COOK ISLANDS TRUST AGREEMENT

(ANNOTATED SKELETON)

[Basic sample form. This is not the agreement Alper Law uses for clients.]

This Deed is made on [DATE] between [SETTLOR FULL NAME], of [SETTLOR ADDRESS] (the "Settlor"), and [TRUSTEE NAME], of [TRUSTEE ADDRESS], a company licensed to carry on trustee business in the Cook Islands (the "Trustee").

Background

The Settlor wishes to create a trust to be known as the [TRUST NAME] (the "Trust"), to be governed by the law of the Cook Islands, including the International Trusts Act 1984 of the Cook Islands, as amended (the "Act"), and to be administered there.

The Settlor has paid the Trustee the sum of [INITIAL SUM], which the Trustee acknowledges receiving. The Settlor or any other person may transfer further property to the Trustee to be held on the terms of this Deed.

The Trustee is willing to hold that property on those terms.

1. Governing Law and Forum

[Standard proper law and forum provisions: the law of the Cook Islands as the proper law of this Deed, the Cook Islands as the place of administration, and the courts of the Cook Islands as the forum for any question arising under this Deed; drafted per the trustee's requirements. An express choice of Cook Islands law is conclusive under section 13G(1) and (2) of the Act.]

2. Beneficiaries, Interests, and Excluded Persons

(a) The Beneficiaries. The Beneficiaries are the Settlor, the Settlor's spouse, the Settlor's children, and any person added under paragraph (e). The Settlor's inclusion as a Beneficiary does not affect the validity of this Trust or of any disposition to it, under section 13C(d) and (g) of the Act.

(b) Nature of a beneficial interest. No Beneficiary has a vested or proprietary interest in the trust property or in the income of this Trust. A Beneficiary has a right to be considered by the Trustee for a distribution and nothing more, and no right to demand, receive, or compel a distribution.

(c) Excluded Persons. An Excluded Person may not be a Beneficiary, may not receive any part of the trust property, and may not be added under paragraph (e). Each of the following is an Excluded Person: a person holding a judgment against the Settlor or a Beneficiary; a person claiming through such a judgment holder, including a trustee in bankruptcy, receiver, assignee, or other officer appointed over the property of the Settlor or a Beneficiary; and a person declared an Excluded Person under paragraph (d).

(d) Declaration of exclusion. The Trustee may by deed declare a Beneficiary an Excluded Person. The Trustee shall do so where the Trustee determines that a distribution to that Beneficiary would or might come into the hands of a person holding a judgment against that Beneficiary. A declaration under this paragraph may be revoked only by the Trustee, acting alone, and only where the Trustee determines that the circumstances that prompted it have ceased. No other person may revoke a declaration, direct its revocation, or make it a condition of any appointment to office.

(e) Addition of Beneficiaries. The Trustee may by deed add as a Beneficiary any person who is not an Excluded Person.

(f) The Settlor's position. The Settlor has no power to appoint or remove a Trustee, no power to add or exclude a Beneficiary, and no power to revoke or vary this Deed, other than the power reserved by Article 6. No power of revocation is reserved to the Settlor, and this Trust is accordingly irrevocable by the Settlor under section 11 of the Act.

3. Protective Provisions

No Beneficiary may sell, assign, charge, pledge, mortgage, encumber, or otherwise dispose of an interest under this Deed, and a purported disposition is void. No interest of a Beneficiary may be seized, attached, garnished, sequestered, levied upon, charged, or otherwise taken by a person claiming through that Beneficiary, whether by execution, by order of any court, in bankruptcy or insolvency, or by operation of law. The Trustee shall not recognize or give effect to a purported disposition, charge, or order affecting the interest of a Beneficiary, and shall not be required to make a payment to a person claiming through a Beneficiary. This clause applies to income and capital alike, to present, future, vested, and contingent interests, and to the interest of a Beneficiary who is also the Settlor. Where an interest of a Beneficiary would but for this clause pass to another person, that interest ends, and the Trustee shall thereafter hold that share on the trusts of this Deed for the remaining Beneficiaries. The restraints in this Article are effective according to their terms under section 13F(1) and (2) of the Act.

