

SUPPLEMENTAL TRUST DEED

2 MARCH 2023

between

PRUDENTIAL PLC

PRUDENTIAL FUNDING (ASIA) PLC

and

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

**modifying the Trust Deed
dated 22 November 2001 (as subsequently modified)
in respect of the issue of GBP 435,000,000 6.125 per cent. Subordinated Notes due 19
December 2031**

Slaughter and May

One Bunhill Row
London EC1Y 8YY
GO/KXZH/KXXT/RQL
580115379

THIS SUPPLEMENTAL TRUST DEED IS MADE ON 2 MARCH 2023

BETWEEN:

- (1) **PRUDENTIAL PLC** (in its capacity as the existing issuer, the “**Original Issuer**”);
- (2) **PRUDENTIAL PLC** (in its capacity as the acceding guarantor, the “**Guarantor**”);
- (3) **PRUDENTIAL FUNDING (ASIA) PLC** (the “**New Issuer**”); and
- (4) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** (the “**Trustee**”, which expression shall, where the context so admits, include all persons for the time being the trustee or trustees of these presents).

WHEREAS:

- (A) On 22 November 2001, the Original Issuer and the Trustee entered into a trust deed (the “**Original Trust Deed**”) relating to the Original Issuer’s Medium Term Note Programme (the “**Programme**”).
- (B) This Supplemental Trust Deed is supplemental to the Principal Trust Deed (as defined below).
- (C) On 19 December 2001, the Original Issuer issued GBP 435,000,000 6.125 per cent. Subordinated Notes due 19 December 2031 (the “**Notes**”). The terms and conditions of the Notes (the “**Terms and Conditions**”) provide that the Trustee may, at the request of the Original Issuer and without the consent of the Holders (as defined in the Terms and Conditions) subject to the satisfaction of the conditions therein including, *inter alia*, the New Issuer providing an unconditional and irrevocable guarantee on a subordinated basis of the obligations of the New Issuer (the “**Guarantee**”), agree to effect the substitution of the New Issuer in place of the Original Issuer as principal debtor in respect of the Notes.
- (D) The Original Issuer and the New Issuer have elected to substitute the New Issuer as the principal debtor in respect of the Notes (the “**Substitution**”).
- (E) The Trustee, being satisfied that the Substitution is not materially prejudicial to the interests of the Holders (as defined in the Terms and Conditions) and that the other conditions set out in Clause 22 (*Substitution*) of the Principal Trust Deed have been fulfilled, has agreed to the Substitution on and subject to the terms of this Supplemental Trust Deed and agreed with the parties hereto that the provisions of the Principal Trust Deed be modified and restated in the form set out in the Schedule hereto (the “**Amended and Restated Trust Deed**”) in order to reflect the Substitution and the Guarantee.

NOW THIS SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

1. Words and expressions used in in this Supplemental Trust Deed shall have the meanings given to them in the recitals above and, in addition:

“**Effective Date**” shall mean, subject to Clause 4 below, the date on which each of the Substitution Conditions has been satisfied;

“**Global Note**” shall mean the permanent global note representing the Notes and registered in the name of a nominee for a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.;

“**No Default Certificate**” shall mean a certificate of two directors of the Original Issuer (or other officers acceptable to the Trustee) certifying that no Event of Default or Potential Event of Default (as defined in the Principal Trust Deed) has occurred and is continuing at the time at which the Substitution is effected;

“**Principal Trust Deed**” shall mean the Original Trust Deed as modified on or prior to 19 December 2001;

“**Solvency Certificate**” shall mean a certificate of two directors of the New Issuer (or other officers acceptable to the Trustee) certifying that the New Issuer is solvent at the time at which the Substitution is effected and will be solvent immediately thereafter; and

“**Substitution Conditions**” shall mean:

- (a) delivery to the Trustee of the Solvency Certificate;
- (b) delivery to the Trustee of the No Default Certificate;
- (c) delivery to the Trustee of a legal opinion from Slaughter and May as to matters of English law substantially in the form agreed between the Trustee, the Original Issuer and the New Issuer prior to the Effective Date; and
- (d) receipt of confirmation from any rating agency that has assigned a credit rating to the Notes that the Substitution by itself and the circumstances pertaining to the Substitution will not result in a downgrading of the then current credit rating assigned to the Notes by each such rating agency;
- (e) the entry into a supplemental agency agreement between the Original Issuer, the New Issuer, the Trustee and Citibank N.A., London Office as agent; and
- (f) the satisfaction of the applicable conditions to the Substitution set out in Clause 22 of the Principal Trust Deed as evidenced by the Trustee’s approval of the Substitution in the Trustee consent letter dated the date hereof.

in each case in the form agreed by the Trustee on or prior to the date of this Supplemental Trust Deed.

2. The modifications made pursuant to this Supplemental Trust Deed relate solely to, and shall have effect solely in respect of, the Notes. No notes issued under the Programme other than the Notes shall be modified hereby.
3. With effect from Effective Date:
 - (a) the New Issuer:
 - (i) undertakes to observe, perform, discharge and be bound by all of the obligations of the Original Issuer in respect of the Principal Trust Deed (insofar as it relates to the Notes) and the Notes as if the New Issuer

were the original principal debtor in respect of the Principal Trust Deed and the Notes;

- (ii) shall assume all of the liabilities of the Original Issuer in respect of the Principal Trust Deed (insofar as it relates to the Notes) and the Notes including, but without limitation to the generality of the foregoing, the obligation to pay:
 - (A) all interest on the Notes accrued but unpaid up to (and including) the Effective Date; and
 - (B) all other moneys payable under or pursuant to the Principal Trust Deed (insofar as such amount relates to the Notes) and the Notes in respect thereof accrued but unpaid up to (and including) the Effective Date; and
- (iii) agrees to be bound by the terms of the Principal Trust Deed as the "Issuer" of the Notes in place of the Original Issuer;

(b) the Guarantor:

- (i) agrees to guarantee, on a subordinated basis, the obligations of the New Issuer assumed pursuant to Clause 3(a) above in respect of the Notes on the terms of Clause 8 of the Amended and Restated Trust Deed; and
- (ii) covenants that it will duly observe and perform and be bound by all of the covenants, conditions and provisions of the Notes and the Amended and Restated Trust Deed in respect thereof as are expressed to be binding on or apply to the "Guarantor";

(c) the Trustee:

- (i) irrevocably releases and discharges the Original Issuer from all obligations to observe, perform and discharge the obligations as "Issuer" and principal debtor in relation to the Principal Trust Deed (insofar as it relates to the Notes) and the Notes;
- (ii) irrevocably releases and discharges the Original Issuer from all liabilities as "Issuer" and principal debtor in respect of the Principal Trust Deed (insofar as it relates to the Notes) and the Notes; and
- (iii) pursuant to and in accordance with the Principal Trust Deed hereby agrees to the substitution of the New Issuer in place of the Original Issuer as principal debtor in respect of the Principal Trust Deed (insofar as it relates to the Notes) and the Notes;

(d) the Principal Trust Deed:

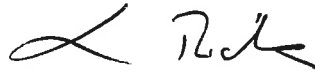
- (i) shall be modified in such manner as would result in the Principal Trust Deed as so modified and restated being in the form of the Amended and Restated Trust Deed; and

- (ii) the provisions of the Principal Trust Deed insofar as the same still have effect shall cease to have effect and in lieu thereof the provisions of the Amended and Restated Trust Deed shall have effect; and
 - (e) the Global Note shall be amended so as to be in the form set out in Schedule 2 to the Amended and Restated Trust Deed (the "**Amended Global Note**") and the New Issuer shall, as soon as practicable after the date hereof, deliver to the bearer of the Global Note a conformed copy of this Supplemental Trust Deed which shall be annexed to and held with the Amended Global Note.
- 4. If the Effective Date does not occur prior to 30 April 2023 then no modifications shall be made to the Notes pursuant to this Supplemental Trust Deed.
- 5. The Original Issuer and the New Issuer (as applicable) hereby confirm:
 - (a) the New Issuer is a Subsidiary (as defined in the Terms and Conditions) of the Original Issuer;
 - (b) the New Issuer is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, the United Kingdom; and
 - (c) all authorisations, consents, approvals, filings, notifications and registrations required in connection with the substitution have been obtained or effected.
- 6. This Supplemental Trust Deed may be executed in counterparts, each of which, taken together, shall constitute one and the same Supplemental Trust Deed and each party may enter into this Supplemental Trust Deed by executing a counterpart.
- 7. This Supplemental Trust Deed (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by and construed in accordance with English law.
- 8. The Original Issuer, the New Issuer and the Guarantor each irrevocably agree for the benefit of the Trustee and the Holders that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these presents and accordingly submits to the exclusive jurisdiction of the English courts. Each of the Original Issuer, the New Issuer and the Guarantor hereby waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

IN WITNESS whereof this Supplemental Trust Deed has been executed as a deed by the Original Issuer, the New Issuer, the Guarantor and the Trustee and delivered on the date and year first above written.

SIGNATORIES

SIGNED as a **DEED** by **PRUDENTIAL PLC**)
in its capacity as **Original Issuer**)
acting by its duly authorised attorney in the)
presence of: **KIERAN DEVLIN**)

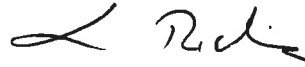


Witness's Signature: 

Name: **KIERAN DEVLIN**

Address:
12 KINGS CLOSE
BURGHALL
STOCKPORT SK17 3BN

SIGNED as a **DEED** by **PRUDENTIAL PLC**)
in its capacity as **Guarantor**)
acting by its duly authorised attorney in the)
presence of: **KIERAN DEVLIN**)



Witness's Signature: 

Name: **KIERAN DEVLIN**

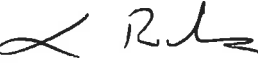
Address:
12 KING'S CROSS
BRAHMALL
STOCKPORT

**SIGNED as a DEED by PRUDENTIAL FUNDING
(ASIA) PLC**

acting by its duly authorised attorney in the
presence of: *SIMON RICH*

)
) 
)
)

Witness's Signature:



Name: *SIMON RICH*

Address: *63 PALACE GARDENS TERRACE
LONDON W8 4RU*

Executed as a Deed for and on behalf of The Law)
Debenture Trust Corporation p.l.c)
By:)



Director



Representing Law Debenture Corporate Services
Limited, Secretary

SCHEDULE

AMENDED AND RESTATED TRUST DEED

DATED 22nd November, 2001

PRUDENTIAL FUNDING (ASIA) PLC

- and -

PRUDENTIAL plc

- and -

PRUDENTIAL FINANCE (UK) plc

- and -

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

TRUST DEED

(as modified and restated on 2 March 2023)

relating to a

**£5,000,000,000
Medium Term Note Programme**

**For Prudential plc, Prudential Funding (Asia) PLC and Prudential Finance (UK) plc
as to English Law:**

**SLAUGHTER AND MAY
1 Bunhill Row
London
EC1Y 8YY**

**For The Law Debenture Trust Corporation p.l.c. as to
English and United States law:**

**ALLEN & OVERY
One Bishops Square
London E1 6AD**

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THIS TRUST DEED is made on **22 November, 2001** (as modified and restated on 2 March 2023)
BETWEEN:

- (1) **PRUDENTIAL FUNDING (ASIA) PLC**, a company incorporated with limited liability in England and Wales, whose registered office is at 1 Angel Court, London EC2R 7AG, England (the “**Issuer**”);
- (2) **PRUDENTIAL plc**, a company incorporated with limited liability in England and Wales, whose registered office is at 1 Angel Court, London EC2R 7AG, England (“**Prudential**” and, in its capacity as guarantor of Notes issued by Prudential Funding (Asia) PLC and Prudential Finance (UK) plc, (the “**Guarantor**”);
- (3) **PRUDENTIAL FINANCE (UK) plc**, a company incorporated with limited liability in England and Wales whose registered office is at Laurence Pountney Hill, London EC4R OHH (“**Prudential Finance**” and, together with Prudential Funding (Asia) PLC in its capacity as an issuer, the “**Issuers**” and each an “**Issuer**”); and
- (4) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated with limited liability in England and Wales, whose registered office is at Eighth Floor, 100 Bishopsgate, London EC2N 4AG, England (the “**Trustee**”, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Holders, the Receipholders and the Couponholders (each as defined below).

