



Prudential plc

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (“the Plan”) is a convenient and easy way to build up your shareholding by using your cash dividends to buy more shares in the Company. This document is important and requires your immediate attention.

Benefits of participation

Increase your ordinary shareholding over the long term at competitive dealing commission rates (generally lower than available through retail brokers).

Compounding effect of increasing holding and dividend payments.

Plan Provider is authorised and regulated by the Financial Services Authority.

An alternative for overseas shareholders who may have difficulty cashing sterling dividend cheques due to high bank charges (subject to you having the minimum Cash Dividend amount and living in a country that permits you to participate in the Plan, please see section 3 of the attached Conditions).

Features

Purchase additional shares in the Company using your cash dividend.

On the dividend payment date, we instruct a broker to buy shares in the market at the prevailing market price. You will therefore not know the share price when you sign up to the Plan.

The commission is 0.5% of the purchase price of the shares and there is no minimum fee. This is exclusive of stamp duty reserve tax (currently 0.5% of the deal value) if applicable. Costs are deducted at source before the new shares are purchased.

You will receive a tax voucher, share certificate and transaction advice following the reinvestment of your dividend.

You may withdraw from the Plan at any time.

The value of the shares, and any income from them, can go down as well as up; please see warnings in section 11.

How to apply

Please read the attached Conditions carefully, then simply complete and return the enclosed Application Form, or complete it online at:

www.capitashareportal.com

Please note that if your holding is in joint names, all holders must sign the Application Form, therefore only postal applications can be made.

Applications must be received no later than 25 days prior to a dividend payment date. If you have more than one holding, resulting in more than one Investor Code for the same Company, please complete an Application Form for each holding you wish to sign up to.

If you have any questions, please call the Capita IRG Trustees Ltd Helpline on:

+44 20 8639 3402

Email us at: shares@capitaregistrars.com

If you are in any doubt as to the action you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other appropriate adviser, who is authorised pursuant to the Financial Services and Markets Act 2000, ("FSMA") if you are in the United Kingdom, or from an appropriately authorised or recognised adviser, should you be resident elsewhere.

If you have sold or otherwise transferred all of your shares, please forward this document together with the accompanying documents, as soon as possible to the purchaser or transferee (or to the agent through whom the sale or transfer was effected for delivery to the purchaser or transferee).

Conditions of the Dividend Reinvestment Plan

Introduction

The Plan (as defined below) gives shareholders in the Company the opportunity to use their cash dividend to buy further shares in the Company by becoming participants in the Plan. These further shares will be bought in the market on your behalf under a special low-cost dealing arrangement.

This document and the Application set out all the terms and conditions of the Plan. It replaces any previous terms and conditions which you may have received. Enquiries about the Plan, or these Conditions, should be addressed to the Plan Provider: Dividend Reinvestment Plans, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU United Kingdom or made by telephone on +(44) 20 8639 3402 or e-mail to shares@capitaregistrars.com. Please note that telephone conversations may be recorded and monitored for quality control purposes and to resolve disputes.

This Plan is an entirely voluntary scheme. Should you therefore decide not to become a participant in the Plan, there will be no change in how you receive cash dividends declared by the Company.

1. Definitions and interpretation

(1.1) In these Conditions the following words and expressions have the meanings and interpretation set out below:

"Application" means the Dividend Reinvestment Plan Application Form enclosed with these Conditions;

"Cancellation Period" has the meaning given to it in section 9;

"Company" means the corporate client of the Plan Provider, Prudential plc, whose cash dividend you wish to use to buy further shares in that company;

"Conditions" means the terms and conditions set out in this document;

"EEA" means the European Economic Area, an economic association of European countries, including all member countries of the European Union (EU) and Iceland, Norway, and Liechtenstein;

"FSA" means the Financial Services Authority and any successor body;

"FSA Rules" means principles, guidance and rules issued by the FSA from time to time;

"Plan" The dividend reinvestment plan provided by the Plan Provider to shareholders of the Company;

"Plan Provider" or "we/us" means Capita IRG Trustees Limited, or any successor administrator that may be appointed; and

“You” or “Member” the person(s) on whose behalf we are holding the shares on, if appropriate, a person who is authorised to act on your behalf and who has us with such proof of their authority to act, as we may reasonably require and “your” and “yourself” shall be construed accordingly.

