



## Absolute Trust Declaration Form (Form 2)

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

- › 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).
- › This trust enables the whole life policy to be held for the benefit of a named beneficiary or beneficiaries. **Neither the beneficiaries nor their share of the trust fund can be changed after the trust is set up.**
- › 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 4 Section A – Investor(s)

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

#### Page 4 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 4 Section C – Additional Trustees

Investors are automatically trustees of the Prudence Inheritance 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 4 Section D – The Beneficiaries

The full names of the beneficiaries and their share of the trust fund should be inserted in this section. In the case of a sole investor, it is recommended that the investor's spouse or civil partner is NOT a named beneficiary in order to take advantage of the Inheritance Tax planning benefits the Bond provides. Similarly, in the case of joint investors, NEITHER of the investors can be beneficiaries. Neither the beneficiaries nor their share of the trust fund can be changed after the trust is set up.

#### Page 5 Section E – Date and Declaration

The Prudence Inheritance 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 Prudence Inheritance Absolute Trust

#### 1. Beneficial Trust

- 1.1 The Investor hereby declares (or the Investors hereby declare) that the Trust Fund shall be held for the Beneficiaries absolutely.
- 1.2 If there is more than one Beneficiary, the Trust Fund shall be held on trust for the Beneficiaries:
  - (a) in the percentage shares specified in Section D absolutely, or
  - (b) if no such shares are specified in equal shares absolutely.

- 1.3 Whilst any Beneficiary entitled to income under the Trust is a Minor:
  - a) the Trustees may pay or apply the whole or any part of the income of such Beneficiary's share of the Trust Fund for or towards the maintenance, education or benefit of that Beneficiary as the Trustees in their absolute discretion think fit; and
  - b) the balance (if any) of such income shall be invested and retained (together with any resulting income) for the sole benefit of such Beneficiary and the statutory provisions for accumulation and maintenance shall not apply.

## 2. 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).

## 3. 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 clauses.

## 4. 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 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.

## 5. 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.

## 6. 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 remains at least one Trustee other than the Investor (or the Investors).

## 7. 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.

## 8. 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.

## 9. 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.

## 10. 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).

## 11. Law

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

## 12. 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 the policy specified in Section B of the Schedule to be effected by the Investor (or the Investors) with Prudential;
- (v) "Beneficiary" means the Absolute Beneficiary or Beneficiaries named in Section D.

**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.