WHEREAS:

- (1) By resolutions of the Boards of Directors of Prudential passed on 6th September, 2001 and of Prudential Finance passed on 15th November, 2001, Prudential and Prudential Finance resolved to establish a Medium Term Note Programme pursuant to which each of the Issuers may from time to time issue Notes as set out herein.
- (2) By a resolution of the Committee of the Board of Directors of the Guarantor passed on 16th November, 2001 the Guarantor agreed to guarantee all Notes issued by Prudential Finance and to enter into certain covenants set out in this Trust Deed.
- (3) By a resolution of the Board of Directors of Prudential Funding (Asia) PLC passed on 23 February 2023 and pursuant to a supplemental trust deed dated 2 March 2023 between Prudential Funding (Asia) PLC, Prudential plc and the Trustee, Prudential Funding (Asia) PLC assumed the obligations of Prudential plc as issuer and principal debtor in respect of the Notes issued by Prudential plc pursuant to the Programme.
- (4) By a resolution of the Board of Directors of the Guarantor at a meeting held on 30 November 2022, a resolution of a duly constituted Committee of the Board of Directors of the Guarantor at a meeting held on 20 February 2023 and a written resolution of the execution committee of the Guarantor passed on 24 February 2023, the Guarantor has agreed to guarantee the obligations of Prudential Funding (Asia) PLC under the Notes issued by Prudential plc referred to in Recital 3 above and to enter into certain covenants as set out in this Trust Deed.

- (5) The Trustee has agreed to act as trustee of these presents for the benefit of the Holders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of these presents.

NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. DEFINITIONS

- (A) IN these presents unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

“Agency Agreement” means the agreement dated 22nd November, 2001, as amended and/or supplemented and/or restated from time to time, pursuant to which Prudential Funding (Asia) PLC, the Guarantor and Prudential Finance have appointed the Issue and Paying Agent, the other Paying Agents and the Registrar in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Paying Agents or another Issue and Paying Agent or Registrar in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have previously been approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements;

“Appointee” means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

“Arrears of Interest” has the meaning set out in Condition 5;

“Assets” has the meaning set out in Condition 3;

“Auditors” means the auditors for the time being of the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Funding (Asia) PLC or Prudential Finance) or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated by the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Funding (Asia) PLC or Prudential Finance) and approved by the Trustee or, failing such nomination and/or approval, as may be nominated by the Trustee, in each case for the purposes of these presents;

“Authorised Person” means (i) any Director of the relevant Issuer or, where the relevant Issuer is, Prudential Finance or Prudential Funding (Asia) PLC, Prudential or (ii) any person authorised by the resolutions passed by the Board of Directors of Prudential on 6th September, 2001 and the Board of Directors of Prudential Finance on 15th November, 2001 or (iii) any person who may from time to time be authorised by the Board of Directors of the relevant Issuer or, where the relevant Issuer is, Prudential Finance or Prudential Funding (Asia) PLC, Prudential and notified in writing to the Trustee as being authorised to approve, enter into, sign or deliver any document or instrument in connection with the Programme and under these presents;

“Bearer Global Note” means a Temporary Global Note and/or a Permanent Global Note, as the context may require;

“Bearer Notes” means those of the Notes which are in bearer form;

“Calculation Agent” means, in relation to all or any Series of the Notes, the person appointed as such from time to time pursuant to the provisions of the Agency Agreement or any Successor calculation agent in relation thereto;

“Capital Disqualification Event” has the meaning set out in Condition 7.6 and, for the avoidance of doubt, Subordinated Notes will be deemed to count as cover notwithstanding that any limits in respect of obligations which can be included in determining such capability would be exceeded by including in such determination all or any part of the Notes and accordingly for these purposes any such limits shall be disregarded;

“Clearstream, Luxembourg” means Clearstream Banking, societe anonyme, a limited liability company organised under Luxembourg law;

“Conditions” means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in the First Schedule or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Pricing Supplement applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of these presents and references in these presents to a particular numbered Condition shall be construed accordingly;

“Coupon” means an interest coupon appertaining to a Definitive Bearer Note (other than a Zero Coupon Note), such coupon being:

- (i) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Part V A of the Second Schedule or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s); or
- (ii) if appertaining to a Floating Rate Note or an Index Linked Interest Note, in the form or substantially in the form set out in Part V B of the Second Schedule or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s); or
- (iii) if appertaining to a Definitive Bearer Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index Linked Interest Note, in such form as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11;

“Couponholders” means the several persons who are for the time being holders of the Coupons and includes, where applicable, the Talonholders;

“Creditors” has the meaning set out in Condition 3;

“Dated Subordinated Note” means a Note specified as such in the applicable Pricing Supplement;

“Dealers” means Barclays Bank PLC, Deutsche Bank AG London, Goldman Sachs International, Salomon Brothers International Limited and UBS AG, acting through its business group UBS Warburg and any other entity which the relevant Issuer may appoint as a Dealer and notice of whose appointment has been given to the Issue and Paying Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Dealership Agreement but excluding any entity whose appointment has been terminated in accordance with the provisions of the Dealership Agreement and notice of which termination has been given to the Issue and Paying Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Dealership Agreement and references to a **“relevant Dealer”** or **“relevant Dealer(s)”** mean, in relation to any Tranche or Series of Notes, the Dealer or Dealers with whom the relevant Issuer has agreed the issue of the Notes of such Tranche or Series and **“Dealer”** means any one of them;

“Dealership Agreement” means the agreement of even date herewith between Prudential, Prudential Finance, Barclays Bank PLC and the other Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement;

“Definitive Bearer Note” means a Bearer Note in definitive form issued or, as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or part thereof or a Permanent Global Note (all as indicated in the applicable Pricing Supplement), such Bearer Note in definitive form being in the form or substantially in the form set out in Part III of the Second Schedule with such modifications (if any) as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

“Definitive Note” means a Definitive Bearer Note and/or, as the context may require, a Definitive Registered Note;

“Definitive Registered Note” means a Registered Note in definitive form issued or, as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), the Agency Agreement and these presents in exchange for a Registered Global Note (all as indicated in the applicable Pricing Supplement), such Registered Note in definitive form

being in the form or substantially in the form set out in Part IX of the Second Schedule with such modifications (if any) as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and having a Form of Transfer endorsed thereon;

“**DTC**” means The Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America;

“**Dual Currency Note**” means a Note in respect of which payments of principal and/or interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

“**Early Redemption Amount**” has the meaning ascribed thereto in Condition 7.5;

“**Euroclear**” means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

“**Event of Default**” means any of the conditions, events or acts set out in Condition 10 being, in the case of the events set out in Conditions 10.1 and 10.2(ii), events upon the happening of which the Notes of any Series would, subject only to notice by the Trustee as therein provided, become immediately due and repayable;

“**Expense**” means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any amount in respect of irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

“**Extraordinary Resolution**” has the meaning ascribed thereto in paragraph 20 of the Third Schedule;

“**Fixed Rate Note**” means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

“**Floating Rate Note**” means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

“**Form of Transfer**” means the form of transfer endorsed on a Definitive Registered Note in the form or substantially in the form set out in Part IX of the Second Schedule;

“Global Note” means a Temporary Global Note and/or a Permanent Global Note and/or a Regulation S Global Note and/or a Rule 144A Global Note, as the context may require;

“Guarantor Liquidator” has the meaning set out in Clause 7.9;

“Guarantor’s Rights Against the Issuer” has the meaning set out in Clause 7.8;

“Guarantor Subordinated Indebtedness” has the meaning set out in Condition 3;

“Holders” means the several persons who are for the time being holders of outstanding Notes (being, in the case of Bearer Notes, the bearers thereof and, in the case of Registered Notes, the several persons whose names are entered in the register of holders of the Registered Notes as the holders thereof) save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Temporary Global Note, a Permanent Global Note or a Regulation S Global Note deposited with a common depositary for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Rule 144A Registered Global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) or, as the case may be, DTC as the holder of a particular nominal amount of the Notes of such Series shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such nominal amount of such Notes and, in the case of DTC or its nominee, voting, giving consents and making requests pursuant to these presents, the rights to which shall be vested, as against the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) and the Trustee, solely in such common depositary or, as the case may be, DTC or its nominee and for which purpose such common depositary or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of these presents and the expressions **“holder”** and **“holder of Notes”** and related expressions shall be construed accordingly;

“Holding Company” means any company which is for the time being a holding company (within the meaning of Section 736 of the Companies Act 1985);

“Index Linked Interest Note” means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

“Index Linked Note” means an Index Linked Interest Note and/or an Index Linked Redemption Amount Note, as applicable;

“Index Linked Redemption Amount Note” means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

“interest” includes Arrears of Interest;

“Interest Commencement Date” means, in the case of interest-bearing Notes, the date specified in the applicable Pricing Supplement from (and including) which such Notes bear interest, which may or may not be the Issue Date;

“Interest Payment Date” means, in relation to any Floating Rate Note or Indexed Interest Note, either:

- (i) the date which falls the number of months or other period specified as the **“Specified Period”** in the applicable Pricing Supplement after the preceding Interest Payment Date or the Interest Commencement Date (in the case of the first Interest Payment Date); or
- (ii) such date or dates as are indicated in the applicable Pricing Supplement;