4. Trustee Powers

[Standard trustee powers: authority to hold, invest, manage, sell, lease, borrow, lend, form and hold companies and other entities, employ and pay agents and advisers, delegate, litigate and settle claims, and otherwise deal with the trust property as a beneficial owner could, together with the Trustee's remuneration, its lien for expenses, and its indemnity out of the trust property; drafted per the trustee's requirements.]

5. Distributive Discretion

(a) Discretion. Subject to Schedule 1, the Trustee may pay or apply so much of the income and capital of this Trust to or for the benefit of any one or more of the Beneficiaries, at such times, in such amounts, and in such manner as the Trustee in its absolute and uncontrolled discretion thinks fit, and may accumulate income not so applied.

(b) No standard. No standard of health, education, maintenance, support, or comparable measure limits the Trustee's discretion, and no Beneficiary's needs, circumstances, or prior distributions create an entitlement.

(c) Unequal treatment. The Trustee may prefer one Beneficiary over another and may exclude a Beneficiary from a distribution entirely, and is not required to maintain equality between Beneficiaries or between classes of Beneficiaries.

(d) Other resources. The Trustee may, but need not, take into account property or income available to a Beneficiary from another source.

(e) Requests. A Beneficiary may deliver a written request for a distribution. A request imposes no obligation on the Trustee to grant it, to give reasons for refusing it, or to respond within any period. A request for an immediate distribution does not displace the Trustee's discretion to accumulate or to withhold, under section 10 of the Act.

(f) Distributions that would not reach the Beneficiary. The Trustee shall make no distribution to or for a Beneficiary where the Trustee determines that the amount would or might be received by, or applied for the benefit of, a person claiming against that Beneficiary. A determination under this paragraph is not a breach of trust.

(g) Reasons. The Trustee is not obliged to disclose to any person the reasons for making, withholding, or deferring a distribution, or any deliberation or document recording those reasons.

6. Settlor's Reserved Testamentary Power of Appointment

The Settlor reserves the power to appoint the whole or any part of the trust property remaining at the Settlor's death among the Permitted Appointees, in such shares, outright or on such further trusts, and with such powers and conditions as the Settlor may specify.

(a) Permitted Appointees. The Permitted Appointees are the descendants of the Settlor, the spouses of those descendants, and any charitable organization.

(b) Excluded appointees. This power is not exercisable in favor of the Settlor, the Settlor's estate, the Settlor's creditors, or the creditors of the Settlor's estate. A purported appointment to or for the benefit of any of them is void.

(c) Exercisable only by will. The power is exercisable only by the Settlor's last will, or a codicil to it, executed after the date of this Deed and referring specifically to this clause. It is not exercisable during the Settlor's lifetime and not exercisable by any other instrument.

(d) Unequal shares and new interests. The Settlor may appoint in unequal shares, may exclude any Permitted Appointee altogether, may create life interests, discretionary trusts, and further powers of appointment among the Permitted Appointees, and may vary the interests the Beneficiaries would otherwise take.

(e) Takers in default. To the extent this power is not validly exercised, the trust property is held on the trusts declared in Article 14.

(f) Release. The Settlor may release this power, in whole or as to any part of the trust property or any Permitted Appointee, by written instrument delivered to the Trustee and referring specifically to this clause. A release is irrevocable and takes effect on delivery. No other instrument releases, waives, or limits this power.

(g) No lifetime power. This clause gives the Settlor no power to revoke or amend this Deed, no power to direct or instruct the Trustee, and no power to require, prevent, or vary any distribution. Nothing in this clause enlarges or restricts the Settlor's position as a Beneficiary, which remains subject to the Trustee's discretion. The power reserved by this Article does not invalidate this Trust or any disposition to it, under section 13C(b) of the Act.

7. Protector

(a) Appointment. The office of Protector is created under section 20(1) and (2) of the Act. The first Protector is [PROTECTOR NAME], of [PROTECTOR ADDRESS], who takes office on signing an acceptance of this Deed.

(b) Succession. A Protector may name a successor by written instrument delivered to the Trustee, to take office when that Protector ceases to hold it. Where the office falls vacant and no successor has been named, the Trustee shall appoint a Protector within 60 days and may not appoint itself.

(c) Qualification. A Protector must not be an Excluded Person, and a person who becomes an Excluded Person ceases at that moment to be Protector.

