

THIS DEED is made the            day of                                  20

(1) ("the Name")

(2) the Society incorporated by Lloyd's Act 1871 by the name of LLOYD'S ("the Society")

(A) This Deed is supplemental to:

- 1 a Lloyd's Security and Trust Deed (hereinafter called "the Trust Deed") dated [ ]<sup>1</sup> and made between (1) the Name of the one part and (2) the Society of the other part and
- 2 the guarantee, guarantees, letter or letters of credit details of which are specified in the Second Schedule (all of which guarantees or letters of credit are hereafter referred to as "the Security").

- <sup>1</sup> Insert date of Security and Trust Deed

- (J) The [guarantor of each guarantee comprised in the Security or the issuer of each letter of credit comprised in the Security has where indicated in the Second Schedule at the request of the Name provided a new guarantee or letter of credit (as the case may be) now comprised in the Security in place of each guarantee or letter of credit previously provided by it with a view to such an exercise of the said power and the]<sup>2</sup> guarantor of any [other]<sup>3</sup> guarantee which is comprised in the Security has confirmed to the Society by a separate Deed that it has no objection to the variation of the trusts powers and provisions affecting the said Trust Fund and the future income thereof which would be occasioned by such an exercise of the said power and that notwithstanding the consequential effect of such variation on the relevant guarantee (and of the amendment hereby made to the Name's said covenant to pay hitherto contained in clause 2(b) of the Trust Deed) the guarantee will be maintained in full force and effect.
- (K) The Society (being satisfied that such an exercise will be for the benefit of the Name and shall not materially prejudice any of the Beneficiaries) has determined in its capacity as the trustee of the Trust Deed now to exercise the said power in favour of the Name in respect of the whole of the capital of the said Trust Fund by applying all of the assets now comprised in the said Trust Fund for the benefit of the Name by henceforth holding the same and the future income thereof (still in its capacity as the trustee of the Trust Deed) upon and with and subject to the trusts powers and provisions hereinafter declared and contained.

NOW THIS DEED WITNESSES as follows:

1. In the body of this Deed the following expressions have the following meanings that is to say:
  - 1.1. the expressions "the Beneficiaries", "the Trustees" and "the Trust Fund" have the meanings respectively given to the same in clause 1 of the Trust Deed;
  - 1.2. "the Name's Covenant to Pay" means the said covenant to pay on the part of the Name hitherto contained in clause 2(b) of the Trust Deed (and henceforth to be contained in clause 2.2 of the Trust Deed in the form now to be taken by the Trust Deed as varied by the following provisions of this Deed);
  - 1.3. "the Specified Assets" means the following assets namely:
    - (i) the Security and the full benefit of the same; and
    - (ii) the Name's Covenant to Pay (as widened by clause 4 of this deed) and the full benefit of the same(which assets constitute at the date hereof the whole of the capital of the Trust Fund);
2. In exercise of the hereinbefore recited power conferred by clause 6(c) of the Trust Deed and of any and every other power enabling it the Society as the trustee of the Trust Deed (acting at the request of the Name as he acknowledges by execution of this Deed) hereby irrevocably determines resolves and directs that all of the Specified Assets (and all other if any assets now comprised in the capital of the Trust Fund) shall now be and hereby are applied for the benefit of the Name by such capital and the future income thereof being held on and after the date of this Deed upon and with and subject to the trusts powers and provisions declared and contained in respect of the same in clause 3 of this Deed;
3. On and after the date of this Deed the Trustees shall continue to hold the Trust Fund and its income upon and with and subject to the trusts powers and provisions declared and contained in the Trust Deed but as if that Deed were varied so that the body of the Trust Deed took the varied form (and had the new clause numbering) set out in the First Schedule to this Deed to the intent and so that on and after the date of this Deed the trusts powers and provisions affecting the Trust Fund and the future income thereof shall henceforth be

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<sup>2</sup> Delete words in brackets if all existing guarantees/letters of credit are being retained

<sup>3</sup> Delete words in brackets if all existing guarantees/letters of credit are being retained

those which would be applicable if the body of the Trust Deed had taken that varied form;

4. It is hereby declared and agreed by and between the parties to this Deed that on and after the date hereof the Name's Covenant to Pay and the other provisions contained in clause 2 of the Trust Deed shall henceforth be widened as set out in clause 2 of the varied form of the body of the Trust Deed contained in the First Schedule hereto;
5. No apportionment of income of the Specified Assets shall be made at the date of execution of this Deed in respect of the income (if any) then accrued or accruing but not actually received by the Name and any such income shall be paid or applied as if the same had accrued immediately after the execution of this Deed;
6. The Name HEREBY COVENANTS with the Society that the Name will keep the Society fully and effectively indemnified (on an after tax basis) against all and any inheritance tax capital gains tax corporation tax income tax and all other taxes and duties (if any) occasioned by or arising as a result of the execution of this Deed.

Executed as a Deed by the parties on the date set out at the head of this Deed of Application

THE FIRST SCHEDULE TO THIS DEED OF APPLICATION  
(Amended form of body of the Trust Deed)

## **1 Definitions**

### **1.1 In this Deed unless the context otherwise requires:**

“Adhering Corporate Member” means a Corporate Member which has (prior to the Relevant Date) executed (either personally or through a duly authorised attorney) a Deed of Adherence and which at the time of such execution:

- (i) satisfied all the requirements of the Council then in force relating to Corporate Members wishing (as the adhering party) to enter into arrangements of the type contemplated by a Deed of Adherence; and
- (ii) where such Corporate Member is a Scottish Limited Partnership (but not otherwise) was then a partnership firm in respect of which the Name was or had agreed to become a limited partner; and
- (iii) where such Corporate Member is a Limited Liability Partnership (but not otherwise) was then a Limited Liability Partnership in respect of which the Name was or had agreed to become a member

“the Adhering Corporate Member’s Beneficiaries” means in relation to an Adhering Corporate Member all persons to whom that Adhering Corporate Member will at the date of execution of that Adhering Corporate Member’s Deed of Adherence be or may thereafter at any time before the Termination Date become financially liable by reason of any default in respect of any of that Adhering Corporate Member’s Lloyd’s obligations

“Adhering Corporate Member’s Deed of Adherence” means in relation to an Adhering Corporate Member the Deed of Adherence duly executed by (or by a duly authorised attorney on behalf of) (1) the Name (2) that Adhering Corporate Member and (3) the Trustees

“appropriate regulator” means the Financial Conduct Authority and/or the Prudential Regulation Authority

“the Beneficiaries” means both the Name’s Beneficiaries and the Adhering Corporate Member’s Beneficiaries in relation to each Adhering Corporate Member

“Corporate Member” means a body corporate or a Scottish Limited Partnership which is or which has applied to become an underwriting member of the Society

