

# Addendum to Contract Conditions

## International Portfolio Bond

PIA/GEN/NIPB/01/0624, or PIA/GEN/NIPBCRO/01/0624

PIA/GEN/NIPB/01/0622, or PIA/GEN/NIPBCRO/01/0622

PIA/GEN/NIPB/01/0221, or PIA/GEN/NIPBCRO/01/0221

PIA/GEN/NIPB/01/1020, or PIA/GEN/NIPBCRO/01/1020

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# How to use this Addendum

You have received this document because you have nominated an Investment Adviser, and they have been appointed by us to provide investment advice on your bond holdings under the terms of your contract. When an Investment Adviser has been appointed, your Contract Conditions are amended to reflect this appointment. This document (the "**Addendum**") sets out the changes to your Contract Conditions. This Addendum should be read in conjunction with your original contract document.

This Addendum applies to the following contracts only (each a "Contract" and together the "Contracts"):

<b>Contract 1</b>	International Portfolio Bond – PIA/GEN/NIPB/01/0624
<b>Contract 2</b>	International Portfolio Bond – PIA/GEN/NIPBCRO/01/0624
<b>Contract 3</b>	International Portfolio Bond – PIA/GEN/NIPB/01/0622
<b>Contract 4</b>	International Portfolio Bond – PIA/GEN/NIPBCRO/01/0622
<b>Contract 5</b>	International Portfolio Bond – PIA/GEN/NIPB/01/0221
<b>Contract 6</b>	International Portfolio Bond – PIA/GEN/NIPBCRO/01/0221
<b>Contract 7</b>	International Portfolio Bond – PIA/GEN/NIPB/01/1020
<b>Contract 8</b>	International Portfolio Bond – PIA/GEN/NIPBCRO/01/1020

You will find the contract number on the front page of your original contract document. If you do not have one of the above contracts and believe you have received this Addendum in error, please contact us or your financial adviser.

In the event that anything in this Addendum is incompatible with the original contract document, the amendments made in this Addendum supersede the original contract document.

# Important Information

## Your contract and key documents

The definition of relevant adviser has been replaced in its entirety to include the investment adviser as appropriate:

**Relevant adviser** refers to any professional person or entity as follows:

- in the case of a financial adviser that you have authorised us to deal with on your behalf, they must have an agreement or terms of business in place with us and must, at all times, be appropriately authorised. This may also be required by us for other types of relevant adviser from time to time.
- in the case of an investment adviser (as per Part E), they have been nominated by you and appointed by us to provide investment advice to us on your bond holdings. The investment adviser must, at all times, be appropriately authorised. Where the investment adviser is based outside the UK, they must be authorised under the relevant overseas legislation governing their activities to provide such investment advice.

## What charges do you pay?

The **Adviser charges** bullet point has been replaced by the following wording:

- **Adviser charges** – You can also request us to pay your **financial adviser**. You'll find more information in "**Adviser charges**" (Condition 20 in Part A).

There is an additional bullet point added for **investment adviser charge** as follows:

- **Investment adviser charge** – If an **investment adviser** has been appointed by us after being nominated by you, we shall deduct an **investment adviser charge** from your bond to reflect the costs we incur in respect of the **investment adviser**. You'll find more information in "**Investment adviser charges**" (Condition 19 in Part A).

# Part A: General Terms and Conditions

## Getting Started:

### 3. Taking Instructions

Condition 3.2 has been replaced in its entirety as follows:

**3.2** You can nominate a relevant adviser as follows:

- in the case of an **investment adviser**, to provide investment advice to us on your **bond holdings**. If we accept their appointment, they will provide us with investment advice on your **bond holdings**. We will appoint you as our agent to receive such advice and give instructions on our behalf in relation to the implementation of such advice in relation to your **bond holdings**. See “**Investment Adviser**” (Part E) for more information.
- in the case of another relevant adviser, to give us instructions on your behalf. We can't accept instructions from them until you've given us the documents we need to confirm their nomination.

## Investments:

### 6. Cash Account

Condition 6.2. has been updated to include **investment adviser charges** as follows:

**6.2** Regular withdrawals, adviser charges, investment adviser charges and nonPruFund product charges are paid out of your **cash account**.