(d) Resignation and cessation. A Protector may resign by written notice delivered to the Trustee, taking effect on the date the notice states or, if it states none, on delivery. A person also ceases to be Protector on death or on becoming unable to act.

(e) No removal by a Beneficiary. No Beneficiary, and no person claiming through a Beneficiary, may remove a Protector, appoint a Protector, or direct who is to hold the office.

(f) Remuneration. A Protector may be paid reasonable remuneration and reimbursed reasonable expenses out of the trust property.

(g) Powers. The powers of the Protector are set out in Schedule 1, and the Protector has no power under this Deed other than those powers. Except as Schedule 1 provides, the Protector is not accountable as a trustee, under section 20(4) of the Act.

8. Directions Given Under Compulsion

(a) Event of compulsion. An event of compulsion occurs when a court, tribunal, or governmental authority outside the Cook Islands issues an order, judgment, injunction, subpoena, demand, or other process that purports to require the Settlor, a Protector, a Beneficiary, or the Trustee to transfer, apply, disclose, or refrain from dealing with any part of the trust property, or to exercise or refrain from exercising any power conferred by this Deed.

(b) Effect on directions. While an event of compulsion is subsisting, the Trustee shall disregard and shall not act upon any direction, request, consent, or instruction given by or on behalf of a person who is subject to that event of compulsion. A direction so given is of no effect under this Deed, whether or not the person giving it states that it is given voluntarily.

(c) Suspension of powers. On the occurrence of an event of compulsion affecting the Settlor or a Protector, every power, discretion, and consent right held by that person under this Deed is suspended without further act and vests in the successor named in Schedule [__], who shall not be resident in, or subject to the jurisdiction of, the authority from which the event of compulsion proceeds. Those powers revest in that person only when the Trustee determines that the event of compulsion has ceased.

(d) Determination by the Trustee. The Trustee shall determine whether an event of compulsion has occurred, is subsisting, or has ceased. The Trustee may make that determination upon becoming aware of the proceeding and is not required to wait for notice from the Settlor, a Protector, or a Beneficiary.

(e) Cook Islands orders. Nothing in this clause restricts the Trustee from complying with an order of a court of the Cook Islands.

9. Payment of an Identified Claim

[Jones clause, used in post-claim deeds only: authority for the Trustee to apply trust property in payment of one identified creditor's claim against the Settlor, on stated conditions as to finality of judgment, exhaustion of the Settlor's other assets, written demand, an outside date, and a cap, operating as an exception to Article 8; drafted to the matter.]

10. Change of Governing Law and Place of Administration

The Trustee may declare, without the consent of the Settlor, that this Trust shall thereafter be governed by the law of any jurisdiction listed in the Schedule of Alternative Jurisdictions to this Deed and shall be administered in that jurisdiction, and may appoint as successor trustee a trust company licensed there, transfer the trust property to that successor, and retire. The Trustee may act under this provision only where, in the Trustee's judgment, (a) a change in the law of the jurisdiction then governing this Trust would materially weaken the protection available to the Beneficiaries, (b) political or economic conditions in that jurisdiction would make continued administration there impractical, or (c) a proceeding, order, or demand directed at the Trustee or the trust property would impair the Trustee's ability to administer this Trust according to its terms. If a Protector is then serving, the Trustee shall give the Protector written notice of a proposed exercise and shall not proceed over the Protector's written objection delivered within 30 days after that notice; the Protector may not direct the Trustee to act under this provision. On any exercise, this Trust continues as the same trust, its terms remain in force to the fullest extent the law of the new jurisdiction allows, and no exercise shall create or enlarge any beneficial interest. A change made under this Article takes effect according to the terms of this Article under section 13G(4) of the Act, and under section 13G(6) it does not interrupt the continuity of this Trust and is not a resettlement.

11. Trustee Succession and Removal

(a) Retirement. A Trustee may retire by written notice delivered to the Protector. The retirement takes effect only when a successor Trustee qualified under paragraph (c) has accepted office in writing.

(b) Removal. A Trustee may be removed only by the Protector, under Schedule 1. A removal takes effect only when a successor Trustee qualified under paragraph (c) has accepted office in writing.