“the Council” means the Council of Lloyd’s and (except in clause 3) references to the Council shall include its delegates and persons by whom it acts

“Deed of Adherence” means a deed made between and executed by (or by a duly authorised attorney on behalf of) (1) the Name (2) a Corporate Member intending thereby to become an Adhering Corporate Member and (3) the Trustees being a Deed in the relevant prescribed form (or in such other form as the Council may from time to time require), and for the avoidance of any doubt any such deed may if thought fit be executed in escrow conditional on the performance of a specified condition

“the Financial Conduct Authority” means the body corporate known as the Financial Conduct Authority that is referred to in section 1A of the Financial Services and Markets Act 2000 or any successor regulatory organisation

“funds at Lloyd’s” has the meaning given to it in the Lloyd’s Membership Byelaw (No. 5 of 2005)

“insurance” includes assurance reinsurance and reinsurance

“Limited Liability Partnership” means a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000 which has a members’ agreement or members’

deed in a form approved by the Council

“Lloyd's obligations” in relation to an underwriting member of the Society means all underwriting obligations incurred by that member as an underwriting member of the Society at any time before the Termination Date and includes obligations to the Society and the Trustees and obligations arising under or in accordance with:

- (i) the byelaws regulations rules directions or other requirements of the Society; and
- (ii) any deed contract instrument or other arrangement of any kind approved by the Society

but does not include obligations arising in respect of any letter of credit guarantee or other security given to secure the performance of any of the said underwriting obligations in favour of the person giving such guarantee, letter of credit or other security

“long-term insurance business” means the business of effecting or carrying out “contracts of long-term insurance” as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001

“the managing agent” means (in relation to the Name) the person for the time being acting as the Name's managing agent in respect of any part of the Name's underwriting business at Lloyd's or (in relation to the Relevant Corporate Member) the person for the time being acting as the Relevant Corporate Member's managing agent in respect of any part of the Relevant Corporate Member's underwriting business at Lloyd's (and in each such case any successor in whole or in part of such agent including any substitute agent)

“the Name's Beneficiaries” means all persons to whom the Name is or may at any time before the Termination Date become financially liable by reason of any default in respect of any of the Name's Lloyd's obligations

“the Name's members' agent” means any members' agent of the Name at Lloyd's appointed by the Name (and any successor in whole or in part of such agent including any substitute agent)

“the Name's Premiums Trust Deed” means the deed or any of the deeds executed by (or by a duly authorised attorney on behalf of) the Name and referred to in recital (C) hereof and includes any further such deed which may hereafter be executed by (or on behalf of) the Name in addition thereto or in substitution therefor

“the Name's Premiums Trustees” means the trustees for the time being of the Name's Premiums Trust Deed

“the Name's Premiums Trust Fund” means the fund of premiums and other monies held from time to time upon the trusts of the Name's Premiums Trust Deed

“the Prudential Regulation Authority” means the body corporate known as the Prudential Regulation Authority that is referred to in section 2A of the Financial Services and Markets Act 2000 or any successor regulatory organisation

“qualifying reserves” means (at any given time) the aggregate value of any funds at Lloyd's maintained by the Name or by or on behalf of any and every Adhering Corporate Member otherwise than under this Deed in respect of their insurance business other than long-term insurance business (such value being determined as at the most recent valuation date applicable under the requirements of the Council relating to funds at Lloyd's and being calculated in accordance with those requirements)

“Related Person” means any person, firm or company which is in any way associated or connected with any of the Trustees or (in the case of a corporate trustee) with any of their officers or employees

“the Relevant Corporate Member” has the meaning given to that expression by clause 5.1 hereof for the purposes of clauses 6 and 7 of this Deed

“the Relevant Corporate Member's Premiums Trust Deed” means in relation to the Relevant Corporate Member the deed or any of the deeds executed by (or by a duly authorised attorney on behalf of) the Relevant Corporate Member (in the form for the time being required by the Council) entitled Lloyd's Premiums Trust Deed declaring trusts upon which the premiums and other monies received by or on behalf of the Relevant Corporate Member in connection with insurance business other than long term insurance business are to be held and includes any further such deed which may hereafter be executed by (or on behalf of) the Relevant Corporate Member in addition thereto or in substitution therefor

“the Relevant Corporate Member's Premiums Trustees” means in relation to the Relevant Corporate Member the trustees for the time being of the Relevant Corporate Member's Premiums Trust Deed

“the Relevant Corporate Member's Premiums Trust Fund” means in relation to the Relevant Corporate Member the fund of premiums and other monies held from time to time upon the trusts of the Relevant Corporate Member's Premiums Trust Deed

“the Relevant Date” means the first to occur of the Termination Date and the occurrence of the event specified in clause 9.3 hereof (whereby the Unappropriated Trust Fund and its income will become held upon trust for the Name absolutely)

“requirements of the Council” means any requirement imposed by any byelaw or regulation made under Lloyd's Acts 1871 to 1982 or under the authority given by any premiums trust deed, any code of practice, underwriting guideline condition or requirement made or imposed or direction given under any such byelaw, regulation or authority and any direction given under section 6 of Lloyd's Act 1982, any requirement imposed by or under any agreement, deed or other instrument between the Society or the Council and any member, underwriting agent, or any trustee of any premiums trust deed, or by or under any undertaking in favour of the Society or the Council given by any member, any underwriting agent or any trustee of any premiums trust deed and any other direction or requirement given or made by the Council under Lloyd's Acts 1871 to 1982

“Scottish Limited Partnership” means a partnership firm as constituted from time to time established under the laws of Scotland and in accordance with the Partnership Act 1890 and the Limited Partnerships Act 1907 (and having its own separate legal personality) which has a partnership agreement or partnership deed in a form approved by the Council (and so that references in this Deed to “Scottish Limited Partnership” or to “Corporate Member” in any case where the Corporate Member in question is a Scottish Limited Partnership shall where the context admits include references to those persons who after the dissolution of the partnership will succeed to the benefit of its surplus assets if any and assume the burden of its obligations if any)

“the Security” means the guarantee, guarantees letter or letters of credit specified below:<sup>4</sup>

Type of Security	Date	Guarantor/Issuer	Face Value
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securities” include shares in any body corporate (wherever incorporated) or in any unincorporated body constituted under the law of a country or territory outside the United Kingdom, debentures, debenture stock, loan stock, bonds, certificates of deposit, other instruments creating or acknowledging indebtedness, warrants and other instruments entitling their holders to subscribe for securities (whether or not in existence or

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<sup>4</sup> Please specify all relevant details of the Security

identifiable), certificates and other instruments conferring rights in respect of securities held by persons other than the persons on whom the rights are conferred and the transfer of which may be effected without the consent of those persons, units in a collective investment scheme, options, futures and rights under contracts for differences, swaps or similar contracts, including those securities to which title is evidenced otherwise than by an instrument in writing