(1.2) The headings to sections are for convenience and shall not affect the interpretation or construction of these Conditions. References to “sections” are references to sections of these Conditions.

(1.3) Reference to legislation or regulations in these Conditions means the current legislation or regulations as amended or replaced from time to time.

(1.4) Any phrase introduced by the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. How the Plan works

If you join the Plan, the whole of your cash dividend will be used to purchase as many whole shares as possible on your behalf (after the relevant commission and/or relevant taxes have been deducted). The Plan Provider will instruct the nominated broker to purchase shares under the Plan on or as soon as reasonably practicable after the relevant dividend payment date.

3. Who is eligible to participate in the Plan?

You may join the Plan provided that:

(i) you are resident in the EEA, Channel Islands or Isle of Man; or

(ii) you do not live in any jurisdiction where your participation in the Plan would require the Plan Provider or the broker purchasing the shares, to comply with governmental or regulatory procedures or any similar formalities.

If you are resident outside the United Kingdom you are responsible for ensuring that you may validly join the Plan and for observing all relevant formalities to enable you to buy shares through the Plan. If you are in any doubt as to whether you require any governmental or other consents or need to observe any other formalities to enable you to buy shares through the Plan, you should consult a suitably qualified professional adviser.

4. What are the charges?

You will be **charged 0.5% of the purchase price of the shares plus stamp duty reserve tax at the prevailing rate, currently at 0.5%, where applicable.** There is no minimum fee.

These costs will be automatically deducted from the cash to be reinvested through the Plan. The Plan Provider may share any commission it receives with third parties and details of this will be given upon request. Due to the charge, the Plan may not be cost effective for all participants.

5. At what price will the shares be bought and how many shares will I receive?

This will depend on the price of the Company’s shares on the London Stock Exchange when the deal is carried out. You cannot specify a maximum or minimum price. Your order will be aggregated with those of

other Plan members for execution. Aggregated orders may result in a large number of shares being dealt in the market which may result in a higher or lower price being obtained or a delay in executing the order in full on the designated market. In the event that it is not possible to fully execute an aggregated order on the day the order is placed, the broker will be instructed by Capita to fulfill the order in its entirety, which may take a number of days. In placing an aggregated order irrespective of the size of the order and the length of time taken to fulfill the order in the designated market, a more or less favorable price might be achieved than if your order had been executed separately.

6. When will I get a Share Certificate?

The business day following the receipt of the contract note from our broker, we will send you a statement detailing the reinvestment of your dividend. This will show how many shares have been purchased for you, the date of purchase, the purchase price and the associated costs together with the carried forward cash balance. The actual cost of the shares (including the purchase commission and stamp duty reserve tax) will form your base cost for United Kingdom capital gains tax purposes.

If you hold your shares in 'certificated' form, you will receive a share certificate from the registrar after settlement of the purchase. Please note that these documents are posted at your risk and we cannot be held responsible for items that go missing in the post.

7. What happens when money is left over after the shares have been bought?

Any cash dividend remaining which was insufficient to purchase a whole share will be carried forward without interest and added to future dividends for reinvestment under the terms of the Plan. Any cash held on your behalf will be treated as Client Money, as described in the FSA Rules.

Upon withdrawal from the Plan, any residual cash residue will be sent to you by cheque on the payment date of the next dividend due.

8. How do I join the Plan?

If your shares are held in certificated form:

Just complete and sign the Application and return it to the Plan Provider at the address stated on the form or, alternatively, apply online at www.capitashareportal.com.

