



Education Trust Deed

Trust Deed constituting:

The

TRUST

Between

("the Settlor(s)")

And

("the Trustee")

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This Trust is made on:

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Between:

 of of

("the Settlor(s)")

And

ARM Trustees Limited of 1, Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos, Nigeria.

("the Trustee")

WHEREAS:

- i. The Settlor wishes to make an irrevocable trust ☐ , a revocable trust ☐ Education Trust as set out below ("the trust").
- ii. The Settlor has paid or transferred cash in the sum of

to the Trustee ("the Initial Sum").
- iii. It is apprehended that further cash or assets may at any time be paid or transferred to the Trustees to be held under Trust.
- iv. The Settlor have appointed the Trustee and the Trustee has undertaken under the terms stated in this Deed to act as Trustee for the custody, management and administration of the Trust for the purpose declared herein and for the benefit of the Beneficiaries herein designated.
- v. The Deed sets out the terms of the Trust as herein contained.

Now this deed witnesses as follows:

1. INTERPRETATION & DEFINITIONS:

- ❖ In this Deed where consistent with the context, the singular includes the plural and the plural the singular.
- ❖ Words importing the masculine gender include the feminine and vice versa.
- ❖ Headings herein are inserted for convenience only and shall not affect the construction of the provisions hereof.
- ❖ Where a word or expression is defined, related words and expressions shall be construed accordingly.
- ❖ The words "written" or "in writing" shall include printing, engraving, lithographing or other means of visible reproduction.
- ❖ Any reference to this Deed or to any other agreement or document includes a reference to this Deed, or, as the case may be, such other agreement or document as amended from time to time.
- ❖ The words "includes" and "including" shall be construed without limitation.
- ❖ The Trustee acts solely as Trustee for the Beneficiaries.
- ❖ In this Trust Deed, unless a contrary intention is expressed, the following words shall have the meanings given hereunder:

Words and expression	Meanings
"Authorised Investments"	Means the investments permitted under clause 5.2 below
"Bank"	Means a bank or other financial institution [licensed and operating in Nigeria and elsewhere]
"Beneficiaries"	Means the people described in schedule 2 to this Deed
"SEC"	Means securities and exchange commission in Nigeria or any successor body charged with similar powers
"Trust Deed" or "This Deed"	This Trust Deed and any Supplemental or amendment document hereto or executed in pursuance thereto.
"Trustee"	Means ARM Trustees Limited or any other Trustee for the duration of this Trust whether original or substituted or additional.

Words and expression	Meanings
"Trust Fund"	<p>Trust Fund means:</p> <ul style="list-style-type: none"> i. the Initial Fund and the Subsequent Fund; and ii. all income and other accretions generated by the Trustee on the investment of the Initial Fund and the Subsequent Fund including any interest thereof; and any other assets from time to time arising from, out of or declared in respect of the Trust from time to time representing the foregoing items or any part or parts thereof.
"Person"	Includes a Person anywhere in the world and includes a Trustee or legal entity.
"Year"	One calendar year.

2. DECLARATION OF TRUST

- 2.1 The trust created by this Deed shall be known as The

Trust or by such other name as may be determined from time to time by the Settlor.

- 2.2 The initial trust fund shall be

- 2.3 The provisions of these presents and of any duly executed deed supplemental hereto shall be binding on the Trustees, the Beneficiaries and all persons claiming through them respectively as if such person had been party to these presents and such deed.
- 2.4 ARM Trustees Limited is hereby appointed trustees of the Trust.
- 2.5 The Trustees shall stand possessed of the Trust Fund including cash for the time being held or deemed to be held upon trusts of this deed for the Beneficiaries. The Trust Fund shall be held as a single common property.
- 2.6 The Perpetuity period for the purpose of this Deed shall be the period of 80 (eighty) years beginning from the date hereof.

3. APPOINTMENT & RETIREMENT OF TRUSTEE

- 3.1 The Settlor hereby appoints the Trustee and the Trustee hereby accepts its appointment in this regard.
- 3.2 The Settlor hereby transfers the Trust Fund to the Trustee for the benefit of the Beneficiaries upon the trusts declared by this Deed.
- 3.3 The Trustee hereby undertakes and agrees to hold and manage the Trust Fund and any proceeds derived therefrom, accruing thereto or arising therefrom on trust for the purpose and in the manner stated in this Deed and to apply any and all income, properties, gains and moneys arising from, out of or in respect of or derived from the Trust in accordance with the terms of this Deed.
- 3.4 The Trustee may retire or resign either upon the appointment of a new trustee or otherwise if, after discharge, there shall be a corporation (whether or not the same shall be a trust corporation) or at least two individuals to act as trustees to carry out the Trust hereof.