“Special Reserve Funds” means any funds so designated and set up in accordance with arrangements referred to in section 175 of and Schedule 20 to the Finance Act 1993

“the Specified Beneficiaries” has (for the purposes of clauses 6 and 7 of this Deed) the meaning given to that expression by clause 5.1 hereof

“the Specified Date” means the first to occur of the Termination Date and the occurrence (in respect of the Specified Fund in question) of either of the events specified in clauses 7.3.1 or 7.3.2 hereof (whereby such Specified Fund will cease to exist or will become held upon trust for the Name absolutely)

“Specified Fund” means in relation to an Adhering Corporate Member the following property comprised in (and constituting a part or the whole of) the Trust Fund namely:

- (i) the property specified in the Schedule to that Adhering Corporate Member's Deed of Adherence (which property shall be confined to property which at the date of execution of that Deed of Adherence is then comprised in the Trust Fund but which is not already comprised in a Specified Fund relating to some other Adhering Corporate Member); and
- (ii) any property added to the Specified Fund relating to that Adhering Corporate Member in exercise of the power conferred on the Trustees by clause 4.2 below; and
- (iii) any additions to the Trust Fund made after the execution of that Adhering Corporate Member's Deed of Adherence which at the time or times of addition to the Trust Fund are stated in a contemporaneous instrument in writing executed by the Trustees to be accepted as an addition to the Specified Fund in question (and not any other Specified Fund); and
- (iv) all accumulations of income derived from property comprised in the Specified Fund in question (at the time that such income arose); and
- (v) the property for the time being representing such property, additions or accumulations (as the case may be) or accepted by the Trustees in substitution for all or any of it

“the Termination Date” means the earlier of the expiry of one hundred and twenty-four years from the date of this Deed and the 20<sup>th</sup> anniversary of the death of the Name

“the Trustees” means the Society and the other trustees for the time being of the trusts hereby created

“the Trust Fund” means the Security and the Name's covenants in clauses 2.2 and 2.4 below and the full benefit of each of them all further property added or accruing by way of further settlement, capital accretion, accumulation of income or otherwise and the property from time to time representing the same and any property (acceptable to the Society) transferred to or otherwise vested in or under the direct or indirect control of the Trustees in substitution for the same (and for the avoidance of doubt shall include any and every Specified Fund as well as the Unappropriated Trust Fund)

“the Unappropriated Trust Fund” means the Trust Fund other than (and except for) any and every Specified Fund relating to an Adhering Corporate Member;



- 1.2 Reference to any Lloyd's byelaw or to any legislation (whether primary or subordinate) or to any provision of either of them shall include reference to that byelaw or legislation as from time to time amended consolidated or re-enacted.

## **2 Name's declaration and covenant**

In consideration of the continuance of the Name's membership as an underwriting member of the Society the Name (so as to bind himself and his personal representatives) hereby:

- 2.1 with the intention of establishing a binding trust for the benefit of the Beneficiaries irrevocably declares and directs that the Trust Fund shall henceforth be held by the Trustees upon and with and subject to the trusts powers and provisions set out herein;
- 2.2 covenants with the Trustees that if and whenever the Trustees on or before the Termination Date serve on him a written demand for the payment of a sum on account of his funds at Lloyd's or the funds at Lloyd's of any and every Adhering Corporate Member the Name will within 30 days thereafter pay such sum to the Trustees to be held by them upon the trusts hereof:

Provided that:

- (i) the Name's liability hereunder shall be limited to the aggregate of the sum for the time being required from the Name and from any and every Adhering Corporate Member by way of funds at Lloyd's less any qualifying reserves; and
  - (ii) the Name may, prior to the end of the 30 day period referred to in clause 2.2 hereof, confirm in writing to the Society that the Society is authorised to make demand under the Security notwithstanding that such 30 day period has not expired
- 2.3 covenants with the Trustees that as security for the Name's foregoing obligations the Name will procure that the Security and all its constituent guarantees or letters of credit (or any other guarantee or letter of credit or other security which the Trustees may from time to time agree shall be substituted for the Security or any part of it):
- 2.3.1 shall be maintained in full force; and
  - 2.3.2 (except only in the case of any guarantee issued by an insurance company which is terminable upon ninety days' notice) from time to time shall be so renewed or extended that it or they (as the case may be) shall at all times be valid and enforceable for at least the next four years
- 2.4 covenants with the Trustees that whenever any sum comprised in a Specified Fund or in the Unappropriated Trust Fund is paid to the Name's Premiums Trustees or is otherwise applied under clause 7.2 or 9.2 hereof:
- 2.4.1 in discharging or making good any default in respect of any Lloyd's obligations of the Name; or
  - 2.4.2 because insufficient assets are available in the Name's Premiums Trust Fund; or
  - 2.4.3 because the Name has sustained an ascertained loss on a closed underwriting account; or
  - 2.4.4 because a person has applied monies not belonging to the Name in or towards the discharge of any claim upon any contract of insurance underwritten at Lloyd's by or on account of the Name

the Name will (if so required by the Society) forthwith pay or procure to be paid to the Trustees sums equal in the aggregate to the sum so paid or applied to be held by the

Trustees as an accretion to the Trust Fund and as part of the Specified Fund in question or as part of the Unappropriated Trust Fund (as the case may be);

- 2.5 by way of security for the performance of the foregoing covenant charges the future profits of the Name's underwriting business at Lloyd's with payment of all sums from time to time payable to the Trustees thereunder (subject to any prior charge contained in the Name's Premiums Trust Deed or any other Trust Deed or other instrument of the Name at Lloyd's) and for that purpose and to that extent assigns the said profits to the Trustees to hold upon the trusts hereof.

### **3 Power of the Society to Vary**

The Society (acting by the Council) may from time to time before the Termination Date (after providing to the appropriate regulator full details of the proposed amendments in accordance with its requirements) vary or amend all or any of the provisions hereof in such manner as the Society thinks fit and on so acting the Society shall notify the Name (either directly or by notice to the Name's members' agent) the Name's members' agent and the managing agent accordingly.