(c) Who may be appointed. Every Trustee must be a company licensed to carry on trustee business in the jurisdiction whose law then governs this Deed, and no individual may hold the office. No company may be appointed if the Settlor, a Beneficiary, or a person claiming through either of them owns an interest in it, controls it, or holds the right to direct its trust decisions. While the law of the Cook Islands governs this Deed, at least one Trustee must be a trustee company within the meaning of section 2 of the Act, that is, a company licensed under the Trustee Companies Act 2014.

(d) Appointment of a successor. A successor Trustee is appointed by the Trustee then in office. Where no Trustee is in office, or the Trustee in office has not appointed a successor within 30 days after notice of its retirement or removal, a court of competent jurisdiction may appoint a successor Trustee qualified under paragraph (c). No Protector, no Beneficiary, and no person claiming through a Beneficiary may appoint a successor Trustee or fill a vacancy in the office.

(e) Vesting. On the appointment of a successor Trustee the trust property vests in it without further act. The outgoing Trustee shall deliver the records and accounts of this Trust to the successor and execute whatever is needed to give the successor title.

(f) Precedence. This Article governs every power to appoint, remove, or replace a Trustee conferred anywhere in this Deed, and an appointment or removal made otherwise than under this Article is void.

12. Accounts, Reporting, and Investment Direction

(a) Records and accounts. The Trustee shall keep at the registered office of this Trust a current record of the income of this Trust, its assets, any asset made available for the use of a Beneficiary, advances made, every distribution and its recipient, and every transaction affecting the assets or liabilities of this Trust, sufficient to show its financial position at any time, as section 27C(1A) of the Act requires.

(b) Who may see them. The Trustee shall furnish the records and accounts to the Protector on written request, and shall furnish a Beneficiary with a record of that Beneficiary's own distributions. The Trustee is not obliged to furnish any record to a person who is neither a Beneficiary nor the Protector, and shall furnish none to an Excluded Person or to a person claiming through one.

(c) Investment adviser. The Trustee may appoint an investment adviser to advise it on the investment of the trust property, and may remove an adviser it has appointed. The

Settlor may nominate a person for appointment, and the Trustee is not obliged to appoint that person.

(d) Effect of advice. An investment adviser holds no power over the trust property, and is an adviser within the meaning of section 19G of the Act. The Trustee may follow a recommendation or decline it, and is not liable for having followed one. The Trustee shall decline any recommendation it considers imprudent, and shall decline every recommendation while an event of compulsion affecting the Settlor is subsisting.

(e) Costs. The Trustee's costs of keeping the records and accounts, and any remuneration of an investment adviser, are expenses of this Trust.

13. United States Tax Reporting

While the Settlor is a United States person, the Trustee shall comply with this clause, and the Trustee's costs of doing so are an expense of the Trust.

(a) Taxpayer identification. The Trustee shall obtain and maintain a United States taxpayer identification number for the Trust.

(b) Annual return. The Trustee shall prepare, sign, and file the annual United States information return required of a foreign trust with a United States owner, on or before its due date or the date to which it has been extended.

(c) Statements. The Trustee shall furnish the Settlor with the owner statement that return produces, and shall furnish each Beneficiary who received a distribution during the year with the corresponding beneficiary statement, in each case in time for that person's own return.

(d) Annual records. By 31 January in each year the Trustee shall furnish the Settlor, for the preceding year, with statements for every account, income by type, a summary of expenses, a record of every distribution and its recipient, and a schedule of Trust assets at their fair market value at year end.

(e) Underlying companies. Where the Trust holds an interest in a company or other entity, the Trustee shall furnish the same information for that entity.

(f) No submission to jurisdiction. Nothing in this clause submits the Trustee or the Trust to the jurisdiction of any United States court. The Trustee's compliance with this clause is not a submission to jurisdiction, an appointment of an agent for service, or a waiver of any other provision of this Deed.

14. Duration and Termination

(a) Duration. This Trust continues until it is brought to an end under this Article, and under section 6(1) and (2) of the Act no rule against perpetuities and no rule limiting the period for which a trust may continue applies to it.

(b) Termination. The Trustee may at any time, with the Protector's prior written consent, declare by deed that this Trust ends on a date the declaration states. The Trustee shall then distribute the trust property among the Beneficiaries in such shares as the Trustee in its absolute discretion thinks fit.