“Issue and Paying Agent” means, in relation to all or any Series of the Notes, Citibank, N.A. at its office at 5 Carmelite Street, London EC4Y OPA or, if applicable, any Successor issue and paying agent;

“Issue Date” means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), being in the case of any Definitive Note represented initially by a Temporary Global Note, a Permanent Global Note or a Registered Global Note, the same date as the date of issue of the Temporary Global Note, the Permanent Global Note or the Registered Global Note which initially represented such Note;

“Issuer Liquidator” has the meaning set out in Clause 8(B);

“Issue Price” means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued;

“Issuer Subordinated Indebtedness” has the meaning set out in Condition 3;

“Liabilities” has the meaning set out in Condition 3;

“London Business Day” has the meaning set out in Condition 5B.7;

“London Stock Exchange” means the London Stock Exchange plc or such other body to which its functions have been transferred;

“Maturity Date” means the date on which a Note is expressed to be redeemable;

“month” means calendar month;

“Note” means a note issued pursuant to the Programme and denominated in such currency or currencies as may be agreed between the relevant Issuer and the relevant Dealer(s) which:

- (i) has such maturity as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant currency; and

- (ii) has such denomination as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency,

issued or to be issued by the relevant Issuer pursuant to the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), the Agency Agreement and these presents; and includes any replacements for a Note (whether a Bearer Note or a Registered Note, as the case may be) issued pursuant to Condition 11;

“notice” means, in respect of a notice to be given to Holders, a notice validly given pursuant to Condition 14;

“Official List” has the meaning ascribed thereto in Section 142 of the Financial Services Act 1986;

“outstanding” means, in relation to the Notes of all or any Series, all the Notes of such Series issued other than:

- (a) those Notes which have been redeemed pursuant to these presents;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Issue and Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Holders in accordance with Condition 14) and remain available for payment against presentation of the relevant Notes and/or Receipts and/or Coupons;
- (c) those Notes which have been purchased and cancelled in accordance with Conditions 7.8 and 7.9;
- (d) those Notes which have become void under Condition 9;
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 11;
- (f) (for the purpose only of ascertaining the nominal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 11;
- (g) any Global Note to the extent that it shall have been exchanged for Definitive Notes pursuant to its provisions, the provisions of these presents and the Agency Agreement; and
- (h) those Restricted Notes which have been exchanged for Unrestricted Notes and those Unrestricted Notes which have been exchanged for Restricted Notes, in each case

pursuant to their provisions, the provisions of these presents and the Agency Agreement,

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the holders of the Notes of any Series;
- (ii) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Conditions 10 and 15 and paragraphs 2, 5, 6 and 9 of the Third Schedule;
- (iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes of any Series; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Notes of any Series,

those Notes of the relevant Series (if any) which are for the time being held by or on behalf of the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) or any of their Subsidiaries, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“Paying Agents” means, in relation to all or any Series of the Notes, the several institutions (including, where the context permits, the Issue and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Notes by Prudential Funding (Asia) PLC, the Guarantor and Prudential Finance pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents;

“Permanent Global Note” means a global note in the form or substantially in the form set out in Part II of the Second Schedule with such modifications (if any) as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Bearer Notes of the same Series, issued by the relevant Issuer pursuant to the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents;

“Potential Event of Default” means any condition, event or act which, with the lapse of time and/or the giving of notice and/or the issue of any certificate, would constitute an Event of Default;

“Pricing Supplement” has the meaning set out in the Dealership Agreement;

“Principal Subsidiary” has the meaning set out in Condition 4;

“Programme” means the Medium Term Note Programme established by, or otherwise contemplated in, the Dealership Agreement;

“Receipt” means a receipt attached on issue to a Definitive Bearer Note redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in Part IV of the Second Schedule or in such other form as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 11;

“Receiptholders” means the several persons who are for the time being holders of the Receipts;

“Reference Banks” means, in relation to the Notes of any relevant Series, the several banks initially appointed as reference banks and/or, if applicable, any Successor reference banks;

“Registered Global Note” means a Regulation S Global Note and/or a Rule 144A Global Note, as the context may require;

“Registered Notes” means those of the Notes which are in registered form;

“Registrar” means, in relation to all or any Series of the Registered Notes, Citibank, N.A. at its office at Citigroup Centre, Canada Square, London, E14 5LB or, if applicable, any Successor registrar;

“Regulation S Global Note” means a registered global note in the form or substantially in the form set out in Part VIII of the Second Schedule with such modifications (if any) as may be agreed between Prudential, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Registered Notes of the same Series initially offered and sold outside the United States in reliance on Regulation S under the Securities Act, issued by Prudential pursuant to the Dealership Agreement or any other agreement between Prudential and the relevant Dealer(s) and these presents;

“Relevant Date” has the meaning set out in Condition 8;

“repay”, “redeem” and “pay” shall each include both the others and cognate expressions shall be construed accordingly;

“Restricted Notes” means Registered Notes represented by a Rule 144A Global Note and Definitive Registered Notes issued in exchange for a Rule 144A Global Note;

“Rule 144A Global Note” means a registered global note in the form or substantially in the form set out in Part VIII of the Second Schedule with such modifications (if any) as may be agreed between Prudential, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Registered Notes of the same Series initially offered and sold in the United States in reliance on Rule 144A under the Securities Act, issued by Prudential pursuant to the Dealership Agreement or any other agreement between Prudential and the relevant Dealer(s), the Agency Agreement and these presents;

“Securities Act” means the United States Securities Act of 1933, as amended;

“Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **“Notes of the relevant Series”**, **“holders of Notes of the relevant Series”** and related expressions shall be construed accordingly;

“sterling debenture stock” means secured loan stock in registered form or to be in registered form, listed on the London Stock Exchange, denominated in or payable in sterling and initially primarily distributed to investors in the United Kingdom;

“Stock Exchange” means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the **“relevant Stock Exchange”** shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed;

“Subordinated Guarantee” has the meaning set out in Clause 7.1;

“Subordinated Indebtedness” has the meaning set out in Condition 3;

“Subordinated Note” means a Note specified as such in the applicable Pricing Supplement;

“Subsidiary” means any company which is for the time being a subsidiary (within the meaning of Section 736 of the Companies Act 1985 of Great Britain);

“Successor” means, in relation to the Issue and Paying Agent, the other Paying Agents, the Registrar, the Reference Banks and the Calculation Agent, any successor to any one or more of them in relation to the Notes which shall become such pursuant to the provisions of these presents and/or the Agency Agreement (as the case may be) and/or such other or further issue and paying agent, paying agents, registrar, reference banks and calculation agent (as the case may be) in relation to the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated, in each case by Prudential Funding (Asia) PLC and the Guarantor and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Holders;

“successor in business” means any company which, as a result of any amalgamation, merger or reconstruction:

- (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by Prudential Finance or Prudential Funding (Asia) PLC or, as the case may be, the Guarantor immediately prior thereto; and
- (ii) carries on, as successor to Prudential Finance or Prudential Funding (Asia) PLC or, as the case may be, the Guarantor, the whole or substantially the whole of the business

carried on by Prudential Finance or Prudential Funding (Asia) PLC or, as the case may be, the Guarantor immediately prior thereto;

“Talonholders” means the several persons who are for the time being holders of the Talons;

“Talons” means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Definitive Bearer Notes (other than the Zero Coupon Notes), such talons being in the form or substantially in the form set out in Part VI of the Second Schedule or in such other form as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11;

“Temporary Global Note” means a global note in the form or substantially in the form set out in Part I of the Second Schedule with such modifications (if any) as may be agreed between the relevant Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Bearer Notes of the same Series, issued by the relevant Issuer pursuant to the Dealership Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), the Agency Agreement and these presents;

“these presents” means this Trust Deed and the Schedules and any trust deed supplemental hereto and the Schedules (if any) thereto and the Notes, the Receipts, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Pricing Supplements, all as from time to time modified in accordance with the provisions herein or therein contained;

“Tranche” means all Notes which are identical in all respects (including as to listing);

“Trust Corporation” means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

“Undated Subordinated Note” means a Note specified as such in the applicable Pricing Supplement;

“Unrestricted Notes” means those of the Registered Notes which are not Restricted Notes;
“Zero Coupon Note” means a Note on which no interest is payable;

words denoting the singular shall include the plural and *vice versa*;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and vice versa.

- (B)** (i) All references in these presents to principal and/or principal amount and/or interest in respect of the Notes or to any moneys payable by the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 6.6.

- (ii) All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- (iii) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (iv) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (v) All references in these presents to Euroclear and/or Clearstream, Luxembourg and/or (in the case of Registered Notes) DTC shall, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the relevant Issuer, the Guarantor, the Issue and Paying Agent, the Registrar and the Trustee.
- (vi) Unless the context otherwise requires words or expressions used in these presents shall bear the same meanings as in the Companies Act 1985 of Great Britain.
- (vii) In this Trust Deed references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Trust Deed respectively.
- (viii) Wherever in these presents there is a requirement for the consent of, or a request from, the Holders, then, for so long as any of the Registered Notes is represented by a Rule 144A Global Note registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to Prudential in accordance with and in the form used by DTC as part of its usual procedures from time to time. Such Omnibus Proxy shall assign the right to give such consent or, as the case may be, make such request to DTC's direct participants as of the record date specified therein and any such assignee participant may give the relevant consent or, as the case may be, make the relevant request in accordance with these presents.
- (ix) In these presents tables of contents and Clause headings are included for ease of reference and shall not affect the construction of these presents.

(C) Words and expressions defined in these presents or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of

inconsistency between the Agency Agreement and these presents, these presents shall prevail and, in the event of inconsistency between the Agency Agreement or these presents and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.

- (D) All references in these presents to the “**relevant currency**” shall be construed as references to the currency in which payments in respect of the Notes and/or Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Pricing Supplement.
- (E) As used in these presents, in relation to any Notes which have a “**listing**” or are “**listed**” on the London Stock Exchange, “**listing**” and “**listed**” shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange’s market for listed securities. All references in these presents to “listing” and “listed” shall include references to “**quotation**” and “**quoted**” respectively.
- (F) All references in these presents involving compliance by the Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the Holders of the Notes of the relevant one or more Series as a class.

