

EXCEPTED GROUP LIFE TRUST SOLUTION RULES

1. INTERPRETATION AND DEFINITIONS

1.1 In these Rules, unless the context otherwise requires:

“Beneficiaries” in relation to a Member means:

- (a) any Dependant;
- (b) any Relative;
- (c) any persons (or body of persons whether or not incorporated) who are entitled to any beneficial interest in the Member’s estate under any will made by the Member or would have been if the Member died intestate; and
- (d) any person, Charity or unincorporated association nominated by the Member to receive benefits from the Scheme but shall not include any person who is prohibited from benefiting from the Scheme by virtue of Section 482(3) of ITTOIA; and
- (e) the trustees of a trust established for the benefit of persons that fall within one or more of paragraphs (a) to (d) above.

PROVIDED ALWAYS that an Excluded Person cannot be or become a Beneficiary. In the event that any Beneficiary becomes an Excluded Person, he will cease to be a Beneficiary.

This definition does not include the Crown, the Duchy of Lancaster or the Duke of Cornwall.

“Charity” means any body of persons or trust established for charitable purposes under the law of England.

“Civil Partner” means, in relation to a Member who has died, any person who survives the Member and who was the Member’s civil partner, for the purposes of section 1 of the Civil Partnership Act 2004, immediately before the Member’s death.

“Definitive Deed” means the Definitive Trust Deed entered into by the Principal Employer and which the Trustee has agreed to be bound by.

“Dependant” means any person who was, in the opinion of the Trustee, immediately prior to the Member’s death either:

- (a) financially dependent upon or interdependent with the Member, or
- (b) dependent on the Member because of physical or mental impairment.

“EGLP” means an Excepted Group Life – Trust Solution Policy which meets the requirements of an excepted group life policy as defined for the purposes of section 480(3) of the ITTOIA.

“Eligibility Conditions” means the conditions set out in the Policy in relation to the Employee’s eligibility to join the Scheme.

“Employee” means an employee, partner or director of an Employer and any person treated as an employee or partner of an Employer in accordance with the Policy.

“Employer” means either the Principal Employer and/or any Participating Employer from time to time.

“Excluded Person” means in relation only to a deceased Member in respect of whom a Lump Sum Death Benefit is payable under a Policy, any person precluded by Condition B in section 482(3) ITTOIA from receiving any Lump Sum Death Benefit.

“Insurance Company” or **“Zurich”** means Zurich Assurance Ltd (company number 02456671) whose registered office is at Unity Place, 1 Carfax Close, Swindon, SN1 1AP or any successor in business.

“ITTOIA” means the Income Tax (Trading and Other Income) Act 2005.

“Lump Sum Death Benefit” means the lump sum payable in the event of a Member's death, the amount and/or calculation of the Lump Sum Death Benefit in respect of each Member will be specified in the Policy and shall include any interest accrued by the Trustee in respect of such amount.

“Member” means any partners, officers, employees who are covered under a Policy. The Insurance Company shall retain ultimate discretion as to whether a person qualifies as a Member.

“Participating Employer” means any Employer included under a Policy other than the Principal Employer which is admitted to the Scheme in accordance with Rule 11 (Employers).

“Policy” means any EGPL which has been taken out in respect of a Member's life, issued by the Insurance Company to the Principal Employer.

“Premium” means the premium payable under a Policy to the Insurance Company.

“Principal Employer” means the Principal Employer named in the Definitive Deed.

“Relative” means:

- (a) any ancestor or descendant (however remote) of the Member or of his Spouse;
 - (b) any child (natural or adopted), stepchild, brother or sister of the Member (whether of the whole or of the half-blood) and any descendant of any such child, stepchild, brother or sister;
 - (c) any Spouse of the Member;
 - (d) any stepbrother or stepsister of the Member,
- and
- (i) ‘descendant’ includes adopted persons and those who, in the Trustee's opinion, have been treated as children of the family,
 - (ii) the class of Relatives shall be closed at the Member's date of death except that it shall include persons then *en ventre sa mere* who if they had been born would have been Relatives.

