

About The Universal Trust Corporation and our Terms of Business

The Universal Trust Corporation is a professional Trustee organisation that provides specialist, cost-effective Trustee and Executorship services to private individuals in the UK. It is our aim to deliver our clients a fast, efficient service whilst ensuring that the integrity of our products and services remains of the highest standard.

In order to be able to act effectively as a Trustee we need to have maximum flexibility to account for potential changes in legislation, rates of inflation and market/product regulation. This needs to be reflected in our Terms and Conditions, which must also provide for a relationship with a client that may last for many years. To that end they are intended to cover every aspect of our business, and all possible eventualities that may arise – from the basic administrative elements relating to our role as Executor or Trustee, to more unusual circumstances that can arise when running a Trust.

When it comes to our charges, our aim is to be fair and competitive. With that in mind, certain types of work can be very straightforward for us to transact, in which case we will charge a reasonable fee (rather than apply our standard charging structure). Conversely should the administration of an Estate or Trust be unusually complex (complicated investment structures and multiple beneficiaries) we will need to charge an incremental fee for the extra time that it takes us.

If you have any questions please do not hesitate to contact your advisor or call us on **08700 13 00 57** for more details.

Standard Terms and Conditions

Remuneration

The Universal Trust Corporation is entitled to charge and be paid out of the Estate or Trust assets held in accordance with the Standard Scale of Charges of The Universal Trust Corporation in force at the appropriate date.

For this purpose the phrase "appropriate date" means: a) The date of death where The Universal Trust Corporation is acting as Executor or Administrator or Trustee under a Will except where appointed after death in which case the appropriate date would be the date of the first instruction to act after the death. b) The date of instruction in the case of an existing Trust or Settlement.

Our charging structure will naturally change over the long term, as those of any business will. All fees quoted are therefore subject to variation from time to time at our discretion and are exclusive of VAT, which is always chargeable at the prevailing rate.

Responsibility fee (changing our fees for unusually simple or complex work)

The complexity of all work undertaken will be evaluated and where the matter is simple and straightforward The Universal Trust Corporation in their absolute discretion may reduce the standard charges but also, if the matter is of an unusually complex nature, a reasonable incremental fee may be charged.

Costs incurred during the course of business (admin fees, expenses, disbursements etc.)

Unlike many other professional Trustees, we do not charge for elements that form part of our standard administrative duties, such as letters, faxes, postage, and national telephone calls.

However at our discretion, we do reserve the right to charge for travelling expenses, telephone calls overseas, stamp duties and any other relevant disbursements incurred in dealing with the Estate, Trust, or Power of Attorney. These will be charged to and paid by the Estate or any monies held in the Estate or Trust funds.

The use of other Professionals

The Universal Trust Corporation shall be entitled in its absolute discretion to employ other professionals (e.g. solicitors, investment professionals, surveyors etc.) or any other agents and to claim and be paid any costs and disbursements incurred from the Estate, Trust or any other funds held thereof.

Investment Powers

The Universal Trust Corporation may engage, pay and agree terms with investment advisors (including any associated person) and enter into any agreement for the management of investments of the Estate or Trust.

The Universal Trust Corporation shall have the power to invest all or some of the Estate or Trust in units of any collective investment scheme including schemes of which The Universal Trust Corporation or any associated company is a manager or Trustee, on normal terms without having to diversify investments.

The Universal Trust Corporation may at any time and in its absolute discretion purchase or sell investments or property of any kind from or to any company associated with The Universal Trust Corporation or any company associated with them.

Acting as Executor or Trustee

The Universal Trust Corporation Standard Terms and Conditions and Scale of Charges will apply on acceptance of a Trusteeship by The Universal Trust Corporation or on the acceptance of further assets into a Trust of which The Universal Trust Corporation is already a Trustee, or on our appointment as an Executor of an Estate.

Where The Universal Trust Corporation acts as Executor or Trustee, The Universal Trust Corporation shall have the right to hold all deeds, securities and documents of title (of whatever description) at one of its nominated offices.

Where The Universal Trust Corporation acts as Executor and/or Trustee jointly with another, the following shall apply:

- a) All bank accounts shall be in the sole name of The Universal Trust Corporation, "re the Estate of ..."
- b) All banking transactions shall be conducted by The Universal Trust Corporation only.
- c) All securities, valuables, share certificates, deeds and any other documents of title shall be held under the exclusive custody and control of The Universal Trust Corporation.
- d) The Universal Trust Corporation name shall appear first on all registers of ownership for stocks, shares and other securities and all dividends and interest shall be paid exclusively to the Corporation or its nominees.

In exercise of its Discretionary powers The Universal Trust Corporation may act by any of its proper officers or any person employed by it. The Universal Trust Corporation will exercise all its voting and other rights at its absolute discretion.

The term "asset" will be defined at The Universal Trust Corporation's absolute discretion.

The term "beneficiary" will be defined at The Universal Trust Corporation's absolute discretion.

Where any business is included in the assets of an Estate or Trust, The Universal Trust Corporation will not, unless expressly authorised by the Will or any other relevant document, carry on the business longer than is deemed necessary for its sale, winding up or other disposition of the same, and then only on the condition that it shall be fully indemnified against all costs, expenses and losses out of the assets of the Estate or Trust.

Appointment of new Trustees

Any appointment of a new Trustee to act with The Universal Trust Corporation shall need the consent in writing of The Universal Trust Corporation to be effective.

Profits derived during the course of business (3rd party incentives, discounts etc.)