2. **AMOUNT AND ISSUE OF THE NOTES**

(A) **Amount of the Notes, Pricing Supplements and Legal Opinions:**

THE Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3.33 of the Dealership Agreement shall apply-

By not later than 3.00 p.m. (London time) on the third London Business Day preceding each proposed Issue Date, the relevant Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Pricing Supplement and drafts of all (if any) legal opinions to be given in connection with the relevant issue and shall notify the Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Notes to be issued. Upon the issue of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Trust Deed and on such other occasions as the Trustee so requests (on the basis that (i) the Trustee considers it necessary in view of a change (or proposed change) in applicable law or regulations (or the interpretation or application thereof) affecting the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), these presents, the Dealership Agreement or the Agency Agreement, or (ii) the Trustee has other grounds, the relevant Issuer will procure that a further legal opinion or further legal opinions in such form and with such content as the Trustee may require from the legal advisers specified in the Dealership Agreement or such other legal advisers as the Trustee may require is/are delivered to the Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion(s) in a form reasonably satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

(B) **Covenant to repay principal and to pay interest:**

The relevant Issuer covenants with the Trustee that it will, as and when the Notes of any Series or any of them or any instalment of principal in respect thereof becomes due to be redeemed in accordance with the Conditions, (subject as provided in these presents) unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount in respect of the Notes of such Series or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall (subject as provided in these presents) in the meantime and until redemption in full of the Notes of such Series (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest (which shall accrue from day to day) on the nominal amount of the Notes outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2(D)) PROVIDED THAT:

- (i) every payment of principal or interest or other sum due in respect of the Notes made to or to the order of the Issue and Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction pro tanto of the covenant by the relevant Issuer in this Clause contained in relation to the Notes of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Holders, Receiptholders or Couponholders (as the case may be);
- (ii) in the case of any payment of principal made to the Trustee or the Issue and Paying Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall continue to accrue on the nominal amount of the relevant Notes (except in the case of Zero Coupon Notes to which the provisions of Condition 7.10 shall apply) (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Trustee determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Notes (such date to be not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Trustee or the Issue and Paying Agent); and
- (iii) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (ii) above) interest shall accrue on the nominal amount of such Note (except in the case of Zero Coupon Notes to which the provisions of Condition 7.10 shall apply) payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Note is made or (if earlier) the fifth working day after notice is given to the relevant Holder(s)

(whether individually or in accordance with Condition 14) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

The Trustee will hold the benefit of this covenant on trust for the Holders, the Receiptholders and the Couponholders and itself in accordance with these presents.

(C) Trustee's requirements regarding Paying Agents etc:

At any time after an Event of Default or a Potential Event of Default shall have occurred or the Trustee shall have received any money which it proposes to pay under Clauses 7.9, 8(A)(i), 8(B)(i) or 12 or the Notes shall otherwise have become due and repayable, the Trustee may:

- (i) by notice in writing to the relevant Issuer, the Guarantor, (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Issue and Paying Agent, the Registrar and the other Paying Agents require the Issue and Paying Agent, the Registrar and the other Paying Agents pursuant to the Agency Agreement:
 - (a) to act thereafter as Issue and Paying Agent, Registrar and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of these presents mutatis mutandis on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Issue and Paying Agent, the Registrar and the other Paying Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of these presents relating to the Notes of the relevant Series and the relative Receipts and Coupons and available for such purpose) and thereafter to hold all Notes, Receipts and Coupons and all sums, documents and records held by them in respect of Notes, Receipts and Coupons on behalf of the Trustee;
 - (b) to deliver up all Notes, Receipts and Coupons and all sums, documents and records held by them in respect of Notes, Receipts and Coupons, in each case held by them in their capacity as Issue and Paying Agent or, as the case may be, Registrar or other Paying Agent, to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Issue and Paying Agent, the Registrar the relevant other Paying Agent is obliged not to release by any law or regulation; and
- (ii) by notice in writing to the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor require each of them to make all subsequent payments in respect of the Notes, Receipts and Coupons to or to the order of the Trustee and not to the Issue and Paying Agent and, with effect from the issue of any such notice to the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor and until such notice is

withdrawn, proviso (i) to sub-clause (B) of this Clause relating to the Notes shall cease to have effect.

(D) If the Floating Rate Notes or Index Linked Interest Notes of any Series become immediately due and repayable under Condition 10 the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 10 except that the rates of interest need not be published.

(E) Currency of payments:

All payments in respect of, under and in connection with these presents and the Notes of any Series to the relevant Holders, Receiptholders and Couponholders shall be made in the relevant currency.

(F) Further Notes:

The relevant Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Holders, Receiptholders or Couponholders to create and issue further Notes (whether in bearer or registered form) ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series.

(G) Separate Series:

The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of Clauses 3 to 26 (both inclusive), 27(B) and the Third Schedule shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions “Notes”, “Holders”, “Receipts”, “Receiptholders”, “Coupons”, “Couponholders”, “Talons” and “Talonholders” shall be construed accordingly.

3. FORMS OF THE NOTES

(A) Bearer Global Notes:

- (i) THE Bearer Notes of each Tranche will initially be represented by either:
 - (a) a single Temporary Global Note which shall be exchangeable for either Definitive Bearer Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note, in each case in accordance with the provisions of such Temporary Global Note. Each Permanent Global Note shall be exchangeable for Definitive Bearer Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Note; or

- (b) a single Permanent Global Note which shall be exchangeable for Definitive Bearer Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached in accordance with provisions of such Permanent Global Note.

All Bearer Global Notes shall be prepared, completed and delivered to a common depository for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Dealership Agreement or to another appropriate depository in accordance with any other agreement between the relevant Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

- (ii) Each Temporary Global Note shall be printed or typed in the form or substantially in the form set out in Part I of the Second Schedule and may be a facsimile. Each Temporary Global Note shall have annexed thereto a copy of the applicable Pricing Supplement and shall be signed manually or in facsimile by a person duly authorised by the relevant Issuer on behalf of the relevant Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent. Each Temporary Global Note so executed and authenticated shall be a binding and valid obligation of the relevant Issuer and title thereto shall pass by delivery.
- (iii) Each Permanent Global Note shall be printed or typed in the form or substantially in the form set out in Part II of the Second Schedule and may be a facsimile. Each Permanent Global Note shall have annexed thereto a copy of the applicable Pricing Supplement and shall be signed manually or in facsimile by a person duly authorised by the relevant Issuer on behalf of the relevant Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent. Each Permanent Global Note so executed and authenticated shall be a binding and valid obligation of the relevant Issuer and title thereto shall pass by delivery.

(B) Registered Global Notes:

- (i) All the Registered Notes of each Tranche will be represented by a Regulation S Global Note and/or a Rule 144A Global Note. Unless otherwise set forth in the applicable Pricing Supplement, Registered Notes of a Series that are initially offered and sold in the United States in reliance on Rule 144A under the Securities Act as provided in the Dealership Agreement shall be represented by a Rule 144A Global Note and Registered Notes of a Series that are initially offered and sold outside the United States transactions in reliance on Regulation S under the Securities Act as provided in the Dealership Agreement shall be represented by a Regulation S Global Note. The Regulation S Global Note will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and the Rule 144A Global Note will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in the Registered Global Notes will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg.

- (ii) Registered Notes represented by the Registered Global Notes shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Notes and the Agency Agreement and the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg.
- (iii) Each Registered Global Note shall be printed or typed in the form or substantially in the form set out in Part VIII of the Second Schedule and may be a facsimile. Each Registered Global Note shall have annexed thereto a copy of the applicable Pricing Supplement and shall be signed manually or in facsimile by a person duly authorised by Prudential on behalf of Prudential and shall be authenticated by or on behalf of the Registrar. Each Registered Global Note so executed and authenticated shall be a binding and valid obligation of Prudential.

(C) Definitive Bearer Notes and Definitive Registered Notes:

- (i) The Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall be to bearer in the respective forms or substantially in the respective forms set out in Parts III, IV, V and VI, respectively, of the Second Schedule. The Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to these presents) into such Definitive Bearer Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Bearer Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Bearer Notes shall have endorsed thereon or attached thereto a copy of the applicable Pricing Supplement (or the relevant provisions thereof). Title to the Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall pass by delivery.
- (ii) The Definitive Registered Notes shall be in registered form and shall be issued in the form or substantially in the form set out in Part IX of the Second Schedule, shall be serially numbered, shall (where applicable) be endorsed with a legend in the same form mutatis mutandis as that set out on the Rule 144A Global Note (in the case of those issued in exchange for the Rule 144A Global Note) and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the Conditions shall be incorporated by reference (where applicable to these presents) into such Definitive Registered Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Registered Notes shall be endorsed with or have attached thereto the Conditions, and, in either such case, the Definitive Registered Notes shall have endorsed thereon or attached thereto a copy of the applicable Pricing Supplement (or the relevant provisions thereof). Title to the Definitive Registered Notes shall pass upon the registration of transfers in the register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and these presents.

- (iii) The Definitive Notes shall be signed manually or in facsimile by a person duly authorised by the relevant Issuer on behalf of the relevant Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent (in the case of the Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes). The Definitive Notes so executed and authenticated, and the Receipts, the Coupons and Talons, upon execution and authentication of the relevant Definitive Bearer Notes, shall be binding and valid obligations of the relevant Issuer. The Receipts, the Coupons and the Talons shall not be signed. No Definitive Bearer Note and none of the Receipts, Coupons or Talons appertaining to such Definitive Bearer Note shall be binding or valid until such Definitive Bearer Note shall have been executed and authenticated as aforesaid.

(D) Facsimile signatures:

The relevant Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Note is duly authorised by the relevant Issuer notwithstanding that at the time of issue of any of the Notes he may have ceased for any reason to be so authorised.

(E) Certificates of Euroclear, Clearstream, Luxembourg and DTC:

The Trustee may call for and, except in the case of manifest or proven error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg or DTC or any form of record made by any of them or such other evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

4. FEES, DUTIES AND TAXES

THE relevant Issuer will pay any stamp, issue, registration, documentary and other fees, duties or taxes (if any), including interest and penalties, payable (i) in the United Kingdom, Hong Kong, Belgium or Luxembourg on or in connection with (a) the execution and delivery of these presents and (b) the constitution and original issue of the Notes, the Receipts and the Coupons and (ii) in any jurisdiction on or in connection with any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Holder, Receiptholder or Couponholder to enforce or to resolve any doubt concerning, or for any other purpose in relation to, these presents.

5. COVENANT OF COMPLIANCE

EACH of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor severally covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it. The Notes, the Receipts and the Coupons shall be held subject to the provisions contained in these presents and the Conditions shall be binding on the relevant Issuer, the Guarantor

(where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Trustee, the Holders, the Receiptholders and the Couponholders and all persons claiming through or under them. The Trustee shall be entitled to enforce the obligations of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor under the Notes, the Receipts, the Coupons and the Conditions in the manner therein provided as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Notes, the Receipts and the Coupons. The Trustee shall hold the benefit of this covenant upon trust for itself and the Holders, the Receiptholders and the Couponholders according to its and their respective interests.