### 8. Exceptional Circumstances

Condition 8.2.5.2. has been updated to include **investment adviser charge** as follows:

For **maturity benefit** (capital redemption bond only):

If required, the first payment will include an adjustment to ensure the overall **maturity benefit** we pay will at least equal the **guaranteed maturity value** we describe in “**Maturity Benefit – Capital Redemption only**” (Conditions 15.2 and 15.3 of this Part A).

For example, the first payment would include an amount equal to 1% of the initial investment if:

- the value of your **bond holdings** at the maturity date, including any suspended **fund(s)**, equal the **initial investment**; and
- since the start of your bond, there have been no **additional investments** paid into it, no withdrawals taken and no **adviser charges** or **investment adviser charges** paid from your bond.

Condition 8.2.6. has been updated to include **investment adviser charge** as follows:

#### 8.2.6 Deductions from the bond

When a deduction of a percentage of the value of your **bond holdings** is to be made; we calculate that percentage based on the total value of your **bond holdings** (including those under trading suspension). Depending on the type of deduction, calculations of values are made by reference to specific dates. For example, the relevant **charge date** where the deduction is for an **ongoing adviser charge**, **investment adviser charge** or the **product charge**.

## Benefits from your Bond:

### 14. Death Benefit – lives assured only

Condition 14.3. has been updated to include **investment adviser charge** as follows:

**14.3** We must be told of the death of the relevant life assured in writing or other medium acceptable to us. When we receive this, we'll:

- sell all of your **bond holdings** and add the sale proceeds into your **cash account** after deducting any relevant charges;
- stop paying any **regular withdrawals**;
- stop paying any **adviser charges**;
- stop applying the **investment adviser charge**;
- stop applying the **product charge**; and
- stop any **guarantee** and associated **guarantee charges**.

Condition 15.3. has been updated to include **investment adviser charges** as follows:

When your bond starts, the **guaranteed maturity value** is 101% of the **initial investment**. **Additional investments** will increase the **guaranteed maturity value** of your **bond holdings** by 101% of that **additional investment**.

**15.3.1** If you ask for certain payments or charges to be made out of your bond, this affects its guaranteed maturity value:

- For **regular withdrawals, adviser charges** or **one-off withdrawal** by **partially cashing in** all the policies; we reduce the guarantee by (101% of) the value of the payment made.
- For **investment adviser charges**, we reduce the guarantee by (101% of) the value of the charges deducted
- If **fully cashing in** one or more policies, we reduce the guarantee proportionately to reflect the number of policies you have cashed in.

## Charges:

### 19. Investment Adviser Charge

**19.1** The **investment adviser charge** is an ongoing charge amount that is deducted from your bond. It reflects the costs incurred by us due to the appointment of an **investment adviser** to provide investment advice to us on your **bond holdings**.

**19.2** The level and frequency of the **investment adviser charge** will be outlined and agreed in the **nomination of investment adviser form**.

**19.3** The **investment adviser charge** can be set up as:

- a fixed monetary amount; or
- a percentage of the value of your **bond holdings**. We calculate and deduct as determined by the relevant **charge date**.

**19.4** The **investment adviser charge** frequency can be monthly, quarterly, half-yearly or annually.

**19.5** The way we take the **investment adviser charge** and the way the **charge date** is set is the same as for **ongoing adviser charges** as outlined in Conditions 20.5.4, 20.6, 20.7, 20.8 and 20.9 in Part A.

If there is no **ongoing adviser charge** instruction on your bond, we will request a separate instruction from you to tell us from which **bond holdings** and in what proportion the payments are to be taken from, in case there is insufficient money in the **cash account** to meet the **investment adviser charge**.

## Part B: PruFunds

Condition 13.1. has been updated to include investment adviser charges as follows:

If you are cancelling PruFund units for one of the following transactions:

**13.1.1 regular withdrawals;**

**13.1.2 investment adviser charges;**

**13.1.3 ongoing or ad hoc adviser charges;** you may select the **PruFund(s)** from which you wish to cancel **PruFund units**. Where **capital guarantees** are available, you must also tell us whether you wish to cancel **guarantee units**.

Condition 13.2. has been updated to include **investment adviser charges** as follows:

For the transactions listed in 13.1, if you asked that only non-guarantee units are cancelled but there are not enough non-guarantee units left then **guarantee units** will be included as part of the deduction of **PruFund units** in accordance with "**Regular withdrawals from your bond**" (Condition 10.2.3 in Part A), "**Investment Adviser Charge** (Condition 19.5 in Part A)" and "**Adviser charges**" (Condition 20.8.3. in Part A).

