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A PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

PRUDENTIAL PUBLIC LIMITED COMPANY

(adopted by special resolution passed on 9 May 2002 and amended by special resolutions passed on 8 May 2003 and 6 May 2004 and further amended by special resolution passed on 5 May 2005)

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PRELIMINARY

**Table A** 1. The regulations in Table A as in force at the date of the incorporation of the Company shall not apply to the Company.

**Definitions** 2. In these Articles, except where the subject or context otherwise requires:

*Act* means the Companies Act 1985 including any modification or re-enactment of it for the time being in force;

*address*, in relation to electronic communications, includes any number or address used for the purposes of such communications;

*Articles* means these articles of association as altered from time to time by special resolution;

*auditors* means the auditors of the Company;

*the board* means the directors or any of them acting as the board of directors of the Company;

*certificated share* means a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly;

*clear days* in relation to the sending of a notice means the period excluding the day on which a notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect;

**Companies Acts** has the meaning given by section 744 of the Act and includes any enactment passed after those Acts which may, by virtue of that or any other such enactment, be cited together with those Acts as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);

**Company** means Prudential public limited company;

**director** means a director of the Company;

**electronic signature** has the meaning given by section 7(2) of the Electronic Communications Act 2000;

**employees' share scheme** has the meaning given by section 743 of the Act;

**entitled by transmission** means, in relation to a share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the holder or otherwise by operation of law;

**holder** in relation to a share in the capital of the Company means the member whose name is entered in the register as the holder of that share;

**member** means a member of the Company;

**Memorandum** means the memorandum of association of the Company as amended from time to time;

**office** means the registered office of the Company;

**paid** means paid or credited as paid;

**recognised person** means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, each of which terms has the meaning given to it by section 185(4D) of the Act;

**register** means either or both of the issuer register of members and the Operator register of members of the Company;

**Regulations** means the Uncertificated Securities Regulations 2001 including any modification or re-enactment of them for the time being in force;

**seal** means the common seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act;

**secretary** means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

**subsidiary undertaking** shall be construed in accordance with section 258 of the Act;

**uncertificated share** means (subject to Regulation 42(11)(a) of the Regulations) a share in the capital of the Company title to which is recorded on the Operator register of members of the Company and which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these articles to a share

being held in uncertificated form shall be construed accordingly; and

**United Kingdom** means Great Britain and Northern Ireland.

**Construction**

3. References to a **document** include, unless the context otherwise requires, references to an electronic communication.

References to an **electronic communication** mean, unless the contrary is stated, an electronic communication (as defined in the Act) comprising writing.

References to a document being **executed** include references to its being executed under hand or under seal or, in the case of an electronic communication, by electronic signature.

References to an **instrument** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic communication (as defined in the Act).

Where, in relation to a share, these Articles refer to a **relevant system**, the reference is to the relevant system in which that share is a participating security at the relevant time.

References to a notice or other document being **sent** or **given** to or by a person mean such notice or other document, or a copy of such notice or other document, being sent, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles, and **sending** and **giving** shall be construed accordingly.

References to **writing** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether comprised in an electronic communication (as defined in the Act) or otherwise, and **written** shall be construed accordingly.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Act have the same meaning as in the Act unless inconsistent with the subject or context.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations unless inconsistent with the subject or context.

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them; (b) the word *board* in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

#### SHARE CAPITAL

4. The share capital of the Company at the date of adoption of this article is £170,000,000\* divided into 3,000,000,000 ordinary shares of 5p each, and 2,000,000,000 Sterling Preference Shares of 1p each (“**Sterling Preference Shares**”) and US \$20,000,000 divided into Dollar Preference Shares of US \$0.01 each (“**Dollar Preference Shares**”) and €20,000,000 divided into Euro Preference Shares of € 0.01 each (“**Euro Preference Shares**” and together with the Sterling Preference Shares and the Dollar Preference Shares, the “**Preference Shares**”). Subject to the special rights attached to the Preference Shares and to any special rights which are or may be attached to any other class of shares (i) the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend amongst the holders of the Ordinary Shares and (ii) on a winding up or liquidation, voluntary or otherwise, the residue, if any, of the surplus assets of the Company available for distribution amongst the members shall belong to the holders of the Ordinary Shares and be divided amongst them in proportion to the amounts paid up or credited as paid up on such shares held by them respectively. The Preference Shares may be issued in one or more series with such rights or subject to such restrictions as the board may determine and as provided below:

**(A) Dividend rights of the Preference Shares**

The rights to dividends conferred by each series of each class of Preference Shares shall be determined by the board prior to the date on which such shares are allotted.