6. CANCELLATION OF NOTES AND RECORDS

- (A)** THE relevant Issuer shall procure that all Notes issued by it (i) redeemed or (ii) purchased by or on behalf of the relevant Issuer, the Guarantor, or any Subsidiary of the Issuer or the Guarantor and surrendered for cancellation or (iii) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 or (iv) exchanged as provided in these presents (together in each case, in the case of Definitive Bearer Notes, with all unmatured Receipts and Coupons attached thereto or delivered therewith) and, in the case of Definitive Bearer Notes all relative Receipts and Coupons paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 shall forthwith be cancelled by or on behalf of the relevant Issuer and a certificate stating:
- (a) the aggregate nominal amount of Notes which have been redeemed and the amounts paid in respect thereof and the aggregate amounts in respect of Receipts and Coupons which have been paid;
 - (b) the serial numbers of such Notes in definitive form and Receipts distinguishing between Definitive Bearer Notes and Definitive Registered Notes;
 - (c) the total numbers (where applicable, of each denomination) by maturity date of such Receipts and Coupons;
 - (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes and/or on Definitive Registered Notes;
 - (e) the aggregate nominal amount of Notes (if any) which have been purchased by or on behalf of the relevant Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor and cancelled and the serial numbers of such Notes in definitive form and, in the case of Definitive Bearer Notes, the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
 - (f) the aggregate nominal amounts of Notes and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;

- (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Definitive Bearer Notes bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Definitive Bearer Notes to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons,

shall be given to the Trustee by or on behalf of the relevant Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement pro tanto of the Notes or payment of interest thereon or exchange of the relative Talons respectively and of cancellation of the relative Notes and Coupons.

- (B) The relevant Issuer shall procure (i) that the Issue and Paying Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons issued by it (other than serial numbers of Receipts and Coupons) and of their redemption or purchase and cancellation and of all replacement notes, receipts, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes, Receipts, Coupons or Talons (ii) that the Issue and Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of 10 years from the Relevant Date in respect of such Coupons and (in the case of Talons indefinitely) either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (iii) that such records and Coupons (if any) shall be made available to the Trustee at all reasonable times during normal business hours.

Notwithstanding the foregoing, the relevant Issuer shall not be required to procure the keeping of a record of serial numbers and maturity dates of Receipts and Coupons except as regards unmatured Receipts and Coupons not attached to or surrendered with Definitive Notes presented for redemption or purchased and presented for cancellation, matured Coupons that remain unpaid and Receipts and Coupons in place of which replacement Receipts and Coupons have been issued and replacement Receipts and Coupons.

7. SUBORDINATED GUARANTEE

This Clause 7 is only applicable to the Dated Subordinated Notes issued by Prudential Funding (Asia) PLC.

7.1 Subordinated Guarantee

Subject as provided in the Conditions and in this Clause 7, the Guarantor hereby irrevocably guarantees, on a subordinated basis, to the Trustee the due and punctual payment in accordance with the provisions of these presents of the principal, interest and any other sums expressed or deemed to be payable by the Issuer in respect of the Dated Subordinated Notes and relative Receipts and Coupons and all other monies payable by the Issuer in connection with the Dated Subordinated Notes and the relative Receipts and Coupons and the due and

punctual performance and observance by the Issuer of each of the other provisions under or pursuant to these presents, as and when the same become due and payable.

7.2 Guarantor as principal obligor

If the Issuer fails for any reason whatsoever to punctually pay when due and payable any such principal, interest or other amount in connection with the Subordinated Notes, the Guarantor shall (subject as provided in the Conditions including, without limitation, Condition 3.2 and this Clause 7) as an independent primary obligation, cause each and every such payment to be made as if the Guarantor instead of the Issuer were expressed to be the primary obligor and indemnify the Trustee, the Holders, Receiptholders and Couponholders against each and every amount due and payable by the Issuer under these presents or in respect of the Subordinated Notes to the extent that the Trustee, the Holders, Receiptholders or Couponholders (as the case may be) shall receive the same amounts in respect of principal payments, interest or such other amount as would have been receivable had such payments been made by the Issuer.

7.3 Guarantor's obligations continuing

If any payment received by the Trustee or any Holder, Receiptholder or Couponholder under the provisions of these presents shall (whether on the subsequent winding-up, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this Subordinated Guarantee shall continue to apply as if such payment had at all times remained owing by the Issuer and the Guarantor shall (subject as provided in the Conditions and in this Clause 7) indemnify the Trustee and the Holders, Receiptholders and/or Couponholders (as the case may be) in respect thereof provided that the obligations of the Issuer and/or the Guarantor under this sub-clause shall, as regards each payment made to the Trustee or any Holder, Receiptholder or Couponholder which is avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.

7.4 Suspense Accounts

Any amount received by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2.2) in respect of any sum payable by the Issuer under these presents or the Subordinated Notes may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

7.5 Agreement by the Guarantor

The Guarantor hereby agrees that (subject as provided in the Conditions) it shall be fully liable irrespective of the validity, regularity, legality or enforceability against the Issuer of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, its obligations under these presents, whether or not any action has been taken to enforce the same or any judgment obtained against the Issuer, whether or not any of the other provisions of these presents have been amended or modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to the Issuer by or on behalf of the Holders, the Receiptholders or the Couponholders or the Trustee, whether or not there have been any dealings or transactions between the Issuer, any of the Holders, the Receiptholders or Couponholders or the Trustee,

whether or not the Issuer has been dissolved, liquidated, merged, consolidated or has changed its status, functions, control or ownership, whether or not the Issuer has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to the Issuer and/or a guarantor. Accordingly the validity of this Subordinated Guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of the Issuer under these presents and this Subordinated Guarantee shall not be discharged nor shall the liability of the Guarantor under this Subordinated Guarantee be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.

7.6 Enforcement of the Subordinated Guarantee

Without prejudice to the provisions of Condition 10, the Trustee may determine from time to time whether or not it will enforce this Subordinated Guarantee which it may do without making any demand of or taking any proceedings against the Issuer upon a payment becoming due from the Issuer in accordance with the provisions of these presents and may from time to time make any arrangement or compromise with the Guarantor in relation to this Subordinated Guarantee which the Trustee may consider expedient in the interests of the Holders, the Receiptholders and the Couponholders.

7.7 Guarantor's waiver of rights

The Guarantor waives diligence, presentment, filing of claims with a court in the event of dissolution, liquidation, merger, bankruptcy or insolvency of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to these presents or the indebtedness evidenced thereby and all demands whatsoever and covenants that this Subordinated Guarantee shall be a continuing guarantee, shall extend to the ultimate balance of all sums payable and obligations owed by the Issuer under these presents in respect of, or in connection with, the Subordinated Notes, shall not be discharged except by complete performance of the obligations in respect of payments relating to the Subordinated Notes in these presents and is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.

7.8 Exercise of Guarantor's rights

If any moneys shall become payable by the Guarantor under this Subordinated Guarantee the Guarantor shall not, so long as the same remain unpaid, without the prior written consent of the Trustee:

- (a) in respect of any amounts paid by it under this Subordinated Guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment (any such right or remedy, the "**Guarantor's Rights Against the Issuer**"); or
- (b) in respect of any other moneys for the time being due to the Guarantor by the Issuer, claim payment thereof or exercise any other right or remedy,

(including in either case claiming the benefit of any security or right of set-off or, on the liquidation of the Issuer, proving in competition with the Trustee). If, notwithstanding the foregoing, upon the insolvency, liquidation or administration of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all amounts payable under these presents shall have been made to the Holders of the Dated Subordinated Notes, the Receiptholders, the Couponholders and the Trustee, such payment or distribution shall be received by the Guarantor on trust to pay the same over immediately to the Trustee for application in or towards the payment of all sums due and unpaid under these presents in accordance with Clause 11.

Notwithstanding any other provisions of these presents, any of the Guarantor's Rights Against the Issuer will be subject to Condition 3, mutatis mutandis, as if they were claims of the Holders, Couponholders or Trustee against the Issuer in respect of the Subordinated Notes. If the Guarantor claims any amount from the Issuer by exercising any Guarantor's Rights Against the Issuer when it is permitted to do so in accordance with this Clause and the Issuer does not make such payment to the Guarantor, or such payment is not set-off in full against any amount owing by the Guarantor to the Issuer, the Guarantor may institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and/or prove in the winding-up or administration of the Issuer whether in England and Wales (or elsewhere) and/or claim in the liquidation of the Issuer whether in England and Wales (or elsewhere) for such payment but may take no further or other action to enforce, prove or claim for such payment.

7.9 Subordination of the Subordinated Guarantee

- (a) The claims of the Trustee (on behalf of Holder), the Holders, the Receiptholders and the Couponholders in respect of Dated Subordinated Notes and any relative Receipts and Coupons under the Subordinated Guarantee shall, in the event of the winding up of the Guarantor, be postponed to the claims of all unsubordinated creditors of Prudential and will rank, in the event of the winding up of Prudential, at least *pari passu* with all other Guarantor Subordinated Indebtedness, present and future. Accordingly no amount shall be payable to the Trustee, the Holders, the Receiptholders or the Couponholders under the Subordinated Guarantee in respect of Dated Subordinated Notes and any relative Receipts and Coupons in the winding up of the Guarantor unless the Guarantor could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Guarantor shall be considered solvent if it is able to pay its debts to unsubordinated creditors as they fall due and its Assets exceed its Liabilities to unsubordinated creditors. Any amount in respect of the Dated Subordinated Notes and any relative Receipts and Coupons paid to the Trustee *pari passu* with the amounts payable to other creditors of the Guarantor in the winding up shall be held by the Trustee upon trust:

FIRST for application in payment or satisfaction of all amounts then due and unpaid under Clauses 16 and/or 17(J) to the Trustee and/or any Appointee;

SECONDLY for payment of the claims of all unsubordinated creditors of the Guarantor to the extent that such claims are admitted to proof in the winding up of the Guarantor (not having been satisfied out of the other resources of the Guarantor) excluding interest accruing after commencement of the winding up;

THIRDLY as of the balance (if any) in or towards payment *pari passu* and rateably of all moneys due in respect of Dated Subordinated Notes and any relative Receipts and Coupons pursuant to the Subordinated Guarantee and any other Guarantor Subordinated Indebtedness; and

FOURTHLY as of the balance (if any) to the liquidator for the time being of the Guarantor.

- (b) The trust secondly mentioned in sub-clause (a) above may be performed by the Trustee repaying to the liquidator for the time being of the Guarantor (the “**Guarantor Liquidator**”) the amount so to be distributed on terms that the Guarantor Liquidator shall distribute the same accordingly and in that event the Trustee shall not be bound to supervise such distribution and the receipt of the Guarantor Liquidator for any moneys so paid by the Trustee to him shall be a good discharge to the Trustee for the performance by the Trustee of the trust secondly mentioned in sub-clause (a) above.
- (c) The Trustee shall be entitled and it is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the Guarantor Liquidator as to:
 - (1) the amounts of the claims of all unsubordinated creditors of the Guarantor referred to in sub-clause (a) above; and
 - (2) the persons entitled thereto and their respective entitlements.
- (d) If the Guarantor is dissolved or in winding up, the Guarantor shall whenever requested by the Trustee procure that the Guarantor Liquidator shall give a report in writing as to whether or not the Guarantor is or would in any specified circumstances be solvent for the purposes of this sub-clause (A) and, in the absence of proven error, any such report shall be treated and accepted by the Guarantor, the Trustee, the Holders of the Dated Subordinated Notes and the Receiptholders and Couponholders in relation to such Notes as correct and sufficient evidence of such fact. In the absence of any such report to the contrary, it shall for the purposes hereof be assumed (unless the contrary is proved prior to the date of payment) that the Guarantor is and will after any payment hereunder be solvent for such purposes.