“Rules” means the rules of the Scheme as amended from time to time.

“Scheme” means the scheme governed by the Definitive Deed and the Rules and known as the Excepted Group Life - Trust Solution.

“Spouse” means the Member's wife or husband under a legally binding marriage (including a person who is in a same sex marriage with an individual under the Marriage (Same Sex Couples) Act 2013) or Civil Partner or, where appropriate, widow or widower and, for the avoidance of doubt, shall not include a “common law” partner. A person shall only be regarded as a Spouse or

Civil Partner if details of such person and of such person's marriage or civil partnership to the Member are supplied to the Trustee at such time and in such form as the Trustee may require.

“**Trustee**” means the trustees or trustee of the Scheme being Zedra Governance Limited (formerly known as PTL Governance Limited (PTL)) (company number 02952373), whose registered office is at 4th Floor, The Anchorage, 34 Bridge Street, Reading, RG1 2LU.

1.2 References in the Definitive Deed and the Rules to any statute or regulation shall include reference to any statutory amendment modification or re-enactment thereof and to any statutory regulations made thereunder for the time being in force.

1.3 The singular includes the plural (and vice versa) and the masculine includes the feminine (and vice versa) as the context requires.

1.4 The headings in the Definitive Deed and the Rules shall be ignored for interpretation purposes.

2. ELIGIBILITY AND ADMISSION

2.1 Subject to Rule 5 (Evidence), any Employee who satisfies the Eligibility Conditions shall become a Member.

3. SCHEME BENEFITS

3.1 On the death of a Member, the Trustee shall hold the Lump Sum Death Benefit on trust to pay part or all of it to, or for the benefit of, such one or more of the deceased Member's Beneficiaries as the Trustee in its discretion may decide.

3.2 If a Beneficiary has paid or incurred all or part of the costs and expenses relating to the deceased Member's funeral, the Trustee may deduct from the Lump Sum Death Benefit all or part of the amount of those expenses and pay that amount to that person or make a payment in settlement of the cost or expense. The Trustee may make payment under this Rule 3.2 in advance of exercising its discretion as to the payment of the remainder of the Lump Sum Death Benefit.

3.3 The Trustee may establish separate trusts for the benefit of one or more of the deceased's Beneficiaries. The Trustee shall decide the terms of such trusts and shall remain responsible for any costs relating to such trusts as agreed between it and the Beneficiary from time to time.

3.4 The Trustee may have regard to, but shall not be bound to follow, any document signed by the Member expressing his wishes for the disposal of any sum payable under this Rule or under the rules of any other life assurance or pension scheme sponsored by the Principal Employer.

3.5 Where any sum held under this Rule would otherwise be payable to the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia, the Trustee shall retain that sum in the Scheme and subject to any legislative requirements, pay it to such Charity as the Principal Employer may decide.

3.6 In exercising its power under this Rule 3, the Trustee shall not be obliged to enquire about, or take into consideration, any potential beneficiary other than ones whose existence and claim to be considered has been expressly brought to the Trustee's attention.

3.7 The class of Beneficiaries and Dependants shall be closed at the date of the deceased's death.

4. EXCLUDED PERSONS

4.1 An Excluded Person will not be able to benefit, directly or indirectly, from the Scheme.

4.2 An adult beneficiary may:

- 4.2.1 declare himself to be an Excluded Person;
 - 4.2.2 cease to be a Beneficiary; or
 - 4.2.3 disclaim his interest as an object of such trust power or discretion either wholly or with respect to any specified part or share of the Scheme.
- 4.3 Any declaration made in relation to Rule 4.2 must be in writing, can be revocable or irrevocable and will have effect from the date on which it is expressed to be effective or the date that the declaration is received by the Trustee (whichever is the later).
- 4.4 Any powers contained in Rule 3.1 cannot be used if this would breach the conditions specified in section 480(3) ITTOIA in relation to an EGPL or otherwise so as to prevent it from being a Policy and any such purported exclusion shall be deemed null and void.