The Application must reach the Plan Provider (either by post or online) no later than 25 days prior to the dividend payment date. Applications to join the Plan received after that date will take effect from the next dividend.

The Plan Provider may, at its discretion, and upon application in writing, permit a registered shareholder to reinvest the cash dividend payment on a lesser number of shares than the full holding where such a shareholder is acting on behalf of two or more beneficial owners. The remaining cash dividend will

automatically be paid on the shares which are not included in the Plan. These elections will apply only to one dividend and a fresh Application must be given for each dividend. The Plan Provider reserves the right not to accept an Application to join the Plan.

Once your Application to participate in the Plan has been accepted, future dividends will be reinvested under the Plan until such time as you withdraw from the Plan or the Plan is suspended or terminated in accordance with these Conditions.

9. How can I withdraw from the Plan (including cancellation)?

If you are joining the Plan, you have a legal right to cancel the Plan within 14 days (the "Cancellation Period") after receipt by the Plan Provider of a satisfactorily completed Application, by sending the Plan Provider written notice to the address given within the Introduction of this document. The notice should state that you want to exercise your legal cancellation right. Cancellation will not apply to any transactions already started at the time the notice is received. There is no legal right to cancel after expiry of the Cancellation Period but you may withdraw from the Plan at any time by sending the Plan Provider your notice of withdrawal. Your withdrawal must reach the Plan Provider no later than 30 days prior to the payment date for a dividend if the Plan is not to apply to that dividend.

If you hold your shares in certificated form and you sell or transfer your entire shareholding before the last date for the receipt of Plan elections for a particular dividend, your Plan membership will be cancelled. Any fractional cash balance remaining will be dealt with as detailed in these Conditions.

However, if your sale or transfer is registered between the last date for Plan elections and the payment date for a particular dividend, you will receive additional shares under the Plan in respect of that dividend.

If you hold your shares in uncertificated form, and you sell or transfer your entire shareholding, your Plan will be cancelled and any cash balance outstanding will be dealt with as detailed in section 13. However, if your sale or transfer is registered between the record date and payment date for a particular dividend, you will receive additional shares under the Plan in respect of that dividend. Upon receipt by the Company's registrar of proper notice of the shareholders death, bankruptcy, or mental incapacity (or in the case of a corporate shareholder of such body being placed in liquidation) participation in the Plan will cease.

10. What are the tax implications?

If you are in any doubt as to your taxation position, whether in relation to the receipt of a dividend or arising from your purchase of shares under the Plan, you should contact a suitably qualified professional adviser. Tax legislation can change from time to time. Please note that there is the possibility that other taxes or costs may exist that are not paid through the Plan Provider or imposed by it.

You will be liable to income tax on dividends reinvested under the Plan as if you had received a cash dividend and arranged the purchase of additional shares yourself.

United Kingdom resident shareholders may, depending on their circumstances, be liable to capital gains tax on chargeable gains arising from a sale or other disposal of the shares. Shareholders resident in other jurisdictions should take their own local advice on the tax consequences of buying, holding, and disposing of shares.

11. Important note

The value of shares and the income from them can fall as well as rise and you may not get back the amount of money you invest. Past performance is not a guide to future performance. This arrangement should be considered as part of a diversified portfolio. No information provided in this document should be regarded as a recommendation to buy, sell or hold shares. You should note that the price of shares may change significantly between the time you decide to join the Plan and the date the shares are purchased.

Due to the charge, the Plan may not be cost effective for all participants. For example, for shareholders in receipt of very small dividends, it is possible that in certain circumstances the administration charge may be more than the value of the shares purchased through the Plan. If you are in any doubt as to the action you should take, please seek advice from a suitably qualified adviser who, if you are taking advice in the United Kingdom, is a stockbroker, bank manager,

solicitor, accountant or other financial adviser authorised by the Financial Services Authority to give financial advice.