4. OBJECT & BENEFIT

- 4.1 The objects of this Trust are the Beneficiaries.
- 4.2 The Trust Fund shall be held for the benefit of the Beneficiaries to cater for their Educational

Needs and Expenses.

5. AUTHORISED INVESTMENT

- 5.1 During the Trust Period, the Trustee shall invest the Trust Fund in Authorised Investments and allow income to accrue to the Trust Fund.
- 5.2 The Trustee may invest the Trust Fund in any of the following investments:
- (a) all bonds, treasury bills and other securities created or issued by or on behalf of the Federal Government of Nigeria;
 - (b) bonds issued by State Governments in Nigeria or State Government agencies or wholly owned companies of a State Government, provided that (i) such securities have sinking funds dedicated for their repayment and (ii) are fully guaranteed by irrevocable standing payment orders against such State's statutory allocation from the federation account established under section 162 of the Constitution of the Federal Republic of Nigeria, 1999 (as may be amended, supplemented or replaced from time to time) or by foreign guarantees by issued by an international bank, development finance institutions or multilateral development finance organisation with a minimum credit rating of 'A' by an international rating agency;
 - (c) securities created or issued by statutory corporations in Nigeria established by an Act of the National Assembly or companies that are wholly owned by the Federal Government of Nigeria or wholly owned by a statutory corporation established under an Act of the National Assembly;
 - (d) money market instruments of banks and discount houses as well as commercial papers issued by corporate entities;
 - (e) open/close-ended/hybrid investment funds, including exchange traded funds, which are registered with the Securities and Exchange Commission ("SEC") or any other replacement entity;
 - (f) global Depositary Receipts and Eurobonds issued by listed Nigerian companies, as certified and approved by SEC; and
 - (g) investment funds whose underlying assets are tangible physical assets including (a) real estate investment trusts registered by SEC; (b) private equity funds registered with SEC; (c) infrastructure funds registered with SEC, **PROVIDED THAT** such funds have satisfactory pre-defined liquidity/exit routes.
- 5.3 Notwithstanding the powers conferred on it under clause 5.1 above, the Trustee shall ensure that in making an Authorised Investment, there shall at all times be sufficient monies in the Trust Fund to meet any immediate needs of the Beneficiaries that are in accordance with clause 6.1 of this Deed. Accordingly, no investment shall be made in exercise of the power conferred by clause 5.1 above if such investment would cause the value of the Trust Fund invested to exceed $\frac{3}{4}$ of the total value of the Trust Fund (the "**Principal Investment**"). The

balance of $\frac{1}{4}$ of the Trust Fund may be invested in call deposits with any leading bank or financial institution in Nigeria or be invested in other investments that are capable of being liquidated by a notice of not more than forty-eight hours (the "**Secondary Investment**").

- 5.4 If following the making of an Authorised Investment, money is required by the Beneficiaries for any of the purpose under clause 6 and the entire Trust Fund has been invested in both Principal Investments and Secondary Investments, the Trustee should take immediate steps promptly liquidate the Authorised Investments beginning with the Secondary Investments. If the proceeds of the Secondary Investments are not sufficient to satisfy the immediate requirements of the Beneficiaries, the Trustee shall liquidate such part of the Principal Investment as may be required to meet the Beneficiaries immediate needs.
- 5.5 In making an Authorised Investment, the Trustee shall exercise reasonable care and prudence expected of trustees of similar assets as the Trust Funds in similar circumstances and adopt those practices, methods and acts that as are in accordance with internationally recognised, first class industry standards of professionalism and prudence required of trustees of a similar assets of the Trust Fund and make only those investment after exercising such level of prudence and care.

6. EDUCATIONAL TRUST

- a. The Trustee shall apply the income generated by the Trust Fund solely for the payment of the Educational Expenses and welfare of the Beneficiaries.
- b. The obligation of the Trustee to fund the Education Expenses shall not extend to any sum by which the actual Education Expenses of the Beneficiaries jointly or severally exceed any income, interest, addition and accretion to the Trust Fund.
- c. The Settlor shall after the Execution Date and from time to time as applicable, provide the Trustee with all relevant information in connection with the education of the Beneficiaries such as the name of the educational institution(s), the requisite fees and other expenses payable, commencement date of the respective school terms and such other information as is necessary to enable the prompt settlement of the Education Expenses by the Trustee.
- d. The Trustee shall ensure the prompt payment of the Education Expenses at the applicable periods upon receipt of the appropriate notification from the Settlers or the Guardian.

7. TERMINATION OF APPOINTMENT OF TRUSTEE

- a. The Settlor(s) may unanimously terminate the appointment of the Trustee at any time provided that they give the Trustee at least thirty (30) days written notice of their intention to terminate.
- b. The Trustee shall within a reasonable period transfer to any successor trustee nominated by the Settlor(s) all of the relevant documentation in respect of the Trust and complete control over the Trust Fund (including updated statement of accounts and investment of the Trust Fund).

