserves the right wherever it considers necessary or appropriate in providing the Service to delegate any of its responsibilities or functions to or seek advice from any third party or agent. In all such cases, the costs of such third party or agent will be agreed in advance with the Settlor and will be payable from the Trust Fund.

Complaint

- If the Settlor is dissatisfied with any aspect of the Service provided, the Settlor should let the Company know by contacting the Director in charge who will undertake to look into any complaint carefully and promptly.

Variation

- The Company reserves the right to vary these Terms of Business from time to time and will notify the Settlor accordingly.

Governing Law

- These Terms of Business and the provision of the Service shall be governed by and construed in accordance with English law.

WAY Tax and Trustee Advisory Services Ltd

Appointment of Investment Adviser - Terms of Business

Definitions

- The Adviser means the person nominated by the Settlor to act as investment adviser to the Trustee.
- The Service means the investment advisory services provided by the Adviser to the Trustee.
- The Trustee means WAY Tax and Trustee Advisory Services Ltd and/or its officers and employees.

General

- The Terms of Business are subject to the terms and exclusions of the trust deed and the terms and conditions of the relevant WAY-Ascentric Inheritor Plan set up by the Settlor.
- WAY Tax and Trustee Advisory Services Ltd has agreed to act as Trustee of the Trust and has acknowledged the investment objectives stated by the Settlor in the Plan application form.
- The Adviser has confirmed that he/she is formally authorised by the Financial Services Authority to give investment advice on the nature and composition of the trust fund and the criteria for investment.
- The Trustee has agreed to the appointment of the Adviser in an advisory capacity.
- The Adviser agrees to the Terms of Business.
- The Trustee will note the investment objectives which, along with the investment performance of the trust portfolio, will be monitored by the Adviser. All underlying investments must be selected from the Plan's range of permitted investments.
- The Trustee has the absolute discretion to reject or accept investment advice provided by the Adviser if in its opinion such advice is inappropriate to the needs of the Trust.
- All trust assets are held on the Ascentric platform by FundsDirect as nominee for the Trustee. All online dealing will be carried out by the Trustee.
- It is not necessary for the Trustee to take investment advice where it considers the advice unnecessary or inappropriate, including whether investments are within the standard investment criteria.

The Service

- The Adviser will provide an investment advisory service to the Trustee. Such advice will include the satisfying of the stated investment objectives, the purchase and sale of assets, investment changes, adjustments to the proportions in which the investments are held and amendments to investment strategy.
- All advice provided by the Adviser for approval by the Trustee must be in writing and contain justification for the recommendations.
- In providing the Service, the Adviser must always have in mind the investment objectives, the interests of the beneficiaries, any requirement for diversification and the need to consider investment suitability.
- During the Settlor's lifetime or so long as he/she retains full legal capacity, the Adviser shall obtain the written approval of the Settlor before submitting investment recommendations to the Trustee.
- The Adviser in giving recommendations must ensure that the trust fund holds sufficient liquidity to meet ongoing trust management expenses and commitments.
- As part of the Service, the Adviser will carry out an annual written review of the Trust Fund in line with the stated investment objectives.

- The fact that a fund is included in or excluded from the trust fund does not mean that the Trustees are passing any judgement on its investment suitability.
- The Adviser undertakes to obtain all necessary applications that may be required to be completed by the Trustee and also to supply the Trustee on request any information required in connection with money laundering obligations.

Communication

- For ease of communication, the Trustee will normally communicate with the Adviser, who agrees to carry out any request made by the Trustee and also, where appropriate, to advise or consult the Settlor accordingly.

Remuneration of the Adviser

- Whilst the Settlor is able and still has full legal capacity, the remuneration of the Adviser for providing investment advice to the Trustee is a matter of agreement, evidenced in writing, between the Adviser and the Settlor.

Liability

- The Trustee shall not be responsible for any loss or liability to the Trust Fund arising from the appointment of the Adviser or from reliance on any advice given to the Trustee or for any other action or failure to take action on the part of the Adviser giving rise to any loss in the value of the Fund.
- Attention is drawn to Clause 10.3 of the trust deed.

Termination

- The agreement between the Trustee and the Adviser can be terminated by either party giving the other party one month's written notice or immediately without notice if there is a material breach of the Terms of Business or there are external reasons such as ceasing to be authorised by a regulator, bankruptcy or insolvency or if the Adviser no longer acts for the Settlor personally.

Appointment of agents

- The Trustee can appoint agents, nominees or custodians to act on its behalf and to hold assets on its behalf.

Variation

- The Trustee reserves the right to vary these Terms of Business from time to time and will notify the Adviser accordingly.

Governing law

- These Terms of Business shall be governed by and construed in accordance with English law.

WAY Tax and Trustee Advisory Services Ltd 2009 Fee Schedule

WAY Tax and Trustee Advisory Services Ltd will provide a professional trust administration service at a competitive cost. The fees will always be agreed with you in advance and be paid out of the trust fund.

The following fees relate to the trust administration service only and exclude those payable to WAY Investment Services (as Plan provider), Ascentric (as Platform provider) and the Trustee's investment adviser.

Initial Trustee Set Up Fee

- A Trustee Set Up Fee of £200 (+VAT where applicable) is payable at outset to cover the initial costs of appointing WAY Tax and Trustee Advisory Services Ltd as Trustee, the setting up of the initial trust fund portfolio and registering the trust with HMRC.

Annual Trustee Administration Fee

- A Trustee Administration Fee of 0.4% per annum of the value of trust assets (subject to a minimum annual fee of £400 plus any applicable VAT) will be charged monthly in arrears to cover administration and taxation services including:
 - reviewing the trust portfolio each year with the investment adviser
 - making decisions regarding reversion payments and capital distributions
 - dealing with trust management expenses and reconciling bank accounts
 - handling other trust paperwork (eg reversions, loan repayments)
 - distributing income to the named beneficiaries
 - completion of annual trust accounts
 - submission of annual trust tax returns

Winding up the Trust/ Transfer of Trusteeship

- A Closure Fee of £500 (+VAT where applicable) will be charged by WAY Tax and Trustee Advisory Services Ltd in respect of the administration work required for winding up the trust, dealing with any outstanding or resulting tax issues and preparing final or interim accounts.

Fee Variations

- WAY Tax and Trustee Advisory Services Ltd reserves the right to vary fees from time to time and will give the Settlor prior notice of any changes in writing.
- In addition, if exceptional requests or increased trust activity creates a significant demand on resource and time, WAY Tax and Trustee Advisory Services Ltd reserves the right to charge an additional itemised fee.