### **4 Deeds of adherence and directions to add to a Specified Fund**

- 4.1 The Trustees shall have power forthwith upon the execution of this Deed (even where the same has been executed in escrow) or at any later time or times before the Relevant Date to enter into and execute a Deed of Adherence in respect of any Corporate Member intending thereby to become an Adhering Corporate Member but such power shall only be capable of exercise if the following conditions are satisfied:

4.1.1 no Deed of Adherence has already been executed in respect of the Corporate Member in question; and

4.1.2 the Trustees are satisfied at the time of execution of such Deed of Adherence that such execution will be for the benefit of the Name and will not materially be to the disadvantage of the persons who are then the Name's Beneficiaries

- 4.2 Where a Deed of Adherence has been duly executed in respect of an Adhering Corporate Member the Trustees shall have power at the request of the Name (or the Name's members' agent) at any time or times before the Relevant Date by instrument in writing to direct that any or all of the property which at the date of such request is then comprised in the Unappropriated Trust Fund shall from the date of such direction be added to the Specified Fund relating to that Adhering Corporate Member but such power shall only be capable of exercise if the Trustees are satisfied at the time of such direction that it will be for the benefit of the Name and will not materially be to the disadvantage of the persons who are then the Name's Beneficiaries;

- 4.3 The Trustees shall also have power at any time or times before the Termination Date to enter into and execute any such instrument in writing as is referred to in paragraph (iii) of the definition in clause 1.1 of this Deed of "Specified Fund".

### **5 The principal trusts**

- 5.1 Subject to sub-clauses 5.2 and 5.3 (and clause 4) of this Deed:

5.1.1 where a Deed of Adherence has been duly entered into and executed in relation to an Adhering Corporate Member the Specified Fund relating to that Adhering Corporate Member and the income thereof shall thenceforth be held upon and with and subject to the trusts powers and provisions declared and contained in respect thereof in clauses 6 and 7 of this Deed and in such clauses:

5.1.1.1 "the Relevant Corporate Member" means the Adhering Corporate Member relating to the Specified Fund in question; and

5.1.1.2 "the Specified Beneficiaries" means both the Adhering Corporate Member's Beneficiaries of that Adhering Corporate Member and the Name's Beneficiaries provided that:

- (1) a Name's Beneficiary shall not be a Specified Beneficiary in relation to any asset transferred to the Specified Fund (or any accumulations of income thereafter derived therefrom or the assets from time to time representing that asset or those accumulations) except as regards any of the Name's Lloyd's obligations incurred in any year of account prior to the transfer (or where the transfer occurs during the middle of a year of account, incurred in that current year of account or any prior year of account); and
- (2) where the Adhering Corporate Member is a Scottish Limited Partnership in which the Name was or had agreed to become a limited partner at the time of execution of that Adhering Corporate Member's Deed of Adherence an Adhering Corporate Member's Beneficiary shall not (unless the Council otherwise directs) be a Specified Beneficiary as regards any of that Adhering Corporate Member's Lloyd's obligations incurred in any year of account subsequent to that in which the Name dies or if earlier the year in which the Name gives valid notice of resignation from the partnership or assigns away all his interest in the partnership; and
- (3) where the Adhering Corporate Member is a Limited Liability Partnership in which the Name was or had agreed to become a member at the time of execution of that Adhering Corporate Member's Deed of Adherence an Adhering Corporate Member's Beneficiary shall not (unless the Council otherwise directs) be a Specified Beneficiary as regards any of that Adhering Corporate Member's Lloyd's obligations incurred in any year of account subsequent to that in which the Name dies or if earlier the year in which the Name gives valid notice of his resignation as a member of the Limited Liability Partnership or transfers all his interest therein;

5.1.2 the Unappropriated Trust Fund and the income thereof shall be held upon and with and subject to the trusts powers and provisions declared and contained in clauses 8 and 9 of this Deed;

5.2 Provided always that if and whenever at any time or times before the Relevant Date it shall be established to the satisfaction of the Trustees that the Unappropriated Trust Fund is of an insufficient size to satisfy the applicable requirements of the Council the Trustees may (and shall if so directed by the Council) remove from each Specified Fund or from any one or more of the Specified Funds such assets as may be required to ensure that the applicable requirements of the Council are satisfied and thenceforth the removed assets (and the assets for the time being representing the same) and the income thereof shall be held as part of the Unappropriated Trust Fund upon and with and subject to the trusts powers and provisions declared and contained in clauses 8 and 9 of this Deed discharged from the trusts powers and provisions previously applying to the same under clauses 6 and 7 hereof (but without prejudice to the future exercise so as to affect any of such assets of either of the powers conferred by clauses 4.1 or 4.2 of this Deed);

5.3 Where any objective of the Trustees can be achieved by the exercise of a power conferred by clauses 6 or 7 hereof in respect of any one or more of the Specified Funds or the respective income thereof or by the exercise of a power conferred by clauses 8 or 9 hereof in respect of the Unappropriated Trust Fund or the income thereof the Trustees shall have a complete discretion as to which one or more (if any) of those powers is exercised by them and (where more than one such power is exercised) to what extent

each one is so exercised;

- 5.4 In exercising their discretions under clauses 6 or 7 hereof the Trustees shall have regard to the fact that each Specified Fund is intended primarily (although not exclusively) to benefit the Specified Beneficiaries relating to that Specified Fund.

## **6 Powers of appointment and determination in respect of each Specified Fund**

Subject as aforesaid the Trustees shall hold each Specified Fund and its income:

- 6.1 upon such trusts for the benefit of the Name (or after the death of the Name any person who is mentioned in clause 10.3.2 below) or the Specified Beneficiaries or any one or more of them exclusive of the others in such shares and subject to such terms and limitations and with such discretionary trusts and powers exercisable by such persons as the Society shall from time to time (for the purpose of promoting the effective securing of the Lloyd's obligations of the Name or of the Relevant Corporate Member in either case relating to the Specified Beneficiaries or any of them or the beneficial and convenient execution and administration of the trusts hereof applicable to such Specified Fund) by instrument or instruments in writing revocable or irrevocable executed before the Specified Date but without infringing the rule against perpetuities appoint (and so that without prejudice to the generality of the foregoing the Society may if it thinks fit exercise this power either revocably or irrevocably so as to ensure that the Specified Fund or any part of it is for the time being held upon trusts exclusively or primarily for the benefit of such of the Name's Beneficiaries as are included in the class of the Specified Beneficiaries or some of them in order that the same may count as eligible assets for the purposes of the solvency of the Name at Lloyd's);
- 6.2 upon trust if the Society shall at any time or times before the Specified Date by instrument in writing (with the consent in writing of the Name (or the Name's members' agent) and in the case of any guarantee comprised in the Security the guarantor thereof) so direct to pay or transfer or otherwise vest the whole or any part or parts of such Specified Fund to or in or under the direct or indirect control of the trustees of any other Lloyd's Deposit Trust Deed or Lloyd's Security and Trust Deed (whether made in respect of the underwriting business at Lloyd's of the Name the Relevant Corporate Member or any other underwriting member of the Society) upon and with and subject to the trusts powers and provisions declared and contained in that other Trust Deed and as an addition to the trust property subject thereto (freed and discharged from all the trusts powers and provisions of this Deed) Provided always that no such direction shall be made by the Society:
- 6.2.1 so as to infringe the rules against perpetuities (and it is hereby declared that in directing any such addition the Society may if it thinks fit modify as regards such addition and its income the trusts powers and provisions declared and contained in that other Trust Deed so as to ensure beyond any doubt that such rules are not infringed); and
- 6.2.2 unless the Society is satisfied at the time of making such direction (and expresses itself to be so satisfied in the instrument in writing containing the same) that the payment or transfer in question will not materially be to the disadvantage of any of the Specified Beneficiaries;
- 6.3 upon trust if the Society shall at any time or times before the Specified Date by instrument in writing declare that the trusts and powers hereby created are determined in respect of such Specified Fund or any part of it to pay and transfer the same to the Name absolutely.

