

Prudential plc

EVERGREEN SCRIP DIVIDEND SCHEME

This document is important and requires your immediate attention.

If you are in any doubt about the action you should take with this document, you should immediately seek professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.



PRUDENTIAL



DIVIDEND TERMS AND CONDITIONS

All references to 'dividend' in this document are to any dividend announced by Prudential plc including any interim dividend or final dividend but not including any dividend in specie.

This document does not apply to CDP holders, who should refer to the document '2010 Interim Dividend Circular (for CDP shareholders)', which can be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

1 Summary

To be entitled to the dividend you must hold ordinary shares in the Company at 5.00 p.m. in London or 4.30 p.m. in Hong Kong (as appropriate) on the Record Date.

You may choose to receive your dividend in cash or in new fully paid ordinary shares ("**new shares**") under the Evergreen Scrip Dividend Scheme.

If you choose to receive your dividend in shares, you must submit a Scrip Dividend Mandate Form ("**Mandate**") in accordance with this document or have an existing Mandate in place by the Election Deadline Date.

If you choose to receive a cash dividend, you do not need to take any action. Your dividend will be paid to you in:

- Sterling if you hold your shares on the UK register or the Irish branch register; and
- Hong Kong Dollars if you hold your shares on the Hong Kong branch register.

2 Evergreen Scrip Dividend Scheme

You may choose to receive your dividend in new shares instead of cash.

The number of new shares that you are entitled to receive under the Evergreen Scrip Dividend Scheme is based on the scrip reference price. The scrip reference price is the average of the middle market price for the Company's ordinary shares on the London Stock Exchange for the five-day dealing period commencing the day on which the Company's shares were first quoted ex-dividend on the London Stock Exchange.

To qualify for the scrip dividend you need to have held a minimum number of shares on the Record Date. This number is calculated by dividing the scrip reference price by the cash dividend amount and then rounding it up to a whole share.

If you held less than the minimum number of shares on the Record Date and/or the value of your cash dividend (including any residual cash balances brought forward from previous dividends) is less than the scrip reference price, you will not qualify to receive the scrip dividend and your dividend will be paid to you in cash unless you have an existing Mandate in place to receive the scrip dividend, in which case your cash dividend payment will be carried forward, without interest, and included in the calculation for the next dividend payment.

If the value of your cash dividend (including any residual cash balances brought forward from previous dividends) is more than the scrip reference price, and you already have an existing Mandate in place, you will receive the scrip dividend.

We will not issue fractions of a new share and, therefore, you can only receive a whole number of new shares. Any cash balance left over after calculating your scrip dividend entitlement will be carried forward, without interest, and included in the calculation for the next dividend payment.

For your protection, the directors may (and absent mitigating circumstances intend to) cancel Mandates and pay a cash dividend instead, if, by the Election Deadline Date, the middle market price for the Company's ordinary shares on the London Stock Exchange has fallen by 15 per cent. or more from the scrip reference price.

All new shares issued as scrip dividend will automatically increase your shareholding on which the next entitlement to a scrip dividend will be calculated.

3 Deciding whether to elect for, or continue to elect for, the scrip dividend

When deciding whether you want to receive your dividend in cash or in new shares, please remember that the price of the Company's shares can go down as well as up and that the value of the Company's shares on the date on which the then prevailing Sterling/Hong Kong Dollar exchange rate is used for calculating the Hong Kong Dollar cash dividend may be higher or lower than the scrip reference price (due to share price movements and/or exchange rate movements). Whether or not it is to your advantage to elect to receive new shares instead of a cash dividend is a matter for individual decision by each shareholder. Prudential plc does not accept any responsibility for your decision. If you are not sure what to do, please contact an independent professional adviser.

4 Actions to take to receive your dividend in new shares

If you have a Mandate in place to receive your dividends in new shares and want to continue receiving your dividends in the same way, no further action is required. We will automatically give you your dividend in new shares.

If you do not have a Mandate in place and you wish to receive your dividend in new shares, you must complete a Mandate and return it to our registrars by the Election Deadline Date. See page 5 for further details on how to do this. See page 6 for the contact details of our registrars.

If your Mandate is not received by our registrars by the Election Deadline Date, your dividend will be paid to you in cash.

Once your new shares have been issued, a statement will be sent to you, along with your new share certificate (if applicable), showing you the number of new shares allotted, the scrip reference price and the total cash equivalent of the new shares for tax purposes.

If you move your shareholding between our registers or to an account with CDP, your existing Mandate will automatically terminate. If you wish to receive your dividend in new shares, you must complete a new Mandate for the relevant register and return it to our registrars.

5 Actions to take to receive your dividend in cash

If you hold your shares on the UK register or the Irish branch register, you will automatically receive your cash dividend in Sterling provided you do not have a Mandate in place to receive your dividend in new shares.

