



## Declaration Form (Form 2D)

Please use black ink and write in CAPITAL LETTERS or tick  as appropriate. Any corrections must be initialled. Please do not use correction fluid as this will invalidate your Application.

### About this form

**These notes are to help you complete your Prudence Inheritance Bond Trust form (for use only with the Prudence Inheritance Bond)**

Please read the following **important notes** carefully before completing the trust declaration form.

#### You should know

- This trust can only be used with the Prudence Inheritance Bond.
- This form must be completed and returned at the same time as the Prudence Inheritance Bond application form (Form 1).
- Please make sure that you are using the correct version of the Prudence Inheritance Bond Trust. This is Form 2D – Discretionary Trust; the alternative Form 2 should be used if you wish to establish an Absolute Trust.
- This trust enables the whole life policy to be held on discretionary trust for a class of potential beneficiaries. The trustees have a power to change the beneficiaries of the whole life policy in the event of need.
- The investor, or investors if there are two, cannot benefit from the trust or the whole life policy.
- Any of the potential beneficiaries can be allowed to benefit from the trust, in whole or in part, at the trustees' discretion.
- While this trust has been specifically designed for the Prudence Inheritance Bond we cannot guarantee that it will meet every investor's personal circumstances. If an investor has any doubts about the correctness or suitability of this trust, he/she should be advised to contact his/her legal adviser (at his/her own expense).

### Notes on completion of The Trust Declaration

#### Page 5 Section A – Investor(s)

The investor(s) must insert his/her (their) full name(s) and address(es).

#### Page 5 Section B – The Whole Life Policy

The date inserted on the application form for the Prudence Inheritance Bond (Form 1) should be inserted here. The policy number will be inserted by Prudential.

#### Page 5 Section C – Additional Trustees

Investors are automatically trustees of the Prudence Inheritance Bond Trust. Ideally, they should appoint two additional trustees. These persons might be their solicitor, accountant, a member of the family or a close family friend. While investors have the power to change trustees, it is important that careful thought is given to the choice of trustees. Provided there is at least one surviving trustee following the death of the investor(s), Prudential can pay the benefits arising under the Bond to the trustees.

Please make sure that the full names and addresses of the additional trustees are inserted.

#### Page 5 Section D – Additional Beneficiaries

The Trust Provisions automatically include a list of Beneficiaries (see Section D and Trust Provision 14 (vi)). These are the persons or class of persons who *MAY* benefit from the trust. Section D should be completed only if this list of Beneficiaries is inadequate.

In the case of a sole investor, that investor **cannot** be named as a beneficiary and in the case of joint investors **neither** can be named as a beneficiary.

#### Page 6 Section E – Date and Declaration

The Prudence Inheritance Bond Trust must be signed by the investor(s) and the additional trustee(s) in the presence of independent witnesses. The witnesses should be persons who cannot benefit from the trust.

The Investor hereby declares (or the Investors hereby declare) that the Trust Fund shall be held for the benefit of the Beneficiaries on the terms set out in the Trust Provisions of this document:

### Trust Provisions

#### 1. Trust Income

Subject to the Overriding Powers below:

**1.1.** The Trustees may accumulate the whole or part of the income of the Trust Fund (if any). That income shall be added to the Trust Fund.

**1.2.** The Trustees shall pay or apply the remainder of the income to or for the benefit of any Beneficiaries, as the Trustees think fit, during the Trust Period.

#### 2. The Trustees' Overriding Powers

##### 2.1. The Powers

The Trustees shall have the powers set out below in respect of the Trust Fund (the "Overriding Powers"). These Overriding Powers shall be exercisable only:

- (i) during the Trust Period; and
- (ii) at a time when there are at least two individual Trustees or the Trustee is a company carrying on a business which consists of or includes the management of trusts.

##### 2.2. Power of Appointment

- (i) The Trustees may appoint that they shall hold the Trust Fund and the income thereof or any part of the Trust Fund and the income thereof for the benefit of any Beneficiaries on such terms as the Trustees think fit.
- (ii) An appointment may create any provisions and in particular an appointment may create:
  - (a) discretionary trusts
  - (b) dispositive powers
  - (c) administrative powersexercisable by any person.
- (iii) Any appointment shall be made by deed and may be revocable or irrevocable.

##### 2.3. Power to add or exclude Beneficiaries

- (i) The Trustees may add a person or a class of persons to the Beneficiary class provided the addition is requested or agreed to in writing by the Investor (or by one of the Investors if there are two Investors) or if no Investor is living by at least two persons who are already Beneficiaries and at least 18 years old.

- (ii) The Trustees may exclude a person or a class of persons from the Beneficiary class provided the exclusion is requested or agreed to in writing by the Investor (or by one of the Investors if there are two Investors) or by the person who is to be excluded.

- (iii) The power to exclude at (ii) shall not be exercisable so as to exclude a person who has a right to any of the income of the Trust Fund unless the Trustees first exercise their power of appointment so as to end that person's right to income. A Beneficiary who has an absolute and indefeasible interest in the Trust cannot be excluded.