## **7 Trusts and powers in respect of each Specified Fund**

In default of and subject to any such appointment direction or declaration the Trustees shall (subject as aforesaid) hold each Specified Fund and its income upon the following trusts:

- 7.1 until the Specified Date the income of such Specified Fund shall be held upon and subject to the following trusts and powers:
- 7.1.1 subject as hereinafter provided upon trust for the Name absolutely;
  - 7.1.2 if and whenever the Trustees determine that an event has occurred during the lifetime of the Name which brings into operation in respect of such Specified Fund any of the trusts or powers contained in clause 7.2 below then (subject to those trusts and powers) upon trust to accumulate the subsequent income of such Specified Fund during the remainder of the Name's lifetime (prior to the Specified Date) and add it to the capital of such Specified Fund (but so that for the avoidance of any doubt this provision shall not prevent income being held subject to those trusts and powers in accordance with sub-clause 7.1.1 following the death of the Name);
  - 7.1.3 whenever income is subject to accumulation as aforesaid the Trustees may at their discretion (exercisable in accordance with the requirements of the Council) by instrument in writing declare in respect of such Specified Fund that the accumulation shall cease whereupon the subsequent income of such Specified Fund shall be subject to all the provisions of this clause 7.1;
- 7.2 until the Specified Date each Specified Fund and its income shall be held upon and subject to the following trusts or powers:
- 7.2.1 if and whenever the Name shall make default in respect of any of the Name's Lloyd's obligations relating to any of the Specified Beneficiaries or the Relevant Corporate Member shall make default in respect of any of the Relevant Corporate Member's Lloyd's obligations relating to any of the Specified Beneficiaries the Trustees may pay or apply such Specified Fund or its income or any part thereof in discharging or making good such default in such manner and to such extent as the Trustees think fit (whether by payment direct to the Specified Beneficiary affected reinsurance purchase of claims or returns of premiums or otherwise);
  - 7.2.2 if and whenever it shall be established to the satisfaction of the Trustees that either:
    - 7.2.2.1 insufficient assets are available in the Name's Premiums Trust Fund to meet the Name's Lloyd's obligations; or
    - 7.2.2.2 the Name has sustained on a closed underwriting account an ascertained loss which has not been funded

the Trustees may pay or apply such Specified Fund or its income or any part thereof in any manner directed by the Name's Premiums Trust Deed for the payment or application of the Name's Premiums Trust Fund or may pay the same to the Name's Premiums Trustees as an accretion to the Name's Premiums Trust Fund
  - 7.2.3 if and whenever it shall be established to the satisfaction of the Trustees that either:
    - 7.2.3.1 insufficient assets are available in the Relevant Corporate Member's Premiums Trust Fund to meet the Relevant Corporate Member's Lloyd's obligations; or
    - 7.2.3.2 the Relevant Corporate Member has sustained on a closed underwriting account an ascertained loss which has not been funded

the Trustees may pay or apply such Specified Fund or its income or any part thereof in any manner (not offending the rules against perpetuities) directed by the Relevant Corporate Member's Premiums Trust Deed for the payment or

application of the Relevant Corporate Member's Premiums Trust Fund or may pay the same to the Relevant Corporate Member's Premiums Trustees as an accretion to the Relevant Corporate Member's Premiums Trust Fund (subject nevertheless to the proviso that such accretion may thereafter only be paid or applied in a manner which does not offend the rules against perpetuities and that if the whole or any part of such accretion or its income shall still be held subject to the Relevant Corporate Member's Premiums Trust Deed immediately prior to the Termination Date then such whole or part shall at the Termination Date be held upon trust for the Relevant Corporate Member absolutely discharged from all the trusts powers and provisions of the Relevant Corporate Member's Premiums Trust Deed);

7.2.4 if and whenever it shall be established to the satisfaction of the Trustees that any person (including the Society) has at any time (with or without the knowledge and consent of the Name or the Relevant Corporate Member as the case may be) in good faith applied monies:

7.2.4.1 in or towards the discharge of any claim accepted by the managing agent upon any contract of insurance underwritten at Lloyd's by or on account of the Name in relation to any person who is or would in the event of a default be a Specified Beneficiary and such monies did not belong to the Name; or

7.2.4.2 in or towards the discharge of any claim accepted by the managing agent upon any contract of insurance underwritten at Lloyd's by or on account of the Relevant Corporate Member in relation to any person who is or would in the event of a default be a Specified Beneficiary and such monies did not belong to the Relevant Corporate Member

the Trustees may act under clause 7.2.1 above as if the Name or the Relevant Corporate Member as the case may be was in default in respect of such claim and as if the person applying such monies was the Specified Beneficiary affected;

7.3 if before the Termination Date whilst the Name shall continue to be a person obliged under the requirements of the Council to maintain funds at Lloyd's or (even though the Name has ceased to be such a person) whilst the Trustees are not satisfied that all the Name's Lloyd's obligations have been discharged or otherwise provided for:

7.3.1 the Relevant Corporate Member shall cease (for whatever reason) to be a person obliged under the requirements of the Council to maintain funds at Lloyd's relating to the Specified Beneficiaries and it is established to the satisfaction of the Trustees that all the Relevant Corporate Member's Lloyd's obligations relating to the Specified Beneficiaries have been discharged or are otherwise provided for; or

7.3.2 alternative security in respect of the Relevant Corporate Member's underwriting business at Lloyd's relating to the Specified Beneficiaries shall have been provided which the Council shall have resolved:

(1) to be satisfactory to it; and

(2) to make it unnecessary to continue with the Specified Fund relating to the Relevant Corporate Member

such Specified Fund relating to the Relevant Corporate Member shall cease to exist and the property then comprised in it (and the property for the time being representing the same) and the income thereof shall thenceforth be held by the Trustees as part of the Unappropriated Trust Fund upon and with and subject to the trusts powers and provisions declared and contained in clauses 8 and 9 of this Deed discharged from the trusts powers and provisions previously applying to the same under clauses 6 and 7 hereof (but without prejudice to the future exercise so as to affect any of such property of either of the powers conferred by clauses

4.1 or 4.2 of this Deed);