# Part C: PruFund Capital Guarantees

Condition 6.1. has been updated to include **investment adviser charges** as follows:

A **guaranteed minimum fund** will reduce if any of the **guaranteed units** are cancelled for any of the following reasons:

- 6.1.1 an instructed trade to sell (this includes a **sell to cash**);
- 6.1.2 a **one-off withdrawal**, by way of cashing in individual policies or **partially cashing in** all policies;
- 6.1.3 **regular withdrawals**;
- 6.1.4 **investment adviser charges**;
- 6.1.5 for paying **ongoing adviser charges** and/or **ad hoc adviser charges**;
- 6.1.6 removal of the **guarantee units**.

The reduction will be in the same proportion as the reduction in **guarantee units**. For example, if 10% of the units relating to a **capital guarantee** are cancelled, then the **guaranteed minimum fund** will be reduced by 10%.

Condition 6.2. has been updated to include **investment adviser charges** as follows:

If a **guaranteed minimum fund** is reduced for one of the reasons shown in 6.1 immediately above (other than to pay an **investment adviser charge** or **adviser charge**) then you cannot purchase another guarantee for 12 months, unless it relates to an **additional investment** into your bond or you apply for a new bond.

# Part E: Investment Adviser

## 1. Investment Adviser – terms and conditions

1.1 You may request at any time:

- the nomination of an **investment adviser** to provide an investment advice service to us on the **bond holdings**;
- to request the replacement of an existing **investment adviser** by the nomination of another;
- to remove an existing **investment adviser**;

without cashing in your bond. It is at our discretion to accept or refuse such nomination requests.

1.2 You will be required to complete a **nomination of investment adviser form**. This form will also detail the remuneration basis for the **investment adviser** authorising us to recover the charges levied against us by the **investment adviser** from your bond.

Any **investment adviser** that you nominate must be acceptable to us. If your requested **investment adviser** is not acceptable to us, you may nominate an alternative **investment adviser** for us to approve. If we approve the appointment of an **investment adviser**, we shall appoint the **investment adviser** on the terms set out in a separate agreement between us and the **investment adviser**.

As part of this appointment process, we will appoint you as our agent to communicate with the **investment adviser** on our behalf on the following basis:

- to provide investment objectives, preferences or guidelines to the **investment adviser**;
- to receive copies of the **investment adviser's** advice; and
- give instructions to the **investment adviser** in response to that advice,
- where an investment advice service is being provided, you will discuss all advice recommendations and confirm your approval to the **investment adviser** before any investment instructions are sent to us.

1.3 At all times, the **bond holdings** must be **permitted investments** in line with Condition 5.5 in Part A.

1.4 Where an **investment adviser** has been appointed, we shall be the client of the **investment adviser** under the rules and requirements of the Financial Conduct Authority.

As the contractual relationship is between the **investment adviser** and us, it is unlikely that you will have a right to complain about the investment advice service to the Financial Services & Pensions Ombudsman, the Financial Ombudsman Service or the Channel Islands Financial Ombudsman, as appropriate (as outlined in Condition 28 in Part A).

As a result, it is unlikely that you will be eligible to seek an award of compensation against the **investment adviser**. It is also unlikely that any such award would be covered by any compensation scheme, such as the Financial Services Compensation Scheme in the UK.

1.5 You will authorise us to recover the cost of any charges levied by the **investment adviser** in relation to the services provided by them on the **bond holdings**. The **investment adviser charge** will be calculated either as:

- (a) a fixed level amount; or
- (b) a percentage of the total **bond holdings**.

The amount that the **investment adviser** charges us will result in a separate (but equal) **investment adviser charge** being charged to your bond.

The **investment adviser charge** can be deducted on a monthly, quarterly, half-yearly or annual basis. The **charge date** will be set by the day in the month that your bond starts. Each charge will be applied on the same day in each month.

1.6 We will not be liable or responsible for the performance and/or any loss (including insolvency of an **investment adviser**) caused to you or the bond as a consequence of the acts or omissions of an **investment adviser**.