In providing this Dividend Reinvestment Plan to you in relation to the Company's shares, which are traded on a regulated market, the Plan Provider is not required to assess the suitability of the instrument or the service provided, or offered to you and, as a result, you will not benefit from the protection of the FSA rules on assessing suitability. Therefore, the Plan Provider will not assess whether:

- (i) the relevant product or service meets your investment objectives;
- (ii) you would be able financially to bear the risk of any loss that the product or service may cause; or
- (iii) you have the necessary knowledge and experience to understand the risks involved.

The Plan Provider is also not required to assess the appropriateness for you of the Plan or any transaction connected to the Plan.

12. Other terms and conditions of the Plan

All purchases of shares under the Plan will be made for you, on an "execution only" basis. This means that we will receive share dealing orders from you and transmit these orders on your behalf to an authorised broker to execute. The Plan Provider will comply with its regulatory obligation to act in your best interests when placing orders on your behalf for execution. The Plan Provider will place the order with an authorised broker of its choice. The Plan Provider uses a number of brokers for this service, in particular Winterflood Securities Limited or Peel Hunt Limited, and will rely on these brokers to take all reasonable steps to obtain the best possible result when executing orders, in accordance with the rules of the FSA. The factors normally used to determine the best possible result will be price and the costs related to execution. The Plan Provider will also check that each broker has a policy and procedures in place designed to obtain the best possible result, subject to, and taking into account the nature of your order(s) and the market in question. The Plan Provider will monitor these brokers and review their performance at least once a year.

In accordance with FSA Rules, the Plan Provider has in place arrangements, which may be updated from time to time, to manage conflicts of interest that arise between itself and its clients or between its clients.

The Plan Provider will deal with potential conflicts of interest in accordance with its Conflicts of Interests Policy which provides that it will identify and manage conflicts of interest to ensure fair treatment of all clients and ensure that it acts in the client's best interests.

If it is not possible to manage or avoid a potential conflict of interest then the Plan Provider may seek to disclose the general nature and/or sources of conflict to you before undertaking business for you. The Plan Provider will provide full details of the Conflicts of Interest Policy upon receipt of a written request from you.

All documents sent by post or electronic means are sent at your risk and neither the Plan Provider nor the nominated broker will be liable for any failure to receive any document. All communications in relation to the Plan will be in the English language.

The main business of the Plan Provider is the provision of trustee and ancillary services.

The operation of the Plan is subject always to the discretion of the Plan Provider. In the event that the Plan cannot be applied to a dividend, your cash dividend will be paid to you.

The Plan may be suspended or terminated at any time if it becomes necessary to do so. If this happens, notice will be given to all Participants as soon as is reasonably practicable.

If you decide to participate in the Plan you agree that any mandate which you may have given to the Plan Provider for the payment of cash dividends directly to your bank or building society account will be suspended for so long as you remain a Participant in the Plan.

The Plan Provider may change these Conditions (including the charges and fees) in the future for the following reasons:

- (i) to reflect reasonable changes in the way it operates the Plan (for example, at the request of the Company or because of changes to the Plan Provider's system capabilities or administration procedures);
- (ii) as a result of new services which the Plan Provider may make available to you;
- (iii) to take account of any corporate restructuring within the Capita group of companies;
- (iv) where reasonably required as a result of changes in market conditions or market practice;
- (v) to take account of changes or anticipated changes to, or to comply better with, applicable laws or the interpretation of those laws, regulatory requirements, industry guidance or codes of practice that it follows, or the way that it is regulated;
- (vi) to reflect a decision or recommendation of a court, ombudsman, regulator or similar body which is relevant to it or to the Plan;
- (vii) to reflect changes in tax rates;
- (viii) to take account of, in a proportionate manner, the cost to it of providing the Plan;
- (ix) to protect it against misuse of the Plan;
- (x) to prevent fraud or to enhance the security of the Plan or Participants; or
- (xi) to make these Conditions easier to understand, fairer to you, or to correct mistakes.