5. EVIDENCE

- 5.1 Every Employer, Member and every Member's Beneficiary shall provide to the Trustee or the Insurance Company which provides the Policy such information or evidence as the Trustee, or the Insurance Company, may from time to time require, including without limitation information relating to the Member's health. Membership of the Scheme and/or the payment of Lump Sum Death Benefit to a Member's Beneficiary may be conditional upon such evidence or information.
- 5.2 Before making any payment from the Scheme, the Trustee may require the production of such evidence or information as it thinks fit and payment of any benefit may be withheld until that information is provided.
- 5.3 The Trustee may rely upon any information provided to it in accordance with this Rule 5.

6. CESSATION OF MEMBERSHIP

- 6.1 Membership of the Scheme will cease when the Member ceases to be included under a Policy.

7. INSURANCE POLICY

- 7.1 Subject to Rule 5 (Evidence) the benefits under the Scheme shall be provided by a Policy or Policies and the amount of the benefits in respect of any individual entitlement under the Rules will be subject to the adequacy, payment and/or continuance of the Premiums to the Policy or Policies.
- 7.2 All sums paid by the Insurance Company under a Policy shall be held by the Trustee upon trust for the purposes of the Scheme and the Trustee shall keep a record of all sums paid to or out of the Scheme.
- 7.3 Notwithstanding anything in the other provisions of the Rules, the Trustee shall be liable to pay the benefits under Rule 3 (Scheme Benefits) only to the extent that the benefits will be met under the terms of the Policy by which the benefit is insured and subject to any restrictions imposed under Rule 5 (Evidence).
- 7.4 The Employers shall determine the level of cover required under the Policies.

8. EXPENSES OF THE SCHEME

- 8.1 Subject to Rule 5 (Evidence), the Principal Employer shall pay the Premiums required for the Policy under Rule 7 (Insurance Policy). Each Participating Employer shall reimburse the Principal Employer in respect of the proportion of the Premium which relates to its own Employees.

- 8.2 The Trustee shall be paid such remuneration as may be agreed between the Insurance Company and the Trustee in writing from time to time, which remuneration shall exclude any costs incurred by the Trustee under Rule 3.3 and Rule 13.3.

9. TAXATION

- 9.1 Where the Trustee is liable to tax, duty or any other fiscal imposition in respect of the Scheme, the Trustee may apply the Lump Sum Death Benefit in whole or in part in the payment of such liability (including any interest due) and deduct the amount so paid from the Lump Sum Death Benefit, or postpone payment of the Lump Sum Death Benefit until the liability has been met or provision satisfactory to the Trustee made for its discharge by the Principal Employer. This power shall extend to any tax for which the Trustee may be liable jointly with any other person, including a Member or another person entitled to the payment and to any charge to tax, any interest due to HM Revenue & Customs and any penalties payable to HM Revenue & Customs.
- 9.2 If for any reason there is an underpayment of the liability under Rule 9.1 resulting in an overpayment of Lump Sum Death Benefit, then the Trustee may recover the amount of the overpayment from the recipients.
- 9.3 The Trustee shall be indemnified by the Principal Employer against any liability incurred by the Trustee to the extent such liability is not discharged under Rule 9.1.

10. ADMINISTRATIVE PROVISIONS

- 10.1 Benefits under the Scheme shall not be assignable or chargeable in any way. If a person entitled, or prospectively entitled, to benefits under the Scheme assigns or charges them, or purports to do so, it shall not be binding on the Trustee.
- 10.2 Subject to the requirements of any legislation or to any order of a court, the Trustee shall be entitled to refuse to disclose to any Member or actual or potential Beneficiary the whole or any part of any documents, minutes, records or other data in its possession and shall not be obliged to give reasons for any decision it makes.