(c) Property not otherwise disposed of. Any part of the trust property not distributed under paragraph (b), and any part remaining after every interest under this Deed has been satisfied, is held for the Settlor's children living at that time in equal shares, and if none is then living, for such charitable organization as the Trustee selects.

(d) Variation of administrative terms. The Trustee may by deed vary the administrative provisions of this Deed, with the Protector's prior written consent, where the Trustee determines that the variation is in the interests of the Beneficiaries as a class. This power does not reach the class of Beneficiaries, any beneficial interest, or Articles 2, 3, 5, 8, and 10.

15. Execution

(a) Counterparts. This Deed may be executed in any number of counterparts, each of which is an original and all of which together are one instrument. A counterpart signed and delivered electronically has the same effect as a signed original.

[Settlor's execution block: signature, printed name, and the witnessing or notarial formalities the trustee requires. Execute as the trustee directs for the governing jurisdiction.]

[Trustee's execution block: signature by an authorized officer, printed name, title, and date, with the attestation or acknowledgment the trustee requires. Execute as the trustee directs for the governing jurisdiction.]

[Protector's acceptance block, where a Protector is appointed by this Deed. Execute as the trustee directs for the governing jurisdiction.]

[Standard registration provisions: any registration or filing the law governing this Deed requires, and the documents the Trustee lodges to obtain it; drafted per the trustee's requirements.]

SCHEDULE 1

PROTECTOR'S POWERS

The powers conferred on the Protector by this Schedule are exercisable only by giving or withholding consent, except the power of removal in paragraph (d).

(a) Consent to distributions. The Trustee shall make no distribution of income or capital to or for the benefit of any Beneficiary without the Protector's prior written consent. The Protector may withhold consent in the Protector's absolute discretion and is not obliged to give any reason. The Protector has no power to propose, request, or direct a distribution, to select a recipient, or to fix the amount, timing, or form of any distribution. A distribution may originate only with the Trustee.

(b) Consent to amendment. No amendment, variation, revocation, or restatement of this Deed takes effect without the Protector's prior written consent. The Protector has no power to propose, draft, initiate, or execute any amendment.

(c) Consent to changes in the beneficial class. The Trustee shall not add any person to, or exclude any person from, the class of Beneficiaries without the Protector's prior written consent. The Protector has no power to nominate, add, or exclude any Beneficiary.

(d) Removal of a Trustee; no power of appointment. The Protector may remove any Trustee by written notice delivered to that Trustee and to each other Trustee then in office. The Protector has no power to appoint, nominate, designate, select, or approve any successor Trustee, and no power to fill any vacancy in the office of Trustee. A notice of removal takes effect only when a successor Trustee qualified under Article 11 has accepted office, and is of no effect if no qualified successor has accepted office within 30 days after the notice is given. The successor Trustee is determined under Article 11 without reference to the Protector, and every successor Trustee must be a company licensed to carry on trustee business in the Cook Islands.

(e) No power to direct or initiate. The Protector has no power, under this Schedule or otherwise, to direct or instruct the Trustee in the exercise of any discretion; to require the Trustee to make, withhold, accelerate, or reverse any distribution; to require the Trustee to transfer, repatriate, deliver, or apply any trust property to any person or to any place; to appoint any Trustee, Protector, or Beneficiary; to exercise any power conferred on the Trustee; or to act in the place of the Trustee for any purpose. Any purported exercise by the Protector of a power not conferred by this Schedule is void, and the Trustee shall disregard it.

(f) Withholding consent. A consent is effective only if it is in writing, signed by the Protector, and given before the act to which it relates. Silence is not consent. The Protector is not obliged to give reasons for withholding consent, and no failure or refusal by the Protector to give consent constitutes a breach of trust or a breach of any duty owed by the Protector.

(g) Fiduciary character. The Protector holds the powers conferred by this Schedule in a fiduciary capacity for the Beneficiaries as a class, and shall give or withhold them in what the Protector considers to be the interests of the Beneficiaries as a class.

(h) Vacancy. While the office of Protector is vacant, every consent required by this Schedule is suspended and the Trustee may act without it. Succession to the office of Protector is governed by Article 7.

[Schedule 2, the Schedule of Alternative Jurisdictions referred to in Article 10: the jurisdictions to which the Trustee may move this Trust and in which it may appoint a successor trustee; drafted per the trustee's requirements.]