**(B) Capital rights of the Preference Shares**

The rights to a return of capital or to share in the surplus assets of the Company available for distribution amongst the members on a winding up or liquidation conferred by each series of each class of Preference Shares shall be determined by the board prior to the date on which such shares are allotted.

\* On 18 May 2006 a resolution was passed increasing the ordinary share capital from £150,000,000 to £200,000,000, divided into 4,000,000,000 ordinary shares of 5p each.

**(C) *Rights of the Preference Shares to attend and vote at Meetings***

The rights of the holders of each series of each class of Preference Shares to attend at General Meetings of the Company, to speak at such General Meetings or vote on any Resolution proposed at such General Meetings shall be determined by the board prior to the date on which such shares are allotted.

**(D) *Redemption***

- (i) Unless the board shall, prior to the allotment of any series of any class of Preference Shares, determine that such series shall be non-redeemable, each series of each class of Preference Shares shall, subject to the provisions of the Act, be redeemable at the option of the Company in accordance with the following provisions.
- (ii) In the case of any series of any class of Preference Shares which are to be so redeemable:
  - (a) the Company may redeem on any Redemption Date (as hereinafter defined) all or some only of the Preference Shares of such series by giving to the holders of the Preference Shares to be redeemed not less than 30 nor more than 60 days' prior notice in writing (a "**Notice of Redemption**") of the relevant Redemption Date. "**Redemption Date**" means, in relation to any series of any class of Preference Shares, any date which either (i) falls no earlier than such date (if any) as may be fixed by the board, prior to allotment of such Preference Shares, as being the earliest date on which the Company may redeem such shares, and the date so fixed shall be no earlier than five years and one day, and no later than one hundred years and one day, after the relevant date of allotment (the "**Allotment Date**"), or (ii) if no date is fixed by the board under (i) above in relation to such Preference Shares, falls no earlier than five years and one day after the date of allotment of such Preference Shares  
Provided that:
    - (I) the board may determine prior to the Allotment Date that a Redemption Date must fall on such date or dates as may be fixed by the board prior to allotment; and
    - (II) if at the date of allotment of any series of Preference Shares it is lawful to do so, the board may, prior to the allotment of that series of Preference Shares, fix the date on or by which, or dates between which, such share is to be or may be redeemed and such date or dates fixed by the board may be in place of or in addition to any date derived from or fixed under the foregoing provisions of this sub-paragraph (a);
  - (b) there shall be paid on each Preference Share so redeemed, in the currency in which such Preference Share is denominated (the "**Relevant Currency**"), the aggregate of the nominal

amount thereof together with any premium paid on issue (such aggregate being the "**Subscription Amount**") and if so determined by the board prior to the Allotment Date a Relevant Redemption Premium (as defined below) (if any) and if so determined by the board prior to the Allotment Date, arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date; "**Relevant Redemption Premium**" means an amount calculated in accordance with that one of the following paragraphs as may be determined by the board prior to the Allotment Date:

- (A) such amount as when added to the aggregate of the Subscription Amount of the Preference Share to be redeemed and any premium paid on issue is equal to a price for such Preference Share at which the Gross Redemption Yield on such Preference Share on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Reference Time on that date of the Reference Security; For this purpose:

"**Gross Redemption Yield**" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part 1, 1978, page 18 or any replacement basis of calculation published by the Institute of Actuaries from time to time;

"**Reference Date**" means the date three business days prior to the date on which the Notice of Redemption is given;

"**Reference Time**" means, if the Preference Share to be redeemed is a Sterling Preference Share, 11:00 a.m. London time, if the Preference Share to be redeemed is a Dollar Preference Share, 3:00 p.m. London time, if the Preference Share to be redeemed is a Euro Preference Share, 10:00 a.m. London time;