7.10 Expenses

The provisions of this Clause 7 apply only to the payment of principal, premium and interest under the Subordinated Guarantee and nothing in this Clause 7 shall affect or prejudice the payment of the Expenses incurred by or the remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof which will not be subordinated in any manner.

7.11 Set-off

Subject to applicable law, no Holder, Receiptholder or Couponholder may exercise, claim or plead any right of set-off or counterclaim in respect of any amount owed to it by the Issuer or the Guarantor in respect of or arising under the Subordinated Notes or the relative Receipts or Coupons and each Holder shall, by virtue of being the bearer of or his holding of any Subordinated Note, Receipt or Coupon, be deemed to have waived all such rights of set-off or

counterclaim and the Trustee shall, on behalf of such Holders, Receiptholders and Couponholders, be deemed to have waived any such right of set-off or counterclaim, whether prior to or in bankruptcy, insolvency, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Holder, Receiptholder or Couponholder in respect of or arising under the Subordinated Notes or the relative Receipts or Coupons are discharged by set-off, such Holder, Receiptholder or Couponholder will, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or the Guarantor or, if applicable, the liquidator or trustee or receiver or administrator of the Guarantor and, until such time as payment is made, will hold a sum equal to such amount in trust for the Issuer or the Guarantor or, if applicable, the liquidator or the trustee or receiver or administrator in the Issuer or the Guarantor's bankruptcy, insolvency, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

8. GUARANTEE AND SUBORDINATION

Sub-paragraph (A) of this Clause 8 is applicable only to those notes issued by Prudential Finance and sub-paragraph (B) is applicable only to Dated Subordinated Notes issued by Prudential Funding (Asia) PLC.

- (A)** (i) THE Guarantor hereby irrevocably and unconditionally guarantees to the Trustee:
- (a) the due and punctual payment in accordance with the provisions of these presents of the principal of and interest on all Notes issued by Prudential Finance and of all other amounts payable by Prudential Finance under these presents; and
 - (b) the due and punctual performance and observance by Prudential Finance of each of the other provisions of these presents on Prudential Finance's part to be performed or observed.
- (ii) If Prudential Finance fails for any reason whatsoever punctually to pay any such principal, interest or other amount, the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of Prudential Finance were expressed to be the primary obligor under these presents and not merely as surety (but without affecting the nature of Prudential Finance's obligations) to the intent that the holder of the relevant Note, Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by Prudential Finance.
- (iii) If any payment received by the Trustee or any Holder, Receiptholder or Couponholder under the provisions of these presents shall (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of Prudential Finance or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this guarantee shall continue to apply as if such payment had at all times remained owing by Prudential Finance and the Guarantor shall indemnify the Trustee and tire Holders and/or

Receiptholders and/or Couponholders (as the case may be) in respect thereof PROVIDED THAT the obligations of Prudential Finance and/or the Guarantor under this sub-clause shall, as regards each payment made to the Trustee or any Holder, Receiptholder or Couponholder which is avoided or set aside, be contingent upon such payment being reimbursed to Prudential Finance or other persons entitled through Prudential Finance.

- (iv) The Guarantor hereby agrees that its obligations under this Clause shall be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against Prudential Finance of, or of any defence or counter-claim whatsoever available to Prudential Finance in relation to, its obligations under these presents, whether or not any action has been taken to enforce the same or any judgment obtained against Prudential Finance, whether or not any of the other provisions of these presents have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to Prudential Finance by or on behalf of the Holders, the Receiptholders or the Couponholders or the Trustee (unless such time, indulgence, waiver, authorisation or consent has specifically applied to and modified the obligations of the Guarantor as well as of Prudential Finance), whether or not any determination has been made by the Trustee pursuant to Clause 20(A), whether or not there have been any dealings or transactions between Prudential Finance, any of the Holders, Receiptholders or Couponholders or the Trustee, whether or not Prudential Finance has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not Prudential Finance has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly the validity of this guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of Prudential Finance under these presents and this guarantee shall not be discharged nor shall the liability of the Guarantor under these presents be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.
- (v) Without prejudice to the provisions of Clause 20(A) and Condition 10 the Trustee may determine from time to time whether or not it will enforce this guarantee which it may do without making any demand of or taking any proceedings against Prudential Finance and may from time to time make any arrangement or compromise with the Guarantor in relation to this guarantee which the Trustee may consider expedient in the interests of the Holders.
- (vi) The Guarantor waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of Prudential Finance, any right to require a proceeding first against Prudential Finance, protest or notice with respect to these presents or the indebtedness evidenced thereby and all demands whatsoever and covenants that this guarantee shall be a continuing guarantee, shall extend to the ultimate balance

of all sums payable and obligations owed by Prudential Finance under these presents, shall not be discharged except by complete performance of the obligations in these presents and is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.

- (vii) If any moneys shall become payable by the Guarantor under this guarantee the Guarantor shall not, so long as the same remain unpaid, without the prior written consent of the Trustee:
 - (a) in respect of any amounts paid by it under this guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
 - (b) in respect of any other moneys for the time being due to the Guarantor by Prudential Finance, claim payment thereof or exercise any other right or remedy;

(including in either case claiming the benefit of any security or right of set-off or, on the liquidation of Prudential Finance, proving in competition with the Trustee). If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of Prudential Finance, any payment or distribution of assets of Prudential Finance of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all amounts payable under these presents shall have been made to the Holders, the Receiptholders, the Couponholders and the Trustee, such payment or distribution shall be received by the Guarantor on trust to pay the same over immediately to the Trustee for application in or towards the payment of all sums due and unpaid under these presents in accordance with Clause 11.

- (B)** (i) (a) The claims of the Trustee (on behalf of the Holders), the Holders, the Receiptholders and the Couponholders in respect of Dated Subordinated Notes and any relative Receipts and Coupons shall, in the event of the winding up of the Issuer, be postponed to the claims of all unsubordinated creditors of the Issuer and will rank, in the event of the winding up of the Issuer, at least *pari passu* with all other Issuer Subordinated Indebtedness, present and future. Accordingly, no amount shall be payable to the Trustee, the Holders, the Receiptholders or the Couponholders in respect of Dated Subordinated Notes and any relative Receipts and Coupons in the winding up of the Issuer unless the Issuer could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if it is able to pay its debts to unsubordinated creditors as they fall due and its Assets exceed its Liabilities to unsubordinated creditors. Any amount in respect of the Dated Subordinated Notes and any relative Receipts and Coupons paid to the Trustee *pari passu* with the amounts payable to other creditors of the Issuer in the winding up shall be held by the Trustee upon trust:

FIRST for application in payment or satisfaction of all amounts then due and unpaid under Clauses 16 and/or 17(J) to the Trustee and/or any Appointee;

SECONDLY for payment of the claims of all unsubordinated creditors of the Issuer to the extent that such claims are admitted to proof in the winding up of the Issuer (not having been satisfied out of the other resources of the Issuer) excluding interest accruing after commencement of the winding up;

THIRDLY as of the balance (if any) in or towards payment *pari passu* and rateably of all moneys due in respect of Dated Subordinated Notes and any relative Receipts and Coupons and any other Issuer Subordinated Indebtedness; and

FOURTHLY as of the balance (if any) to the liquidator for the time being of the Issuer.

- (b) The trust secondly mentioned in sub-clause (i)(a) above may be performed by the Trustee repaying to the liquidator for the time being of the Issuer (the "**Issuer Liquidator**") the amount so to be distributed on terms that the Issuer Liquidator shall distribute the same accordingly and in that event the Trustee shall not be bound to supervise such distribution and the receipt of the Issuer Liquidator for any moneys so paid by the Trustee to him shall be a good discharge to the Trustee for the performance by the Trustee of the trust secondly mentioned in sub-clause (i)(a) above.
- (c) The Trustee shall be entitled and it is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the Issuer Liquidator as to:
 - (1) the amounts of the claims of all unsubordinated creditors of the Issuer referred to in sub-clause (i)(a) above; and
 - (2) the persons entitled thereto and their respective entitlements.
- (ii) If the Issuer is dissolved or in winding up, the Issuer shall whenever requested by the Trustee procure that the Issuer Liquidator shall give a report in writing as to whether or not the Issuer is or would in any specified circumstances be solvent for the purposes of sub-clause (i) above and, in the absence of proven error, any such report shall be treated and accepted by the Issuer, the Trustee, the Holders of the Dated Subordinated Notes and the Receiptholders and Couponholders in relation to such Notes as correct and sufficient evidence of such fact. In the absence of any such report to the contrary, it shall for the purposes hereof be assumed (unless the contrary is proved prior to the date of payment) that the Issuer is and will after any payment hereunder be solvent for such purposes.

9. NON-PAYMENT

PROOF that as regards any specified Note, Receipt or Coupon the relevant Issuer or the Guarantor has made default in paying any amount due in respect of such Note, Receipt or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Notes, Receipts or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

10. EVENTS OF DEFAULT AND ENFORCEMENT

THE rights and remedies of the Trustee and the rights and duties of Holders, Receiptholders and Couponholders as to recovery of amounts owing on the Notes, Receipts and Coupons are set out in Condition 10.

11. APPLICATION OF MONEYS

ALL moneys received by the Trustee under these presents (including any moneys which represent principal or interest in respect of Notes, Receipts or Coupons which have become void under Condition 10) shall, unless and to the extent attributable, in the opinion of the Trustee, to a particular Series of the Notes issued by the relevant Issuer, be apportioned *pari passu* and rateably between each Series of the Notes issued by the relevant Issuer, and all moneys received by the Trustee under these presents to the extent attributable in the opinion of the Trustee to a particular Series of the Notes issued by the relevant Issuer or which are apportioned to such Series as aforesaid, shall be held by the Trustee upon trust to apply them (subject to Clauses 7, 8(B) and 13 and Conditions 3.2 and 3.3):

FIRST in payment or satisfaction of all amounts then due and unpaid under Clauses 16 and/or 17(J) to the Trustee and/or any Appointee;

SECONDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of that Series;

THIRDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of each other Series issued by the relevant Issuer; and

FOURTHLY in payment of the balance (if any) to the relevant Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the relevant Issuer shall be dealt with as between the relevant Issuer, the Guarantor and any other person).