11. EMPLOYERS

- 11.1 The Principal Employer may invite an employer to participate in the Scheme and subject to the Insurance Company admitting such employer under the relevant Policy, such employer shall participate with effect from the date cover is initiated under the Policy.
- 11.2 Each Participating Employer covenants with the Principal Employer and the Trustee that while it is participating in the Scheme it will observe and perform all the provisions and rules of the Scheme so far as they relate to it and to its employees who are members of the Scheme.
- 11.3 A Participating Employer shall cease to participate in the Scheme when any of the following events takes place or when any notice given in accordance with the following provisions takes effect:
- 11.3.1 the date on which the Employer's cover under the Policy is terminated;
 - 11.3.2 Zurich gives notice to the Employer and the Trustee terminating the participation of the Employer;
 - 11.3.3 when the Employer ceases to have any Members covered under a Policy;

- 11.3.4 the Trustee with Zurich's consent decides to terminate the participation of the Employer at any time after the Employer goes into liquidation, provisional liquidation, administration, receivership, administrative receivership or a voluntary arrangement;
- 11.3.5 The Employer or the relevant Principal Employer gives written notice to Zurich in accordance with the Policy terminating its liability to pay Premiums to Zurich in relation to a Policy and the notice (without being withdrawn) expires.

12. APPOINTMENT AND REMOVAL OF TRUSTEES

- 12.1 Zurich may remove the Trustee from office and appoint a new Trustee. Any Trustee shall be a corporate trustee.
- 12.2 The Trustee may resign from office as a Trustee by giving at least three months' written notice to Zurich (or such shorter period as Zurich may permit).
- 12.3 The Trustee may delegate any of its powers (discretionary or otherwise) to any person whom they consider competent on such terms as the Trustee may decide subject to any conditions attaching to the Trustee's ability to delegate as may be agreed between the Insurance Company and the Trustee in writing from time to time.

13. TRUSTEE LIABILITY

- 13.1 No Trustee (or director or officer of a corporate Trustee) shall be liable in any way for his actions as a trustee of the Scheme except for his dishonest, intentional or reckless breach of trust, fraud, negligence, wilful default, breach of applicable laws or regulations and breach of any terms of engagement agreed with the Insurance Company from time to time.
- 13.2 Any remuneration or indemnity in favour of the Trustee shall not apply in the event that Trustee liability arises under Rule 13.1.
- 13.3 The Trustee shall purchase insurance against liability for any act or omission in relation to the Scheme to the extent permitted by legislation.
- 13.4 No indemnity shall be provided under this Rule from the assets of the Scheme to the extent prohibited by legislation.
- 13.5 Any reference in this Rule 13 to a Trustee, director or officer includes any former Trustee or former director or officer of a corporate Trustee.

14. AMENDMENT OF THE RULES

- 14.1 The Insurance Company may at any time amend the Rules governing the Scheme. Any amendment shall take effect by the Insurance Company giving written notice to the Trustee and may have retrospective or prospective effect. The Insurance Company shall notify the Principal Employer in writing where, in the reasonable opinion of the Insurance Company, any such amendment materially affects the Principal Employer.
- 14.2 No amendment shall take effect which may cause a Policy not to be an EGLP.

15. TERMINATION

- 15.1 Zurich may terminate the Scheme by notice in writing to the Principal Employer in the event that Zurich removes the Trustee under Rule 12.1 or the Trustee resigns under Rule 12.2 and Zurich does not appoint a replacement trustee to act as Trustee of the Scheme.

- 15.2 Zurich may terminate the Scheme in the event that it is not able to provide or to continue to provide coverage in relation to Members under a Policy for legal or regulatory reasons.
- 15.3 Zurich may terminate the Scheme if there are no Policies in place.
- 15.4 The Principal Employer may terminate the Scheme by notice in writing to the Trustee. Termination shall have effect from the date specified in that notice or, if no date is specified, the date that notice is received by the Trustee.
- 15.5 On termination of the Scheme, any benefits due in relation to the death of a Member which occurred prior to the date of termination shall remain payable.

16. THIRD PARTY RIGHTS

- 16.1 Without affecting any rights of the Principal Employer, Zurich or the Trustee, no other person shall be entitled to any rights under the Contracts (Rights of Third Parties) Act 1999 as a result of the Definitive Deed or these Rules.

17. APPLICABLE LAW

- 17.1 The law of England and Wales applies to the Definitive Deed and these Rules and the administration and any non-contractual obligations arising out of or in connection with them.