"**Reference Security**" means the Relevant Government Security which is due to be repaid on a date closest to the final date for redemption of the Preference Share to be redeemed, or, if the Preference Share to be redeemed has no final date for redemption which is due to be repaid on a date closest to thirty years from the Reference Date; and

**“Relevant Government Security”** means if the Preference Share to be redeemed is a Sterling Preference Share, UK Gilt-Edged Security, if the Preference Share to be redeemed is a Dollar Preference Share, US Treasury note and if the Preference Share to be redeemed is a Euro Preference Share, Bundesrepublik Deutschland Bund,

- (B) an amount calculated in accordance with the following formula:

$$P = 50\% - (n \times R)$$

where:

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date:  
10%; 5%; 3%; 2.5%; 2%; 1%; 0.5%;

Provided that if  $n \times R$  is greater than 50%, P shall be nil;

- (C) an amount calculated in accordance with the following formula:

$$P = 33\% - (n \times R)$$

Where

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date:  
11%; 5.5%; 3.3%; 3%; 1.5%; 1%; 0.33%;

Provided that if  $n \times R$  is greater than 33%, P shall be nil;

- (D) an amount calculated in accordance with the following formula:

$$P = 25\% - (n \times R)$$

Where

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date: 12.5%; 5%; 2.5%; 1%; 0.25%;

Provided that if  $n \times R$  is greater than 25%, P shall be nil;

(E) an amount calculated in accordance with the following formula:

$$i = 0$$
$$\sum_{i = i_m} (IR - MRR) \times \frac{1}{(1 + RR_i \times f)^{t_i}}$$

$i_m$  = total number of Dividend Payment Dates from the Redemption Date to the Final Redemption Date;

IR = the amount of dividend payable annually on the Preference Share to be redeemed excluding any associated tax credit expressed as a percentage of the Subscription Amount of such Preference Share;

MRR = the yield on the Reference Security for the period from the Redemption Date to the Final Redemption Date plus the difference between IR and the yield on the Reference Security at the Allotment Date (such difference being the "**credit spread**");

$RR_i$  = the yield on the Reference Security for the period to the  $i^{\text{th}}$  Dividend Payment Date plus the credit spread;

$t_i$  = time in years from the Redemption Date to the  $i^{\text{th}}$  Dividend Payment Date;

f =

$$\frac{1}{\text{number of interest payments per year on the Reference Security.}}$$

For this purpose "Reference Security" has the meaning given in sub-paragraph (A) above;

(F) an amount calculated in accordance with the following formula:

$$i = 0$$

$$\sum_{i = i_m} (IR - RR_i) \times \frac{1}{(1 + RR_i \times f)^{t_i}}$$

$i_m$  = total number of Dividend Payment Dates from the Redemption Date to the Final Redemption Date;

IR = the amount of dividend payable annually on the Preference Share to be redeemed excluding any associated tax credit expressed as a percentage of the Subscription Amount of such Preference Share;

$RR_i$  = the yield on the Reference Security for the period to the  $i^{\text{th}}$  Dividend Payment Date plus the credit spread;

$t_i$  = time in years from the Redemption Date to the  $i^{\text{th}}$  Dividend Payment Date;

$f =$

$$\frac{1}{\text{number of interest payments per year on the Reference Security.}}$$

For this purpose "Reference Security" has the meaning given in sub-paragraph (A) above,

- (c) in the case of a redemption of some only of the Preference Shares in any series, the Company shall for the purpose of determining the particular Preference Shares to be redeemed cause a drawing to be made at the office or such other place as the board may approve in the presence of the Auditors for the time being of the Company;
- (d) any Notice of Redemption given under subparagraph (ii)(a) above shall specify the applicable Redemption Date, the particular Preference Shares to be redeemed and the redemption price (specifying if so determined by the board prior to the Allotment Date the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Act. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (e) the provisions of this sub-paragraph shall have effect in relation to Preference Shares for the time being issued and registered in the Register of Members ("**Registered Shares**") and represented by certificates ("**Certificates**"). Payments in