Without prejudice to this Clause 11 if the Trustee holds any moneys which represent principal or interest in respect of Notes, Receipts or Coupons issued by the relevant Issuer which have become void under Condition 9, the Trustee will hold such moneys on the above trusts.

12. NOTICE OF PAYMENTS

THE Trustee shall give notice to the relevant Holders in accordance with Condition 14 of the day fixed for any payment to them under Clause 11. Such payment may be made in accordance with Condition 6 and any payment so made shall be a good discharge to the Trustee.

13. INVESTMENT BY TRUSTEE

- (A)** THE Trustee may at its discretion and pending payment invest moneys at any time available for the payment of principal, premium (if any) and interest on the Notes in some or one of the investments hereinafter authorised for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments. All interest and other income deriving from such investments shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 16 and/or 17(J) to the Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Holders, Receiptholders or Couponholders, as the case may be.

- (B)** Any moneys which under the trusts of these presents ought to or may be invested by the Trustee may be invested in the name or under the control of the Trustee in any investments for the time being authorised by law for the investment by trustees of trust moneys or in any other investments whether similar to the aforesaid or not which may be selected by the Trustee or by placing the same on deposit in the name or under the control of the Trustee at such bank or other financial institution and in such currency as the Trustee may think fit. If that bank or institution is the Trustee or a Subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Trustee may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

14. PARTIAL PAYMENTS

UPON any payment under Clause 11 (other than payment in full against surrender of a Note, Receipt or Coupon) the Note, Receipt or Coupon in respect of which such payment is made shall be produced to the Trustee, the Registrar or the Paying Agent by or through whom such payment is made and the Trustee shall or shall cause the Registrar or, as the case may be, such Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Trustee may in any particular case or generally in relation to Registered Notes dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

15. COVENANTS BY THE RELEVANT ISSUER AND THE GUARANTOR

EACH of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor severally covenants with the Trustee that, so long as any of the Notes remains outstanding (or, in the case of paragraphs (vii), (viii), (xii), (xiii) and (xv), so long as any of such Notes or the relative Receipts or Coupons remains liable to prescription or, in the case of paragraph (xiv), until the expiry of a period of 30 days after the Relevant Date) it shall:

- (i) so far as permitted by applicable law, give or procure to be given to the Trustee such opinions, certificates and information as it shall reasonably require and in such form as it shall reasonably require (including without limitation the procurement of all such certificates called for by the Trustee pursuant to Clause 17(C)) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (ii) cause to be prepared and audited by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the relevant Stock Exchange in relation to the Notes;
- (iii) at all times keep and procure its Subsidiaries to keep proper books of account and at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee has reasonable grounds to believe that an Event of Default or a Potential

Event of Default has occurred or is about to occur allow the Trustee and any person appointed by the Trustee to whom the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours;

- (iv) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the relevant Issuer) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Holders) as soon as practicable after the issue or publication thereof;
- (v) forthwith upon becoming aware thereof give notice in writing to the Trustee of the happening of any Event of Default or any Potential Event of Default or of the coming into existence of any security) which would require any security to be given to the Notes pursuant to Condition 4;
- (vi) give to the Trustee (a) within 10 days after demand in writing by the Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial year ending 31st December, 2001 and in any event not later than 180 days after the end of each such financial year a certificate signed by two Authorised Persons of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) and a certificate signed by two Authorised Persons of the Guarantor to the effect that to the best of their knowledge, information and belief, having made all reasonable enquiries, as at a date not more than seven days before delivering such certificate (the "**relevant certification date**") there did not exist and had not existed since the relevant certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or Potential Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant certification date of such certificate each of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor has complied with all their obligations contained in these presents or (if such is not the case) specifying the respects in which they have not complied;
- (vii) so far as permitted by law, at all times execute all such further documents and do all such acts and things as may in the reasonable opinion of the Trustee be necessary at any time or times to give effect to the terms and conditions of these presents;
- (viii) at all times maintain an Issue and Paying Agent, other Paying Agents, a Registrar, a Calculation Agent and Reference Banks in accordance with the Conditions;
- (ix) use all reasonable endeavours to procure the Issue and Paying Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Notes or any of them or any of the relative Receipts or Coupons, receive unconditionally pursuant to the Agency Agreement payment of the full amount

in the requisite currency of the moneys payable on such due date on all such Notes, Receipts or Coupons as the case may be;

- (x) in the event of the unconditional payment to the Issue and Paying Agent or the Trustee of any sum due in respect of the Notes or any of them or any of the relative Receipts or Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Holders in accordance with Condition 14 that such payment has been made;
- (xi) if the applicable Pricing Supplement indicates that the Notes are listed, use all reasonable endeavours to maintain the quotation or listing on the relevant Stock Exchange of those of the Notes which are quoted or listed on the relevant Stock Exchange or, if it is unable to do so having used all reasonable endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets as the relevant Issuer may (with the prior written approval of the Trustee) decide and also upon obtaining a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to these presents as the Trustee may reasonably require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (xii) give not less than 45 days' notice to the Trustee and not less than 30 days' notice to the Holders in accordance with Condition 14 of any appointment, resignation or removal of any Issue and Paying Agent, Calculation Agent, Registrar, Reference Bank or other Paying Agent (other than the appointment of the initial Issue and Paying Agent, Calculation Agent, Registrar, Reference Banks and other Paying Agents) after having obtained the prior written approval of the Trustee thereto and of any change of any Paying Agent's, Registrar's or Reference Bank's specified office; PROVIDED ALWAYS THAT so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Registrar or so long as any of the Notes, Receipts or Coupons remains liable to prescription in the case of the termination of the appointment of the Issue and Paying Agent or the Calculation Agent no such termination shall take effect until a new Issue and Paying Agent, Calculation Agent or Registrar (as the case may be) has been appointed on terms previously approved in writing by the Trustee;
- (xiii) obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the form of every notice given to the Holders in accordance with Condition 14 (such approval, unless so expressed, not to constitute approval for the purposes of Section 57 of the Financial Services Act 1986 of the United Kingdom (the "FSA") or, after the repeal of Section 57 of the FSA, Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA") of any such notice which is an investment advertisement (as defined in the FSA) or a financial promotion (as defined in the FSMA) subject to Section 21 of the FSMA);
- (xiv) if payments of principal or interest in respect of the Notes or the relative Receipts or Coupons by the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) shall become subject generally to the taxing jurisdiction of any territory or any political sub-division or

any authority therein or thereof having power to tax other than or in addition to the United Kingdom or Hong Kong (as applicable) or any political sub-division or any authority therein or thereof having power to tax, immediately upon becoming aware thereof notify the Trustee in writing of such event and (unless the Trustee otherwise agrees) enter forthwith into a trust deed supplemental to this Trust Deed, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 8 with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom and/or Hong Kong (as applicable) or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction such payments shall have become subject as aforesaid such trust deed also (where applicable) to modify Condition 7.2 so that such Condition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax;

- (xv) comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Issue and Paying Agent, the Registrar and the other Paying Agents comply with and perform all their respective obligations thereunder and any notice given by the Trustee pursuant to Clause 2(C)(i) and that the Calculation Agent complies with and performs all its obligations under the relative calculation agency agreement and not make any amendment to the Agency Agreement or the relative calculation agency agreement without the prior written approval of the Trustee;
- (xvi) in order to enable the Trustee to ascertain the nominal amount of the Notes of each Series for the time being outstanding for any of the purposes referred to in the proviso to the definition of "outstanding" in Clause 1, deliver to the Trustee as soon as practicable upon being so requested in writing by the Trustee a certificate in writing signed by two Authorised Persons of the relevant Issuer or the Guarantor, setting out the total number and aggregate nominal amount of the Notes of each Series issued by it which:
 - (a) up to and including the date of such certificate have been purchased by the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) or any Subsidiary of the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor and cancelled; and
 - (b) are at the date of such certificate held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) or any Subsidiary of the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor;
- (xvii) use all reasonable endeavours to procure that each of the Paying Agents and the Registrar makes available for inspection by Holders, Receiptholders and Couponholders at its specified office copies of these presents, the Agency Agreement and the then latest audited balance sheet and profit and loss account (consolidated if

applicable) of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor;

- (xviii) if, in accordance with the provisions of the Conditions, interest in respect of the Notes becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the relative Holders in accordance with Condition 14;
- (xix) at any time when the Issuer or the Guarantor is not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (or is not current in its reporting obligations thereunder nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder), the Guarantor shall furnish, upon the request of a holder of Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act;
- (xx) give prior written notice to the Trustee of any proposed redemption pursuant to Condition 7.2 or 7.3 and, if it shall have given notice to the Holders of its intention to redeem any Notes pursuant to Condition 7.3, duly proceed to make drawings (if appropriate) and to redeem Notes accordingly;
- (xxi) promptly provide the Trustee with copies of all supplements and/or amendments and/or restatements of the Dealership Agreement; and
- (xxii) use all reasonable endeavours to procure that each of its Subsidiaries observes the restrictions contained in Condition 7.9.

16. REMUNERATION AND INDEMNIFICATION OF TRUSTEE

- (A)** THE relevant Issuer (failing whom the Guarantor) shall pay to the Trustee remuneration for its services as trustee of these presents such amount as shall be agreed from time to time by the relevant Issuer and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Holders, Receiptholders and Couponholders) up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Issue and Paying Agent or the Trustee PROVIDED THAT if upon due presentation of any Note, Receipt or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to such Holder, Receiptholder or Couponholder is duly made.
- (B)** In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustee considering it expedient or necessary or being requested by the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor to undertake duties which the Trustee and the relevant Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the relevant Issuer (failing whom the Guarantor) shall pay to the Trustee such additional remuneration as shall be agreed between them.

(C) The relevant Issuer (failing whom the Guarantor) shall in addition pay to the Trustee an amount equal to the amount of any value added tax against production of a valid invoice for VAT purposes or similar tax chargeable in respect of its remuneration under these presents.

(D) In the event of the Trustee and the relevant Issuer failing to agree:

(1) (in a case to which sub-clause (A) above applies) upon the amount of the remuneration;
or

(2) (in a case to which sub-clause (B) above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the relevant Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the relevant Issuer and failing whom the Guarantor) and the determination of any such merchant or investment bank shall be final and binding upon the Trustee, the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor.

(E) The relevant Issuer (failing whom the Guarantor) shall also pay or discharge all Expenses (which expression shall exclude any amount payable to the Trustee pursuant to Clause (C) where such amount has already been paid to the Trustee) incurred by the Trustee (other than any tax levied on the Trustee by reference to the net income, profits or gains of the Trustee) in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.