If you hold your shares on the Hong Kong branch register, you will automatically receive your cash dividend in Hong Kong Dollars provided you do not have a Mandate in place to receive your dividend in new shares.

The cash dividend is quoted in Sterling, therefore, if you hold your shares on the Hong Kong branch register, the amount that you will receive in Hong Kong Dollars will be calculated by using the forward Sterling/Hong Kong Dollar exchange rate quoted by the WM Company on the day the dividend is approved by the Board. The Sterling/Hong Kong Dollar exchange rate will be published on the Company's website <http://www.prudential.co.uk/prudential-plc/investors/> on or around that date.

If you have a Mandate in place to receive your dividend in new shares, but wish to receive your dividend in cash, you can cancel your Mandate at any time up to the Election Deadline Date. See below for further details on how to do this.

6 General Information

a) Scrip Dividend Mandate Form

Scrip Dividend Mandate Forms are available to download on the Company's website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. Alternatively, please contact our registrars (contact details below) and one will be sent to you.

Please remember to include your Shareholder Reference Number which can be found on your share certificate issued by the UK registrar.

Mandates must be completed in respect of your total shareholding. The Company may at its discretion permit partial elections where a shareholder is acting on behalf of more than one beneficial owner (a nominee shareholder). Please contact our registrars (contact details below) in relation to partial elections. The partial elections will remain in force for all future dividends unless cancelled for shareholders on the UK register.

Submitting mandate forms by post

Your Mandate must be returned to our registrars (contact details below). If our registrars do not receive your Mandate form by the Election Deadline Date, we will send you your dividend in accordance with your existing Mandate (if applicable).

All Mandates are sent at your own risk. We are not able to acknowledge receipt.

b) Multiple and Joint Shareholdings

If your shareholding is recorded in the Company's register of members in more than one share account then, unless you make arrangements with our registrars to have your holdings consolidated before the Election Deadline Date, they will be treated as separate holdings and you should complete a separate Mandate for each holding. Equally, if you are submitting your Mandate electronically, you will need to do this for each shareholder account.

If you wish to consolidate your holdings to avoid this happening in the future, please write to our registrars quoting the Shareholder Reference Numbers shown on your share certificates issued by the UK registrar.

Please note that consolidation of holdings is not available to shareholders on the Hong Kong branch register.

If you have a joint shareholding, please ensure that all shareholders sign the Mandate.

c) If you have recently purchased or sold shares

If you purchased shares on or after the Ex Dividend Date you will not be entitled to the dividend on them.

If you sold some of your shares before the Ex Dividend Date, you will be entitled to the dividend (and, if applicable, the scrip dividend) on the remainder of your shares.

If you purchased or sold shares before the Ex Dividend Date, you should contact the person who arranged the purchase or sale without delay. Appropriate arrangements can then be made to transfer the dividend.

d) Payment of your dividends into a bank account

We can also arrange for cash dividend payments to be paid directly into a bank account.

If you are a shareholder on the UK register, you must complete a Cash Dividend Mandate and return it to Equiniti in accordance with the instructions on the form. The form is available from the Company's website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

For shareholders registered on the Hong Kong branch register, you may receive payment of your dividends into your bank account if you update your Mandate after registering as a member on Computershare's website <https://www-uk.computershare.com/investor/formscatalogue.asp>.

e) Payment of cash balances

Any accumulated cash balances will be sent to you (or your estate), without interest, if:

- you sell or transfer all of your shares;
- you choose to receive your dividend in cash;
- you cancel your existing Mandate;
- you write to our registrars and ask them to send it to you; or
- you die.

7 Cancelling your Mandate

You may cancel your existing Mandate by giving notice of cancellation in writing to our registrars who must receive your notice by the Election Deadline Date. If they do not receive your notice by this date you will receive your dividend payment in accordance with your existing Mandate.

We will automatically cancel your existing Mandate if you sell or transfer all of your shares, but only with effect from the registration of the relevant transfer. We will also automatically cancel your existing Mandate if we are advised of your death.

8 Delivery and listing of new shares

The Company will apply to the UK Listing Authority and to the Listing Committee of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") for the new shares to be listed, and to the London Stock Exchange for the new shares to be admitted to trading on the London Stock Exchange. Subject to admission of new shares to the premium segment of the Official List of the UK Listing Authority and to listing approval from Hong Kong Stock Exchange, share certificates in respect of shareholdings held in certificated form (where they are usually registered in your own name) will be posted to you, at your own risk, one business day before the dividend payment date. If your shares are held in uncertificated form through CREST or CCASS (where they are registered in the name of a nominee) your stock account will be credited with the appropriate number of new shares on the dividend payment date (unless, in the case of shares held through CREST, the Company is unable to do so under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of CREST, in which case the new shares will be issued in certificated form and share certificates will be posted).