7.4 if at any time before the Termination Date the Name shall have ceased (for whatever reason) to be a person obliged under the requirements of the Council to maintain funds at Lloyd's and it shall be established to the satisfaction of the Trustees that all the Name's Lloyd's obligations have been discharged or otherwise provided for and:

7.4.1 the Relevant Corporate Member has also ceased (for any reason whatsoever) to be a person obliged under the requirements of the Council to maintain funds at Lloyd's relating to the Specified Beneficiaries and it has been established to the satisfaction of the Trustees that all the Relevant Corporate Member's Lloyd's obligations relating to the Specified Beneficiaries have been discharged or otherwise provided for; or

7.4.2 alternative security in respect of the Relevant Corporate Member's underwriting business at Lloyd's relating to the Specified Beneficiaries shall have been provided which the Council shall have resolved:

(1) to be satisfactory to it; and

(2) to make it unnecessary to continue with the Specified Fund relating to the Relevant Corporate Member

the Trustees shall thenceforth hold such Specified Fund relating to the Relevant Corporate Member and its income upon trust for the Name absolutely;

7.5 subject as aforesaid, if immediately prior to the Termination Date the event specified in sub-clause 7.3 shall not have occurred in respect of the Specified Fund in question and it shall not have been established to the satisfaction of the Trustees that all the Name's Lloyd's obligations have been discharged or otherwise provided for the Trustees shall at the Termination Date pay and transfer the Specified Fund in question and its income to the Name's Premiums Trustees as an accretion to the Name's Premiums Trust Fund and to be held by them upon the trusts of the Name's Premiums Trust Deed;

7.6 subject as aforesaid if immediately prior to the Termination Date it shall be established to the satisfaction of the Trustees that all the Name's Lloyd's obligations have been discharged or otherwise provided for but neither the event specified in sub-clause 7.4.1 nor the event specified in sub-clause 7.4.2 shall have occurred in respect of the Specified Fund in question the Trustees shall at the Termination Date pay and transfer the Specified Fund in question and its income to the Relevant Corporate Member's Premiums Trustees as an accretion to the Relevant Corporate Member's Premiums Trust Fund and to be held by them upon the trusts of the Relevant Corporate Member's Premiums Trust Deed (subject nevertheless to the proviso that such accretion may thereafter only be paid or applied in a manner which does not offend the rules against perpetuities and that if the whole or any part of such accretion or its income shall still be held subject to the Relevant Corporate Member's Premiums Trust Deed immediately prior to the Termination Date then such whole or part shall at the Termination Date be held upon trust for the Relevant Corporate Member absolutely discharged from all the trusts powers and provisions of the Relevant Corporate Member's Premiums Trust Deed);

7.7 subject as aforesaid the Specified Fund in question and its income shall be held upon trust for the Name absolutely.

## **8 Powers of appointment and determination in respect of the Unappropriated Trust Fund**

Subject as aforesaid the Trustees shall hold the Unappropriated Trust Fund and its income:

8.1 upon such trusts for the benefit of the Name (or after the death of the Name any person who is mentioned in clause 10.3.2 below) or the Name's Beneficiaries or any one or more

of them exclusive of the others in such shares and subject to such terms and limitations and with such discretionary trusts and powers exercisable by such persons as the Society shall from time to time (for the purpose of promoting the effective securing of the Lloyd's obligations of the Name or the beneficial and convenient execution and administration of the trusts hereof applicable to the Unappropriated Trust Fund) by instrument or instruments in writing revocable or irrevocable executed before the Relevant Date but without infringing the rule against perpetuities appoint;

- 8.2 upon trust if the Society shall at any time or times before the Relevant Date by instrument in writing (with the consent in writing of the Name (or the Name's members' agent) and in the case of any guarantee comprised in the Security the guarantor thereof) so direct to pay or transfer or otherwise vest the whole or any part or parts of the Unappropriated Trust Fund to or in or under the direct or indirect control of the trustees of any other Lloyd's Deposit Trust Deed or Lloyd's Security and Trust Deed (whether made in respect of the underwriting business at Lloyd's of the Name or any other underwriting member of the Society) upon and with and subject to the trusts powers and provisions declared and contained in that other Trust Deed and as an addition to the trust property subject thereto (freed and discharged from all the trusts powers and provisions of this Deed) Provided always that no such direction shall be made by the Society:

8.2.1 so as to infringe the rules against perpetuities (and it is hereby declared that in directing any such addition the Society may if it thinks fit modify as regards such addition and its income the trusts powers and provisions declared and contained in that other Trust Deed so as to ensure beyond any doubt that such rules are not infringed); and

8.2.2 unless the Society is satisfied at the time of making such direction (and expresses itself to be so satisfied in the instrument in writing containing the same) that the payment or transfer in question will not materially be to the disadvantage of any of the Name's Beneficiaries;

- 8.3 upon trust if the Society shall at any time or times before the Relevant Date by instrument in writing declare that the trusts and powers hereby created are determined in respect of the Unappropriated Trust Fund or any part of it to pay and transfer the same to the Name absolutely.

## **9 Trusts and powers in respect of the Unappropriated Trust Fund**

In default of and subject to any such appointment direction or declaration the Trustees shall (subject as aforesaid) hold the Unappropriated Trust Fund and its income upon the following trusts:

- 9.1 until the Relevant Date the income of the Unappropriated Trust Fund shall be held upon and subject to the following trusts and powers:
- 9.1.1 subject as hereinafter provided upon trust for the Name absolutely;
- 9.1.2 if and whenever the Trustees determine that an event has occurred during the lifetime of the Name which brings into operation in respect of the Unappropriated Trust Fund any of the trusts or powers contained in clause 9.2 below then (subject to those trusts and powers) upon trust to accumulate the subsequent income of the Unappropriated Trust Fund during the remainder of the Name's lifetime (prior to the Relevant Date) and add it to the capital of the Unappropriated Trust Fund (but so that for the avoidance of any doubt this provision shall not prevent income being held subject to those trusts and powers in accordance with sub-clause 9.1.1 following the death of the Name);
- 9.1.3 whenever income is subject to accumulation as aforesaid the Trustees may at their discretion (exercisable in accordance with the requirements of the Council) by instrument in writing declare in respect of the Unappropriated Trust Fund that the accumulation shall cease whereupon the subsequent income of the



Unappropriated Trust Fund shall be subject to all the provisions of this clause 9.1;

9.2 until the Relevant Date the Unappropriated Trust Fund and its income shall be held upon and subject to the following trusts or powers:

9.2.1 if and whenever the Name shall make default in respect of any of the Name's Lloyd's obligations the Trustees may pay or apply the Unappropriated Trust Fund or its income or any part thereof in discharging or making good such default in such manner and to such extent as the Trustees think fit (whether by payment direct to the Name's Beneficiary affected reinsurance purchase of claims or returns of premiums or otherwise);