- (iv) The power to exclude at (ii) shall not be exercisable if its exercise would result in there being no Beneficiaries.

- (v) Any exercise of the power to add or exclude, at (i) or (ii), shall be at the Trustees' discretion, shall be made by deed and may be revocable or irrevocable.

- (vi) The list of Beneficiaries that applies to this Trust, as shown in the Trust Provisions, shall be subject to any changes the Trustees may make in exercise of this power to add or exclude.

- (vii) If there is any change in the parties to the trusts eg any trustees or beneficiaries (including class of beneficiaries) change or a letter of wishes is received, the trustees must notify Prudential of the changes, the date it became effective and within 14 days from the date any of the trustees became aware of the change.

##### 2.4. Transfer of Trust Property to other settlement

- (i) The Trustees may by deed declare that they hold any Trust Property on trust to transfer it to trustees of another settlement, wherever established, to hold on the terms of that settlement, freed and released from the terms of this Trust.

- (ii) The Trustees shall only exercise this power:

- (a) if every Person who may benefit is (or would if living be) a Beneficiary; or

- (b) with the consent in writing of

- (1) the Investor, or

- (2) two Beneficiaries (after the death of the Investor).

##### 2.5. Power of advancement

The Trustees may pay or apply any Trust Property for the advancement or benefit of any Beneficiary.

### 3. Default Trusts

Subject to the trusts in Trust Provision 1 and the Overriding Powers the Trust Fund and income thereof shall be held on trust for the benefit of any one or more of the Beneficiaries and in such shares (or wholly to one) and for such interests as the Trustees may during the Trust Period appoint. Subject to and in default of any appointment at the end of the Trust Period the remaining Trust Fund shall be distributed absolutely between the children, grandchildren, great grandchildren and great-great grandchildren of the Investor, or of the Investors if there are two Investors, that are still living in equal shares per stirpes subject to that if no such persons are living to any company, body or trust established for charitable purposes only.

### 4. Investor(s) Unable to Benefit

No power or discretion hereby or by law conferred on the Trustees or any of them shall (notwithstanding anything to the contrary herein expressed or implied) be exercisable in such manner as to cause any part of the property subject to the trusts hereof or the income thereof to become payable to or applicable for the benefit of the Investor(s).

### 5. Receipt of Parent or Guardian

The receipt of any parent or guardian of any minor shall be sufficient discharge to the Trustees for any monies payable under the foregoing Trust Provisions.

### 6. Powers of Investment

The Trustees shall have power to invest trust monies in the purchase or other acquisition of real or personal property of any kind whether or not producing income and whether or not involving liability of any kind (including the acquisition effecting or maintaining of any policy of assurance or the lending or deposit of money with or without security or the purchase of a residence for any person who for the time being is or if he had attained full age or a specified age would be entitled to an interest in possession in such monies) to the extent that the Trustees shall have the same full and unrestricted powers of investment and of transposing and dealing with investments as if they were absolute beneficial owners of the Trust Fund, provided that any option, right of surrender or other right under any policy of assurance forming part of the Trust Fund may be exercised by all of the Trustees acting together in agreement. The Trustees are under no obligation to diversify the Trust Fund.

### 7. Power to Borrow

The Trustees shall have power to borrow money on the security of the whole or any part of the Trust Fund and to use such money to pay the premiums on any policy of assurance or for acquiring investments to be held as part of the Trust Fund or for any other purpose for which the Trust Fund may be used.

### 8. Power to Appoint and Remove Trustees

The power of appointing new or additional Trustees and removing Trustees shall be exercisable by the Investor during his or her life (or by the Investors during their joint lives and by the survivor of them during his or her life) provided that at all times there remain at least two continuing individual Trustees or the continuing Trustee is a Trust Company.

### 9. Appointment of Additional Trustees

The Investor hereby appoints (or the Investors hereby appoint) the persons (if any) in Section C of the Schedule to be additional Trustees.

### 10. Receipts

The receipts of the Trustees shall be a good and sufficient discharge to any person for all monies payable by such person under any policy forming part of the Trust Fund.

### 11. Power to Charge

Any Trustee (other than the Investor(s) ) being a person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted, time spent and acts done by him or her or his or her firm in connection with the administration of the trusts hereof including acts which a Trustee not being in any profession or business could have done personally and to retain any brokerage or commission in respect of stockbroking or insurance transactions for which such person is normally paid brokerage or commission. If any corporate body shall act as Trustee it shall be entitled to charge in accordance with its terms and conditions from time to time in force.

### 12. Dating the Trust Form

If the Investor(s) has (have) not dated this trust form, Prudential is authorised to do so on behalf of the Investor(s).

### 13. Law

This trust form shall be construed in accordance with the Law of England and Wales.