- c. The Trustee may resign as trustee at any time without assigning any reason by giving not less than thirty (30) days' prior notice to that effect to the Settlor; provided that no such resignation shall be effective until (a) a successor to the Trustee is appointed by the Settlor within the 30 days' notice period from the receipt of the Trustee's notice of resignation and (b) all of the relevant documentation in respect of the Trust and complete control over the Trust Fund (including updated statement of accounts and investment of the Trust Fund) have been transferred to such successor.
- d. In the event of the transfer of the assets of the Trust to any new successor appointed by the Settlor, as contemplated above, the Trustee shall be entitled to deduct fees reasonably accrued as at the time of the termination of the Trustee's appointment.

8. DISPUTE RESOLUTION

- a. If any dispute arises as to the validity, interpretation, rights and or obligations of the Parties under this Deed, the Parties shall use their best endeavours to reach an amicable settlement of the dispute.
- b. Where the Parties fail to reach an amicable settlement of such dispute within a period of thirty (30) days, the dispute shall be resolved by arbitration, conducted in accordance with the provisions of the Arbitration and Conciliation Act, Cap. A18 Laws of the Federation of Nigeria 2004.

9. GOVERNING LAW AND JURISDICTION

This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and shall be construed in accordance with Nigerian Law.

10. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which together shall constitute one and the same instrument and any of the parties hereto may execute this Deed by executing any such counterpart.

11. OTHER PROVISIONS

- a. Without prejudice to other provisions of this Deed, the Trustee shall administer the Trust in accordance with the administrative provisions set out in Schedule 1 of this Deed.
- b. The Trustee shall not have power to charge or otherwise encumber the Trust Fund or any part of it except with the consent of the Settlor and then only for the purpose of securing any obligation of the Trust.

This document has been executed as a Deed and is delivered and takes effect on the date stated at

the beginning of it.

12. THE SCHEDULES

The schedules form part of this Deed and any reference to this Deed includes the schedules.

Schedule 1: Administrative Provisions

1. INVESTMENT OF AND MANAGEMENT OF THE TRUST FUND

- 1.1 Trustee may reasonably consult any company, firm or enterprise associated with it, for banking, financial or investment advisory services on behalf of the Trust and all consultation charges shall be charged to the Trust.
- 1.2 The benchmark for return on investment of the Trust Funds shall be the rate of return for investing in treasury bills issued by the Federal Government of Nigeria as at the date of such investment.
- 1.3 All reasonable fees, costs and expenses referred to this Clause 1 and for the administration of the Trust, properly incurred by the Trustee shall be funded to the extent possible from the Trust Fund. To the extent the Trust Fund is not sufficient to fund all such Education expenses; the Settlor(s) or his Estate will provide the Trustee with additional funds to settle such Education expenses.

2. INCOME

- 2.1 The Trustees must treat the income of the Trust Fund as arising when it is payable.
- 2.2 The Trustees may pay Education expenses (including taxes) out of income or capital of the Trust Fund.

3. RECEIPTS

If the Trustees obtain a receipt for a payment made under this trust from the treasurer, or other apparently appropriate officer, of the Beneficiary to which the payment is made, they have no further duties relating to the payment.

4. INDEMNITIES

The Trustee may give any indemnities that they consider appropriate to any person (including a retiring trustee).

5. PAYING AND PROTECTING THE TRUSTEES

- 5.1 The Settlor shall pay to the Trustee for the services to be provided by the Trustee under this Deed, a sum state in a fee letter in each year as administrative fees and or such reviewed fees published by the Trustee, communicated to and agreed with the Settlor for the Trustee's services.

5.2 The Trustee shall not be liable for any breach of trust unless it results from the Trustee:

- (a) acting in a way that it knows to be contrary to the interests of the Beneficiaries of this Trust;
or
- (b) being recklessly indifferent about whether an action is contrary to the Beneficiaries' interests; or
- (c) being recklessly indifferent about whether an action will result in substantial depletion of the Trust Fund;
- (d) It is negligent; fraudulent of the breach is as a result of misconduct.

[illegible]

SIGNED as a deed and DELIVERED

by the said

In the presence of:-

Name:

Signature:

Occupation:

Date:

/

/

SIGNED as a deed and DELIVERED

by the said ARM TRUSTEES LIMITED

DIRECTOR

DIRECTOR

ARM Trustees Limited
1 Mekunwen Road, Ikoyi, Lagos
Tel: 01 271 5000 | 0909 997 6779
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ARM Trustees, a wholly owned subsidiary of
ARM Traditional Asset Management Company Limited.