The Universal Trust Corporation shall be entitled to retain for its own use and benefit any brokerage or commissions, discounts or profits, remuneration or similar payment as received for any purpose, for instance from the sale or purchase of any asset or investment or in effecting or renewing insurances or in respect of any business or action taken in pursuance of its duties in any matter in which it is instructed. Neither The Universal Trust Corporation nor any associated company shall be liable to disclose or account for such payments or profit in any manner to the Estate, the Trust or any co-Trustees, beneficiaries or persons entitled in respect of the Estate or Trust.

Complaints and Disputes Procedure

If a dispute arises the decision of an independent arbitrator appointed by The Universal Trust Corporation shall be final and binding on all parties.

Charges and Additional Terms and Conditions for Acting as Trustee or Executor

Acting as an Executor: alone, jointly (with another Executor) or as Administrator under intestacy

Initial interview and/or advice is free. Thereafter, The Universal Trust Corporation will charge the following set fees based on the gross*1 value of the Estate at death or £800, whichever is the greater, plus disbursements.

- Up to £500,000 2.5 %
- £501,000 to £1,000,000 1.75 %
- Over £1,000,000 1.25 %

The fee covers the administrative duties of an Executor, which include: the collection of assets, the discharge of debts, the payment of legacies and the distribution of the residuary Estate. Please do not hesitate to contact us if you require more information concerning the role of an Executor.

Acting as a Trustee of funds and other assets held in Trust

Like most professional Trustees our charges are based upon the amount of time that is required for us to administer the Trust and the involvement we need to have in ensuring that it meets its objectives set by you. To that end we have a "two tier" charging structure consisting firstly of a general management fee, which will cover all basic administrative duties.

Thereafter depending upon the type of Trust that has been created, we may be required to actively manage the assets to ensure that certain performance levels or remits are maintained, so another tier of fees are applied to account for our involvement - for instance arranging for the sale of a house owned by a Trust or the conversion of a stock or bond.

The charging structure for certain products (such as the IOU Discretionary Will Trust) works slightly differently, so please see relevant section below for a more complete illustration.

General Trust management fees

There is an annual management fee of 1% per annum of the market value of the Trust fund or the Trust asset. The value shall be established by a professional valuer or valuers engaged on behalf of the Trust by The Universal Trust Corporation.

The fee shall be paid quarterly in advance. There shall be a minimum annual management fee of £500 plus disbursements. Such charges shall be paid from either capital or income at The Universal Trust Corporation's absolute discretion.

Asset and Capital Transactions to or from a Trust

Transactions of Assets – upon the sale, acquisition, conversion, collection transfer, redemption, exchange, realisation of any land, property or any other asset or upon raising money or mortgage or charge and any other dealing which, in The Universal Trust Corporation's absolute discretion, comes under this heading, a fee not exceeding 0.85% of the amount or value will be charged for the transaction (plus disbursements).

Transaction of Capital – a fee of 2.5% will be payable out of capital on the gross amount or market value whichever is the higher in the absolute discretion of the corporation of any Capital Funds or assets paid out of or released from the Estate or Trust, whether in the course of administration or by way of distribution to beneficiaries or upon the Trust corporation ceasing to act in the Estate or Trust for any reason whatsoever (plus disbursements).

Discretionary Will Trusts

These types of Trusts enable married couples to save Tax by taking maximum advantage of their available Inheritance Tax Nil-Rate Band allowance. The most popular and flexible version, the IOU Trust allows the Trustee to accept a Loan Note (up to the value of the deceased spouse's Nil-Rate Band) based upon the value of cash or assets (often including the family home) within their Estate.

There is an initial charge to set-up the Trust in addition to at least one annual Trustee meeting that must occur regularly after this point. Trustee meetings ensure that the Trust is closely monitored and correctly administered so that it stays in line with Capital Taxes Office (CTO) requirements. As professional Trustees we can ensure the continuing integrity of the Trust if CTO legislation changes over time.

Depending upon the situation of the surviving spouse and/or other beneficiaries, these Trusts may not hold physical assets for some time, so we reduce our fees accordingly to account for this.

Management Charges for Discretionary Will Trusts

Until assets or capital pass into the Trust, the standard 1% management fee will be waived. When assets or cash pass into and are held within the Trust then the normal charging structure will apply.

Discretionary Will Trustee Meetings

Trustee meetings must take place regularly to ensure that the integrity of the Trust is maintained. Trustee meetings are charged at £250 + VAT and at least one is required each year. This fee covers the time required for the meeting where certain subject matter must be discussed (including current finances of the main beneficiary, payment of funds to beneficiaries (other than the surviving spouse), and the ability to repay any funds into the Trust), all administration, meeting minutes, maintenance of records and relevant liaison with the Capital Taxes Office should they require information from us relating to your Trust.

Distribution fees from a Discretionary Will Trust on second death

In accordance with our "Responsibility Fee" clause in our standard Terms and Conditions (above) we may reduce our Trust distribution fee on second death from 2.5% to 1% in cases where the nature of the assets held in the Discretionary Trust and the distribution terms are simple. This may also apply where we have acted as Executor of the Estate, or when a Trust has been in operation for more than 5 years. The reduction of our fee is at our absolute discretion.

Distribution of funds to beneficiaries (if appropriate) during the life of the Trust will be subject to charges as per our standard charging structure.

Main Discretionary Will Trust fees at a glance

- Initial set up of Trust £350 + VAT *Please note that Stamp Duty Land Tax may be payable. Please contact us for details.
- Trustee Meetings £250 + VAT
- 1% Management fee waived (until funds/assets pass into Trust)
- Distribution fee (on 2nd Death) 1% (subject to conditions above; otherwise 2.5%)