**14. Definitions**

In this trust form, unless the context otherwise requires:

- (i) the "Investor" (or the "Investors") means the person (or the persons) specified in Section A of the Schedule;
- (ii) the "Schedule" means the Schedule hereto;
- (iii) the "Trustees" means the Investor (or the Investors) and the additional Trustees (if any) specified in Section C of the Schedule or the other Trustees or Trustee for the time being hereof;
- (iv) the "Trust Fund" means
  - (a) the policy specified in Section B of the Schedule to be effected by the Investor (or the Investors) with Prudential; and
  - (b) all property from time to time representing the above;
- (v) the "Trust Period" means the period of 125 years beginning with the date shown in Section E (or the earliest of the dates if more than one is shown). That is the perpetuity period applicable to this Trust under the rule against perpetuities;

- (vi) the "Beneficiaries" means
  - (a) the children and remoter issue of the Investor (or either of the Investors)
  - (b) any Spouse, Widow or Widower of the Investor (or either of the Investors)
  - (c) the person(s), class of persons or object(s) nominated in Section D of the Schedule
 BUT excludes any Investor;
- (vii) "Civil Partner" has the same meaning as in section 1 of the Civil Partnership Act 2004;
- (viii) "Spouse" includes a Civil Partner; and
- (ix) "Widow" or "Widower" of a person includes the individual who was the Civil Partner of that person immediately before that person's death.

**As witness whereof** the Investor (or the Investors) and the additional Trustees (to signify their consent to their appointment) have hereunto set their hands the date specified in Section E of the Schedule.

**Important notes**

Anyone thinking of using this Discretionary Trust, or doing anything under the provisions of the trust, must seek and rely on the advice of a suitable tax and trust practitioner. You should seek appropriate professional advice before proceeding and this trust instrument is provided for your consideration and use on this understanding.

This is very important for a number of reasons.

- This trust will not be suitable in all cases and other forms of tax and trust planning may be more suitable in individual circumstances.
- Creating a trust can have taxation as well as legal consequences.
- Once a trust has been created it cannot be revoked.
- The Trustees have special duties to the Settlor and Beneficiaries and the misuse of a Trust power by a Trustee can make her/him personally liable for resulting losses.
- Situations that may involve international or cross-border legal and taxation issues can be extremely complex.
- Tax and trust law can be open to differing interpretations.

Information and references to law, legislation and tax treatment in this document and any accompanying brochure or other literature are based on Prudential's understanding of current law and legislation and HM Revenue & Customs practice. All of these are liable to change without notice and are likely to change in future. Any tax reliefs referred to are those currently available and may be subject to change and can depend on individual circumstances. Every care has been taken as to accuracy, but it must be appreciated that Prudential and its representatives cannot accept responsibility for loss, however caused, suffered by any person who has acted or refrained from acting as a result of any accompanying material published in or in conjunction with this trust instrument or from the use of the trust instrument itself.

Investors must consult their own professional advisers for advice relevant for or to their own circumstances. Full terms and conditions are available on request from Prudential or contact your financial adviser for more details.





## Statement of wishes – Single Settlor Trust

### Optional: Statement of Wishes

You can if you so wish issue a statement of wishes to record your wishes as to how the trustees should consider exercising their powers. Your statement of wishes must not bind the trustees and it must not include imperative or authoritative terms, commanding or pre-empting that the trustees must act in a certain way. If necessary, you should seek suitable professional advice.

**Note:** The statement of wishes includes some standard terms that you may wish to adopt. If these are not required or any your wishes run contrary to the standard terms, then you should delete them.

#### Statement of Wishes: Single Settlor Trust

This note sets out my wishes for my trust. I express these wishes only for the guidance of the trustees. It is not intended to bind them. They must use their own discretion. They should also have regard to any change in circumstances of my family and of course, to any wishes I may record for their guidance in the future.

#### My wishes are as follow:

- My trustees should ensure that after my death (but only after my death) that my widow or widower or any individual who was my Civil Partner immediately before my death is reasonably provided for.
- Subject to that, I would like my trustees to regard my children as the principal beneficiaries of the trust fund.
- Subject to that, I would like my trustees to regard my grandchildren as the principal beneficiaries (per stirpes).

Signed (Settlor)

X

Witness

X

Name of witness

Statement of wishes – Joint Settlor Trust

Optional: Statement of Wishes

You can if you so wish issue a statement of wishes to record your wishes as to how the trustees should consider exercising their powers. Your statement of wishes must not bind the trustees and it must not include imperative or authoritative terms, commanding or pre-empting that the trustees must act in a certain way. If necessary, you should seek suitable professional advice.

**Note:** The statement of wishes includes some standard terms that you may wish to adopt. If these are not required or any your wishes run contrary to the standard terms, then you should delete them.

Statement of Wishes – Joint Settlor Trust (Married Couple or Civil Partners)

This note sets out our wishes for our trust. We express these wishes only for the guidance of the trustees. It is not intended to bind them. They must use their own discretion. They should also have regard to any change in circumstances of our family and of course, to any wishes we may record for their guidance in the future.

My wishes are as follow:

- We would like our trustees to regard our children as the principal beneficiaries of the trust fund.
- Subject to that, we would like our trustees to regard our grandchildren as the principal beneficiaries (per stirpes).

Signed (First Settlor)

Signed (Second Settlor)

Witness

Witness

Name of witness

Name of witness



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