

Principal Variable Contracts Funds, Inc. - Diversified International Account
Foreign Taxes Paid Redetermination Notice
As of December 31, 2017

The following information is being provided to you, prompted by current year refunds of historical foreign taxes paid by the account. The Court of Justice of the European Union held that member states of the European Union could not impose withholding taxes on certain foreign investors if substantially similar domestic investors were not subject to tax. Thus, the account has sought refunds of foreign taxes paid to these countries. This year, the account has received refunds, resulting in the following redetermination of foreign taxes paid in accordance with Internal Revenue Code ("IRC") Section 905(c).

Foreign Taxes Paid. The account elected under the IRC Section 853 to pass through foreign taxes paid to their shareholders. Below are the original reported foreign taxes paid on a per share basis for each respective year, the foreign taxes paid redetermination, and the cumulative change to redetermination date.

Year Ended December 31,	Originally Reported Foreign Taxes Per Share	Foreign Taxes Per Share Redetermination	Cumulative Change Since Original Reporting
2008	0.0467	N/A	N/A
2009	0.0254	N/A	N/A
2010	0.0239	N/A	N/A
2011	N/A	N/A	N/A
2012	0.0389	0.0385	0.0004
2013	0.0348	0.0342	0.0006
2014	0.0396	N/A	N/A
2015	0.0643	N/A	N/A
2016	0.0592	N/A	N/A

Please consult your tax advisor if you have any questions.