Dealing in the new shares is expected to begin on the relevant dividend payment date. However, if permission for the new shares to be listed and admitted to trading on the London Stock Exchange and Hong Kong Stock Exchange is not granted, the Company will not issue any new shares and you will receive all of your dividend in cash.

The new shares will have the same rights as the existing ordinary shares you hold.

9 Cancellation or modification of the scrip dividend

The operation of the Evergreen Scrip Dividend Scheme is always subject to the directors' decision to offer the scrip dividend alternative. If the directors decide not to offer the scrip dividend alternative in respect of any particular dividend, a cash dividend will be paid to you instead. If the directors offer a scrip dividend alternative in respect of any future dividends and you have submitted a Mandate in accordance with this document, you will be issued scrip dividend on the terms of this document.

Mandates may be modified at any time by the Company. In the case of any modification, existing Mandates (unless otherwise specified by the Company) will be deemed to remain valid under the modified arrangements unless and until you cancel your Mandate by giving notice of cancellation in writing to our registrars who must receive your notice by the Election Deadline Date.

10 Overseas shareholders

If you are resident outside the UK, Ireland or Hong Kong, you may only treat this document as an invitation for you to receive the scrip dividend if such invitation could be made to you where you are resident without the Company having to meet any registration or other legal requirements.

It is your responsibility to make sure that any legal requirements are met and/or that any necessary agreements (including any government or other consents) are obtained.

An individual holding ordinary shares cannot elect to receive American Depositary Receipts from a scrip dividend as part of this invitation and no American Depositary Receipts will be issued in respect of new shares.

The scrip dividend is not available to holders of American Depositary Receipts.

11 Registrars' Contact Details and Shareholder Helpline

All written communications should be sent to:

UK Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom.

Irish Branch Registrar

Capita Registrars, PO Box 7117, Dublin 2 or Unit 5, Manor Street Business Park, Manor Street, Dublin 7.

Hong Kong Registrar

Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Shareholder Helpline

If you have any questions about the dividend arrangements, please call our shareholder helpline between 9.00 a.m. and 6.00 p.m. (local time) Monday to Friday, excluding public holidays. The telephone number for Equiniti Limited is 0871 384 2035, Capita Registrars is +353 1 810 2400 and Computershare Hong Kong Investor Services Limited is +852 2862 8555.

The shareholder helpline will not be able to give you advice on the merits of the scrip dividend scheme or any financial advice. If you need financial advice you will need to contact an independent professional adviser.

12 General

You can view or download this document from the Company's website at http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. However, if you would like a paper copy of this document and/or the Scrip Dividend Mandate Form, copies will be available from our registrars. To request a copy, please call the shareholder helpline (see above for contact details).

In the case of any conflict between any translation and the English version of this document, the English text shall prevail.

13 Examples

The examples below are for illustrative purposes only.

The following information is assumed in the examples below:

- The cash dividend is 10 pence per share.
- The scrip reference price is £6.50.
- Your holding is 1,000 shares.

Example 1

You wish to receive your dividend in new shares.

If you have not previously put a Mandate in place to receive new shares for all of your future dividends, you will need to complete a Scrip Dividend Mandate Form and return it to our registrars so that it is received by them by the Election Deadline Date.

Cash value of your dividend = 1,000 shares × 10p = £100*

Number of new shares = £100* ÷ £6.50 = 15.38, rounded down to 15 new shares

Value of new shares = 15 × £6.50 = £97.50

Cash balance = £100 – £97.50 = £2.50

In this case the cash balance of £2.50 will be carried forward to the next dividend payment.

* Add this to any cash balance brought forward from the previous dividend.

Example 2

You wish to receive your dividend in cash.

You do not need to do anything unless you have previously put a Mandate in place to receive new shares for all of your future dividends. You will then need to cancel the Mandate electronically or by writing to our registrars so that it is received by them by the Election Deadline Date.

14 Glossary

Election Deadline Date

The date by which you must submit your scrip dividend mandate form if you wish to receive your dividend in the form of new shares. This is also the date by which you must cancel your existing scrip dividend mandate if you no longer wish to receive your dividend in the form of new shares. Your mandate must be received by Equiniti Limited, Capita Registrars or Computershare by 4.00 p.m. (local time) on this date.

Ex Dividend Date

The date the Company's shares are quoted ex-dividend on the London Stock Exchange or Hong Kong Stock Exchange (as relevant). If you purchase shares on or after this date you will not be entitled to the dividend.

Record Date

The record date for the dividend. You will receive the dividend on the number of ordinary shares registered in your name at 5.00 p.m. (local time) in London and 4.30 p.m. (local time) Hong Kong (as appropriate) on this date.

Scrip Reference Price

The price of the new ordinary shares offered under the Evergreen Scrip Dividend Scheme calculated as the average middle-market price of the Company's shares on the London Stock Exchange over the five-day dealing period commencing on the Ex Dividend Date.



Prudential plc

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For information, visit
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