9.2.2 if and whenever it shall be established to the satisfaction of the Trustees that either:

9.2.2.1 insufficient assets are available in the Name's Premiums Trust Fund to meet the Name's Lloyd's obligations; or

9.2.2.2 the Name has sustained on a closed underwriting account an ascertained loss which has not been funded

the Trustees may pay or apply the Unappropriated Trust Fund or its income or any part thereof in any manner directed by the Name's Premiums Trust Deed for the payment or application of the Name's Premiums Trust Fund or may pay the same to the Name's Premiums Trustees as an accretion to the Name's Premiums Trust Fund;

9.2.3 if and whenever it shall be established to the satisfaction of the Trustees that any person (including the Society) has at any time (with or without the knowledge and consent of the Name) in good faith applied monies in or towards the discharge of any claim accepted by the managing agent upon any contract of insurance underwritten at Lloyd's by or on account of the Name and such monies did not belong to the Name the Trustees may act under clause 9.2.1 above as if the Name was in default in respect of such claim and as if the person applying such monies was the Name's Beneficiary affected;

9.3 if before the Termination Date the Name shall cease (for any reason whatsoever) to be a person obliged under the requirements of the Council to maintain funds at Lloyd's and it shall be established to the satisfaction of the Trustees that all the Name's Lloyd's obligations have been discharged or otherwise provided for the Trustees shall thenceforth hold the Unappropriated Trust Fund and its income upon trust for the Name absolutely;

9.4 if immediately prior to the Termination Date it shall not have been established to the satisfaction of the Trustees that all the Name's Lloyd's obligations have been discharged or otherwise provided for the Trustees shall at the Termination Date pay and transfer the Unappropriated Trust Fund and its income to the Name's Premiums Trustees as an accretion to the Name's Premiums Trust Fund and to be held by them upon the trusts of the Name's Premiums Trust Deed;

9.5 subject as aforesaid the Unappropriated Trust Fund and its income shall be held upon trust for the Name absolutely.

## **10 Release advancement and substitution of property**

Notwithstanding anything hereinbefore contained:

10.1 each of the Society and the Trustees may at any time or times before the Termination Date by instrument in writing release wholly or in part all or any of the discretionary trusts or powers hereby conferred on that person in respect of the whole or any part of the income or capital of the Trust Fund;

- 10.2 the Trustees may at any time or times before the Termination Date:
- 10.2.1 by instrument in writing release wholly or in part all or any of the Name's outstanding obligations under clause 2 hereof; or
  - 10.2.2 by instrument in writing release wholly or in part all or any of an Adhering Corporate Member's outstanding obligations under that Adhering Corporate Member's Deed of Adherence;
- 10.3 the Society shall have power at any time or times before the Termination Date by instrument in writing:
- 10.3.1 to pay transfer or apply to or for the benefit of the Name the whole or any part of the capital of the Trust Fund then remaining held upon the trusts of this Deed; and
  - 10.3.2 (at any time after the death of the Name) to pay transfer or apply to or for the benefit of any person entitled to the whole or any part of the capital of the Trust Fund then remaining held upon the trusts of this Deed the whole or any part of that person's presumptive or vested share or interest in the Trust Fund;
- provided that no such exercise of this power shall materially prejudice any of the Beneficiaries;
- 10.4 the Trustees shall have power at any time or times before the Termination Date by instrument in writing to agree with the Name to accept as an asset of the Trust Fund any guarantee, letter of credit, security or other property acceptable to the Society ("the New Property") in substitution for (and in place of) all or any part of the property then comprised in the Trust Fund ("the Old Property") which at the time of the substitution has (in the Trustees' opinion) a value equal to or lower than the value of the New Property and upon any such substitution taking place the Old Property shall thenceforth be held upon trust for the Name absolutely freed and discharged from all the other trusts powers and provisions of this Deed and the New Property shall thenceforth be held as an asset of the Trust Fund.

## **11 Powers of investment**

- 11.1 Subject to the requirements of the Council:
- 11.1.1 monies to be invested hereunder may be applied or invested in the purchase of any form of property (whether legal or equitable and anywhere in the world) for the time being authorised by the Council for the investment of Lloyd's deposits (whether producing income or not and whether properly described as investments or not and whether or not within the range of investments authorised by law for the investment of trust funds);
  - 11.1.2 the Trustees shall have the power to dispose of property and retain money uninvested, but the Trustees shall not be under any obligation to diversify property comprised in the Trust Fund;
  - 11.1.3 securities comprised in the Trust Fund or any part thereof may be deposited with or lent (with or without security) to any body corporate (not being a corporate member of the Society) or building society or bank or discount house or local or governmental authority other than any of the following:
    - 11.1.3.1 the Name or any Adhering Corporate Member;
    - 11.1.3.2 any person which is an associate of an Adhering Corporate Member for the purposes of section 435 of the Insolvency Act 1986;
  - 11.1.4 any part of the Trust Fund may be pooled with any other part thereof held on different trusts or with other property held in the names or under the control of the

Trustees or of the Trustees jointly with other trustees upon the trusts of any other Lloyd's deposits (whether held under a Lloyd's Deposit Trust Deed or a Lloyd's Security and Trust Deed) or of Special Reserve Funds or Premiums Trust Funds (including without limitation the Name's Premiums Trust Fund and any Premiums Trust Fund of any Adhering Corporate Member) and may accordingly be deposited or otherwise applied together with such other sums and without any obligation to keep them separate;

- 11.2 For the avoidance of doubt neither the general power of investment conferred by Part II of the Trustee Act 2000 nor the statutory power to acquire freehold and leasehold land conferred by Part III of that Act is to apply to the trusts of this Deed (such statutory powers being hereby excluded for all purposes whatsoever).

## **12 Other powers**

- 12.1 In the administration of the trusts hereof the Trustees shall have the following powers (in addition to those conferred on them by law so far as not expressly excluded by this Deed):