- 1.7 If we appoint an **investment adviser** nominated by you, the **investment adviser** will be liable to us under the terms of our separate agreement for any losses incurred by us, including any claim which may be made by you to us, arising from the **investment adviser's** negligence, fraud, wilful default or breach of the agreement.
- 1.8 You may request at any time that an **investment adviser** nominated by you is no longer to advise on the **bond holdings**. Where this request is accepted, we will require the **investment adviser** to cease to advise or manage any of our assets that form part of the **bond holdings**. Where you have requested that an **investment adviser** no longer provides services, you may nominate another in line with Condition 1.2 in this section.
- 1.9 If the agreement between us and an investment adviser should be terminated for any reason:
- we will require the **investment adviser** to cease to advise on any of our assets that form part of the **bond holdings**
  - you may nominate a new **investment adviser** in line with Condition 1.2 in this section.
- 1.10 We will require the **investment adviser** to cease to advise on any of our assets that form part of the **bond holdings** linked to policies that are assigned into new ownership(s). The new owner(s) may complete and submit a new nomination request to us for their policies.

# Glossary

Three new glossary references have been included as follows:

- “**investment adviser**” is described in “**Some key concepts**” in the “**Important Information**” section.
- “**investment adviser charges**” are described in “**Investment adviser charges**” (Condition 19 in Part A)
- “**nomination of investment adviser form**” is described in “**Investment Adviser – terms and conditions**” (Condition 1.2 in Part E).

# Cross-references

The original Contracts contain cross-references to sections within the contract document. As a result of some of the changes in this Addendum, some of these cross-references are no longer accurate (for example, where new sections have been added). This section sets out the revised cross-references for each Contract.

## Contracts 1-8:

Location in contract document	Cross-reference in original contract document	New cross-reference in revised contract document
Condition on Adviser charges	Condition 19 in Part A	Condition 20 in Part A
Condition on Our right to cancel your bond	Condition 20 in Part A	Condition 21 in Part A
Condition on Currencies under the bond	Condition 21 in Part A	Condition 22 in Part A
Condition on Changes to the Contract Conditions	Condition 22 in Part A	Condition 23 in Part A
Condition on Irish Residency – compliance provisions	Condition 23 in Part A	Condition 24 in Part A
Condition on Policy ownership in case of death	Condition 24 in Part A	Condition 25 in Part A
Condition on Change of ownership	Condition 25 in Part A	Condition 26 in Part A
Condition on Contacting us	Condition 26 in Part A	Condition 27 in Part A
Condition on Complaints	Condition 27 in Part A	Condition 28 in Part A
Condition on Compensation	Condition 28 in Part A	Condition 29 in Part A
Condition on Personal Data	Condition 29 in Part A	Condition 30 in Part A
Condition on Other important information	Condition 30 in Part A	Condition 31 in Part A
Condition on Governing Law	Condition 31 in Part A	Condition 32 in Part A
Condition on Applicable Law or Regulation	Condition 32 in Part A	Condition 33 in Part A
Condition on Contract of long-term insurance	Condition 33 in Part A	Condition 34 in Part A
Definition of “Charge Date” – Page 6	“Charges” (Conditions 17-19 in Part A).	“Charges” (Conditions 17-20 in Part A).
“Adviser charges” – Page 5, last bullet point	“Adviser charges” (Condition 19 in Part A).	“Adviser charges” (Condition 20 in Part A).
Condition 13.1 in Part A	“Charges” (Conditions 16 – 19 in this Part A)	“Charges” (Conditions 16 – 20 in this Part A)
Condition 13.2 in Part B	“Adviser charges” (Condition 19.8.3. in Part A).	“Adviser charges” (Condition 20.8.3. in Part A).
“ad hoc adviser charges” and “adviser charges” in Glossary	“Adviser charges” (Condition 19 in Part A).	“Adviser charges” (Condition 20 in Part A).
“ongoing adviser charges” in Glossary	“Adviser charges” (Condition 19 in Part A).	“Adviser charges” (Condition 20 in Part A).
“Can you cancel your bond” – Page 6	“Our right to cancel your bond” (Condition 20 in Part A).	“Our right to cancel your bond” (Condition 21 in Part A).
Condition 1.5 in Part C	“Changes to the Contract Conditions” (Condition 22 in Part A).	“Changes to the Contract Conditions” (Condition 23 in Part A).

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