The latest version of these Conditions can be found by accessing your account via the share portal at www.capitashareportal.com. If you do not have access to the share portal please write to us at Dividend Reinvestment Plans, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU United Kingdom to request a copy of the latest Conditions. The Plan Provider will where possible give you at least 30 days' prior notice of any change that is to your disadvantage. If you receive such a notice and do not agree with the proposed change, you may terminate this agreement at any time without charge (see section 9 above).

Any change will be deemed to have been accepted by you if you have already instructed the Plan Provider to trade on your behalf after the change has taken effect.

13. Client Money

Any money held for you by the Plan Provider is classified as Client Money and will be held with money held for other Participants in a client bank account with an approved bank as required by the FSA. The money will not be used by the Plan Provider in any transactions other than those required by the Participant in accordance with the terms of the Plan. Client Money will be pooled with that held on behalf of other Participants and will not accrue interest at any time.

This may mean that, in the event of the financial failure of the Plan Provider or another financial institution holding your money, all Client Money bank accounts operated by the Plan Provider are pooled together. This could result in you receiving less money back than you are entitled to.

Money will cease to be Client Money when it is paid to the Participant. However the Plan Provider is obliged to continue to treat as Client Money any sums drawn in favour of or to the order of the Participant by cheque or other payable order until this is presented and paid by the Plan Provider's bank.

Any cash balance will be returned to you in any of the following circumstances:

- if you withdraw from the Plan;
- if you sell or transfer your entire shareholding;
- if the Plan Provider receives proper notice of a Participant's bankruptcy or mental incapacity; or
- if the Plan Provider receives proper notice of a corporate shareholder who is a Participant being placed in liquidation.
- If the Plan Provider terminates the Plan.

If the Plan Provider receives proper notice of a sole shareholder's death, any cash balance over will be returned to the deceased's estate.

Any balance due to a Participant which is unclaimed after six years will cease to be treated as Client Money and will be retained by the Plan Provider subject to it having taken reasonable steps to locate you and to giving you at least 28 days' notice. The Plan Provider will make good any valid claim which may subsequently be made against any balances retained in this way. The Plan Provider may request such evidence as it reasonably feels necessary to confirm the identity of the person claiming these funds. The Plan Provider will not be required to pay interest on any balance retained in this way.

14. Client Classification

Each Participant will be classified as a Retail Client. These Conditions and the Application will form the agreement between you and the Plan Provider.

15. Data Protection

The Data Protection Act 1998 provides protection to individuals by governing, amongst other things, the way in which personal information is held and used. Individuals also have rights of access to such information held about them.

The Plan Provider will comply with its obligations under the Data Protection Act, including protecting your personal information.

By becoming a Participant in the Plan, you agree that the Plan Provider may: keep personal details which you or others give it, and any information the Plan Provider knows from running your account on a database, and use such information to carry out the services described in these Conditions; and disclose information concerning you to the Company; to Euroclear (if entitled to such information) which may disclose the information to regulatory, tax or governmental authorities as appropriate; to any person with legal, administrative or regulatory power over the Plan Provider in respect of the Plan Administration; to any replacement Plan Provider; to the broker; or to affiliated companies of the Plan Provider who are involved in carrying out functions related to the Plan administration including such affiliated companies which are outside of the EEA in countries which do not have similar protections in place regarding your information and its use.

Under the Data Protection Act 1998, you are entitled, on payment of a fee, to a copy of the information we hold about you. If you believe that any information held about you is incorrect or incomplete, you may also request that it be completed or corrected.

Please address any requests for information under this section to the senior manager:

Dividend Reinvestment Plans, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom.

16. Transfer and sub-contracting

The Plan Provider may transfer its duties to any company within the Plan Provider's group, provided that such company has obtained all authorisations necessary to become the administrator of the Plan. If the new administrator writes to you confirming that it will undertake all of the duties of Plan Provider, the existing Plan Provider will cease to have any duties and obligations in relation to the Plan.