- 12.1.1 power to cause or permit the Trust Fund or any part of it to be held in the name or under the direct or indirect control of any nominee or custodian approved for the purpose by the Council (whether or not one of the Trustees and whether resident within or outside the United Kingdom) and to pay the remuneration and expenses of such nominee or custodian out of the capital or income of the Trust Fund or any part or parts thereof;
- 12.1.2 power to participate (whether directly or indirectly through one or more nominees or custodians) in any system for the recording holding or transferring of securities or any choses in action otherwise than by instrument in writing and which is established or regulated in any part of the world and including power (when participating indirectly) to allow a nominee or custodian for the purpose of such participation to mix property comprised in the Trust Fund or any part thereof with other property held by that nominee or custodian for that purpose;
- 12.1.3 power to exercise the voting powers conferred on them as the holders of any securities from time to time comprised in the Trust Fund or any part thereof and to concur in and make any arrangements in connection with any reconstruction amalgamation or winding up of any company whose securities are so comprised as if the Trustees were absolute owners beneficially entitled;
- 12.1.4 power to appropriate any property from time to time forming part of the Trust Fund in its actual state of investment to or towards any share or interest in the Trust Fund or any part thereof upon making such valuations as the Trustees think fit and without obtaining the consent of any person;
- 12.1.5 power at any time or times by revocable instrument in writing to delegate to any person (including the Name) for any period and in any manner and upon any terms (including power for the delegate to sub-delegate) the exercise of any of the administrative powers or discretions hereby conferred on them (including powers of investment) without being liable for the acts or defaults of any such delegate or sub-delegate or for any loss to the Trust Fund or any part thereof resulting therefrom and power at any time by instrument in writing to revoke any such delegation;
- 12.1.6 power to contract in writing to employ and remunerate on such terms as the Trustees shall see fit any nominee, agent or adviser anywhere in the world;
- 12.1.7 power to raise and pay out of the Trust Fund or any part thereof (without prejudice to their lien thereon) any taxes charges expenses or other outgoings for which they may be accountable or liable as Trustees hereof or otherwise incurred by the Society or the Trustees (in whatever capacity) in connection with these presents or the Name's or any Adhering Corporate Member's membership of the Society or

anything done in connection therewith (and in this clause 12.1.7 “taxes” includes any liability of the Trustees or the Society to pay to any person whether by way of indemnity or otherwise any amount for or on account of taxes however the rights of that person against the Trustees or the Society may arise);

- 12.2 For the avoidance of doubt it is hereby declared that none of the powers or duties conferred or imposed by Part IV of the Trustee Act 2000 shall apply to the trusts of this Deed (such statutory powers and duties being hereby excluded for all purposes whatsoever).

### **13 Accounts and apportionment**

- 13.1 Nothing herein contained shall entitle any Beneficiary to receive any account of the Trust Fund or any part thereof or its income unless the Trustees have decided to pay or apply some part thereof for his benefit and have notified him of such decision in writing;
- 13.2 All income of the Trust Fund shall be deemed to accrue wholly on the date of receipt and shall not be apportionable in respect of time.

### **14 Appointment and removal of Trustees**

- 14.1 The statutory power of appointing new or additional Trustees shall apply to the trusts hereby created and shall at all times be vested in the Society;
- 14.2 The Society may at any time by instrument in writing remove any Trustee (but shall not remove a sole Trustee without appointing at least one other in his place);
- 14.3 A corporation may be appointed as Trustee (including as sole Trustee) or custodian trustee whether or not it is within the statutory definition of trust corporation.

### **15 Trustee remuneration**

- 15.1 The Society shall be entitled to remuneration for acting as a trustee in accordance with terms and conditions prescribed by the requirements of the Council;
- 15.2 Any other Trustee shall be entitled to remuneration for its services in accordance with its normal published terms from time to time (if a trust corporation) or in accordance with all usual professional or proper charges for business transacted time expended and acts done by him or any partner or employee of his in connection with the trusts hereof (if an individual or corporate trustee engaged in any profession or business) including acts which a trustee not being in any profession or business could have done personally;
- 15.3 Any Trustee may retain for its own benefit any fee commission or share of commission to which it may become entitled by reason of any deposit loan or other investment or application of the Trust Fund or any part of it made in the Trustee's name;
- 15.4 Any individual Trustee may act as an officer or employee of any company whose securities are comprised in the Trust Fund or of any subsidiary of any such company and may retain for himself any remuneration which he may receive as such officer or employee notwithstanding that any votes or other rights attached to any such securities may have been instrumental either alone or in conjunction with other matters or by reason of their non-exercise in procuring or continuing for him his position as such officer or employee or that his qualification for any such position may be constituted wholly or partly by the holding of such securities.

### **16 Protection of Trustees/Society**

- 16.1 In the professed execution of the trusts and powers hereof neither the Trustees nor the Society nor the Council nor any committee sub-committee or body of persons nor any other agent employee or person through or by which or whom any Trustee or the Society

or the Council may act shall be liable for any loss to the Trust Fund or its income arising by reason of any improper investment made in good faith or the negligence or fraud of any delegate or agent or sub-delegate appointed or employed by a Trustee (although such appointment or employment was not strictly necessary or expedient) or by reason of any mistakes or omissions made in good faith by any person or by reason of any other matter or thing except wilful and individual wrongdoing on the part of the person who is sought to be made so liable;

**16.2 The Trustees shall have the power:**

16.2.1 to effect a transaction with the Society or with the trustees of another trust even though one or more persons are common to the sets of persons involved in the transaction or are Related Persons and even if all the same persons constitute the set of persons;

16.2.2 to sell an asset to one of their number or to the Society or to a Related Person so long as they act on the positive advice of a competent professional adviser;

16.2.3 in circumstances not envisaged by the preceding sub-clauses, to exercise or join in exercising any power vested in them (whether the power is characterised as dispositive or administrative or otherwise) notwithstanding that all or any of them or any Related Person has a direct or other personal interest in the mode or result of exercising the power.

**17 Death of the Name**

After the death of the Name:

17.1 any exercise of the power to vary under clause 3 hereof shall be notified to the Name's personal representatives in addition to the members' agent and each managing agent;

17.2 the power of transfer in respect of the Specified Fund under clause 6.2 hereof and the power of transfer in respect of the Unappropriated Trust Fund under clause 8.2 hereof may each be exercised with the consent in writing of the Name's personal representatives or the members' agent; and

17.3 the power of substitution under clause 10.4 hereof may be exercised by agreement with the Name's personal representatives.

**18 English law**

18.1 This Deed shall be read and construed and take effect in all respects in accordance with English law;

18.2 The parties hereto irrevocably and unconditionally submit for all purposes of and in connection with this Deed to the exclusive jurisdiction of the English Courts.

**19 Headings**

The headings herein contained are for reference only and shall not control the meaning or effect of this Deed.

IN WITNESS etc [no alteration is intended to be made to the testimonium of the Trust Deed]

[no alteration is intended to be made to the attestation clause of the Trust Deed or the manner in which the same was executed]

END OF THE FIRST SCHEDULE  
TO THIS DEED OF APPLICATION

## THE SECOND SCHEDULE

Type of Security <sup>5</sup>	Date	Guarantor/Issuer	Face Value	Replacement? <sup>6</sup>
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<sup>5</sup> Insert 'Guarantee' or 'Letter of Credit'

<sup>6</sup> Insert 'R' in this column if security is replacement

*The Name*      **EXECUTED** as a **DEED** by the **NAME**      )  
in the presence of:      )

Signature of witness:

Name:

Address:

Occupation:

The **COMMON SEAL** of **LLOYD'S**      )  
was hereunto affixed in the presence of      )

Authorised Signatory