The Plan Provider may also choose to subcontract any of its duties to any company within the Plan Provider's group. If it does so, the Plan Provider will remain responsible to you for the performance of its duties under these Conditions.

17. Unforeseen circumstances

The Plan Provider will not be liable for any losses or expenses suffered by you as a result of a delay or failure due to circumstances beyond its reasonable control (for example, because of failure of its or another person's computer systems or telecommunications links or overriding emergency procedures, postal delays, flood, fire, storm, labour disputes, accident, vandalism, malicious damage, war or terrorism). The Plan Provider will, where possible, take such reasonable steps as it can to provide its services under the Plan as soon as possible following any delay or failure.

18. Limitation on liability

The Plan Provider accepts no liability for any loss resulting from a delay in taking action where such delay is caused by your delay or failure to provide information, materials or data reasonably requested by the Plan Provider or regulatory authorities.

The Plan Provider is not acting as agent for the Company and is not responsible for any acts or omissions by the Company or those of the Company's agents.

The Plan Provider will not be required to expend or risk its own funds in buying shares or otherwise incur any financial liability in the performance of any of its duties.

The liability of the Plan Provider to you under these Conditions is limited to any losses directly associated with the act or omission of the Plan Provider that gave rise to the liability. The Plan Provider will not be liable for any other damage or loss suffered by you which it could not have foreseen (for example, the loss of an alternative investment opportunity as a result of any delay in withdrawing your shares from the Plan).

You should make sure that you keep your personal identification details safe. If you do not take reasonable steps to keep your identification details secure, or fail to tell the Plan Provider as soon as possible if you believe your identification details have been wrongfully obtained by someone else, the Plan Provider will not be liable to you for any losses you may suffer as a result, provided that the Plan Provider has acted with reasonable care. The Plan Provider can assume that instructions which appear to come from you are genuine unless it could reasonably have been expected to realise that they were not.

If you believe that someone else has wrongfully obtained any of your Identification Details, you should notify the Plan Provider as soon as possible, either by calling the telephone helpline on +44 20 8639 3402. Alternatively write to us at:

Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom.

Nothing in these Conditions excludes or limits any liability of the Plan Provider for:

- (i) death or personal injury caused by the Plan Provider's negligence;
- (ii) Any losses or expenses suffered as a direct result of fraud on the part of the Plan Provider; or

(iii) Any liability which cannot be excluded or limited by law or by the FSA rules.

19. Governing law

English law will apply to these Conditions. The English courts will have exclusive jurisdiction in relation to these Conditions.

These Conditions together with the Application constitute the entire and only agreement between you and the Plan Provider relating to the provision of the Plan and supersede any previous agreements or representations in respect of the Plan.

20. Complaints and compensation

If you think that you have reason to make a complaint, please write in the first instance to:

**Dividend Reinvestment Plans
Capita IRG Trustees Limited The Registry, 34 Beckenham Road, Beckenham,
Kent BR3 4TU
United Kingdom**

Your complaint will be fully investigated and a full resolution sought. If you remain dissatisfied, you may complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

The Plan Provider's complaints procedure is available upon request, but a copy will be provided automatically to you in the event of a complaint being received.

The Plan Provider is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 (as amended from time to time). You may be entitled to compensation from the Financial Services Compensation Scheme if the Plan Provider cannot meet its obligations. This depends on the type of business and the circumstances of the claim.

As at the date of these Conditions, most types of investment business are covered for compensation of up to £50,000. The amounts of compensation may be changed from time to time and you should check your entitlement with the Scheme. A leaflet with further details is available on request from the Scheme:

- Call the Scheme's Helpline on **020 7892 7300**
- log on to the Scheme's website at **www.fscs.org.uk**
- or write to **the Financial Services Compensation Scheme, 7th Floor Lloyds Chambers, Portoken Street, London, E1 8BN**

April 2011

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