(F) All amounts payable pursuant to sub-clause (E) above and/or Clause 17(J) shall be payable by the relevant Issuer (failing whom the Guarantor) on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand shall (if not paid within three days after such demand and the Trustee so requires) carry interest at the rate of two per cent, per annum above the Base Rate from time to time of National Westminster Bank Plc from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.

(G) Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause and Clause 17(J) shall continue in full force and effect notwithstanding such discharge.

- (H) The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any Expenses incurred under these presents have been incurred or to allocate any such Expenses between the Notes of any Series.

17. SUPPLEMENT TO TRUSTEE ACT 1925

THE Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 of England and Wales and by way of supplement thereto it is expressly declared as follows:

- (A) The Trustee may in relation to these presents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Trustee or otherwise and shall not be responsible for any Expense occasioned by so acting. The Trustee may rely on a certificate or report from the Auditors whether or not addressed to the Trustee.
- (B) Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- (C) The Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two Authorised Persons of the relevant Issuer and/or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) two Authorised Persons of the Guarantor, and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Expense that may be occasioned by it or any other person acting on such certificate.
- (D) The Trustee shall be at liberty to hold or to place these presents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or required to insure against any Expense incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (E) The Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the relevant Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.
- (F) The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has occurred and, until it shall have actual knowledge or express notice pursuant to these presents to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that each of the Issuer and the Guarantor is observing and performing all its obligations under these presents.

- (G)** Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Trustee and the Holders, the Receiptholders and Couponholders shall be conclusive and binding on the Holders, the Receiptholders and Couponholders) and shall not be responsible for any Expense which may result from their exercise or non-exercise.
- (H)** The Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary or other resolution purporting to have been passed at any meeting of the Holders of Securities of all or any series in respect whereof minutes have been made and signed or any direction or request of the Holders of Securities of all or any series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all of the requisite Holders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Holders or that for any reason the resolution, direction or request, was not valid or binding upon such Holders and the relative Couponholders.
- (I)** The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (J)** Without prejudice to the right of indemnity by law given to trustees, each of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor shall jointly and severally indemnify the Trustee and every Appointee and keep it or him indemnified against all Expenses (which expression shall exclude any amount payable to the Trustee pursuant to Clause 16(C) where such amount has already been paid to the Trustee) to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions under these presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment excluding any tax levied on the Trustee or such Appointee by reference to the net income, profits or gains of the Trustee or, as the case may be, such Appointee.
- (K)** Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in these presents may be given retrospectively.
- (L)** The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Holder, Receiptholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor or any other person in connection with the trusts of these presents and no Holder, Receiptholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.
- (M)** Where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at

such date for the determination of such rate of exchange, as may be agreed by the Trustee in consultation with the relevant Issuer or the Guarantor (as the case may be) and any rate, method and date so agreed shall be binding on the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Holders, the Receiptholders and the Couponholders.

- (N)** The Trustee as between itself and the Holders, the Receiptholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of these presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Holders, the Receiptholders and the Couponholders.
- (O)** In connection with the exercise by it of any of its trusts, powers, authorities or discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Holders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder, Receiptholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders, the Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition thereto or in substitution therefor under these presents.
- (P)** Any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges properly incurred for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
- (Q)** The Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions vested in the Trustee by these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Holders think fit. The Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Expense incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.
- (R)** The Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all

acts required to be done in connection with these presents (including the receipt and payment of money). The Trustee shall not be in any way responsible for any Expense incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.

- (S) The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto.
- (T) The Trustee may call for any document and/or evidence and/or information and/or certification to be issued or given by Euroclear, Clearstream, Luxembourg or DTC as to the nominal amount of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any document and/or evidence and/or information and/or certification to such effect purporting to be issued or given by Euroclear, Clearstream, Luxembourg or DTC and subsequently found to be forged or not authentic.
- (U) The Trustee may rely on certificates or reports provided by the Auditors whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability of the Auditors.

18. TRUSTEE'S LIABILITY

THE duty of care contained in Section 1 of the Trustee Act 2000 shall not apply to these presents. However, nothing in these presents shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of these presents conferring on it any trusts, powers, authorities or discretions exempt the Trustee from or indemnify it against any liability for negligence, default, breach of duty or breach of trust of which it may be guilty in relation to its duties under these presents.

19. TRUSTEE CONTRACTING WITH THE RELEVANT ISSUER AND THE GUARANTOR

NEITHER the Trustee (which for the purpose of this Clause shall include the holding company of any corporation acting as trustee hereof or any Subsidiary of such holding company) nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (i) entering into or being interested in any contract or financial or other transaction or arrangement with the relevant Issuer or the Guarantor or any person or body corporate associated with the relevant Issuer or the Guarantor (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the

subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the relevant Issuer or the Guarantor or any person or body corporate associated as aforesaid); or

- (ii) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the relevant Issuer or the Guarantor or any such person or body corporate so associated or any other office of profit under the relevant Issuer or the Guarantor or any such person or body corporate so associated,

and each shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (i) above or, as the case may be, any such trusteeship or office of profit as is referred to in (ii) above without regard to the interests of the Holders and notwithstanding that the same may be contrary or prejudicial to the interests of the Holders and shall not be responsible for any Expense occasioned to the Holders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Holders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

20. WAIVER, AUTHORISATION AND DETERMINATION

- (A) THE Trustee may without the consent or sanction of the Holders, the Receiptholders or the Couponholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time but only if and in so far as in its opinion the interests of the Holders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained in these presents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Holders, the Receiptholders and the Couponholders and, if, but only if, the Trustee shall so require, shall be notified by the relevant Issuer to the Holders in accordance with Condition 14 as soon as practicable thereafter.

MODIFICATION

- (B) The Trustee may without the consent or sanction of the Holders, the Receiptholders or the Couponholders at any time and from time to time concur with the relevant Issuer and (where

the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor in making any modification (i) to these presents which in the opinion of the Trustee it may be proper to make PROVIDED THAT the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Holders or (ii) to these presents if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of applicable law. Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Holders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the relevant Issuer to the Holders in accordance with Condition 14 as soon as practicable thereafter.

BREACH

- (C) Any breach of or failure to comply by the relevant Issuer or the Guarantor with any such terms and conditions as are referred to in sub-clauses (A) and (B) of this Clause shall constitute a default by the relevant Issuer or the Guarantor (as the case may be) in the performance or observance of a covenant or provision binding on it under or pursuant to these presents.

21. HOLDER OF DEFINITIVE BEARER NOTE ASSUMED TO BE RECEIPTHOLDER AND COUPONHOLDER

- (A) WHEREVER in these presents the Trustee is required or entitled to exercise a power, trust, authority or discretion under these presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Holder is the holder of all Receipts and Coupons appertaining to each Definitive Bearer Note of which he is the holder.

NO NOTICE TO RECEIPTHOLDERS OR COUPONHOLDERS

- (B) Neither the Trustee nor the relevant Issuer nor the Guarantor shall be required to give any notice to the Receiptholders or Couponholders for any purpose under these presents and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with Condition 14.

22. CURRENCY INDEMNITY

EACH of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor shall severally indemnify the Trustee, every Appointee, the Holders, the Receiptholders and the Couponholders and keep them indemnified against:

- (a) any loss or damage incurred by any of them arising from the non-payment by the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) of any amount due to the Trustee or the holders of the Notes issued by the Issuer and the relative Receiptholders or Couponholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC); and

- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the relevant Issuer and (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor separate and independent from their other obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee or the Holders, the Receipholders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance) for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Holders, the Receipholders and the Couponholders and no proof or evidence of any actual loss shall be required by the relevant Issuer or, as the case may be, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) or its liquidator or liquidators.

23. SUBSTITUTION

(A)

- (i) WHERE the relevant Issuer is Prudential Finance the Trustee may, without the consent of the Holders, Receipholders or Couponholders, at any time agree to the substitution (a) in place of the relevant Issuer (or of the previous substitute under this Clause) as the principal debtor under these presents of (i) any Subsidiary of the relevant Issuer (ii) any successor in business of the relevant Issuer, (iii) the Guarantor or any Holding Company of the Guarantor or (iv) any other Subsidiary of the Guarantor or its Holding Company or (b) in place of the Guarantor as guarantor of any successor in business of the Guarantor or (ii) any Holding Company of the Guarantor (any such substituted company being in the case of both (a) and (b) hereinafter called the “**New Company**”) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of the relevant Issuer (or of the previous substitute under this sub-clause) or as guarantor in place of the Guarantor (or of the previous substitute under this sub-clause) and provided further that (except where the new principal debtor is the Guarantor or its Holding Company) the Guarantor unconditionally and irrevocably guarantees all amounts payable under these presents by the relevant Issuer to the satisfaction of the Trustee.

- (ii) The following further conditions shall apply to (i) above:
 - (a) the relevant Issuer, the Guarantor and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Holders;
 - (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or, as the case may be, Hong Kong or in either case any political sub-division or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 8 with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom or, as the case may be, Hong Kong of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 7.2 shall be modified accordingly;
- (iii) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Holders;
- (iv) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the relevant Issuer or, as the case may be, the Guarantor or the previous substitute under this Clause as applicable; and
- (v) the Trustee shall have received confirmation in writing satisfactory to it from any rating agency which, at the request of the relevant Issuer or the Guarantor, shall have assigned a credit rating to the Notes that such substitution by itself and the circumstances pertaining to such substitution will not result in a downgrading of the then current credit rating assigned to the Notes by such rating agency.

(B)

- (i) Where the relevant Issuer is Prudential Funding (Asia) PLC (and, in the case of Dated and Undated Subordinated Notes, with the prior consent of the FSA), the Trustee may, without the consent of the Holders, Receiptholders or Couponholders, at any time agree to the substitution: (i) in place of the relevant Issuer (or of the previous substitute under this Clause) as the principal debtor under these presents of (a) any Subsidiary of the relevant Issuer, (b) any successor in business of the relevant Issuer, (c) any Holding Company of the relevant Issuer or (d) any other Subsidiary of such Holding Company or (ii) in place of the Guarantor as guarantor of any successor in business of the Guarantor or Holding Company of the Guarantor (any such substituted company being hereinafter called the “**New Company**”) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory

to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of the relevant Issuer or as guarantor in place of the Guarantor (or of the previous substitute under this Clause) and provided further that (except where the new principal debtor is the successor in business or the Holding Company of Prudential) Prudential or its Holding Company unconditionally and irrevocably guarantees all amounts payable under these presents by the relevant Issuer to the satisfaction of the Trustee and provided further that, in the case of Dated Subordinated Notes, the obligations of Prudential or its Holding Company under such guarantee shall be subordinated on a basis considered by the Trustee to be equivalent to that described in Condition 3.

- (ii) The following further conditions shall apply to (1) above:
- (a) the relevant Issuer, the Guarantor and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Holders;
 - (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or, as the case may be, Hong Kong or in either case any political sub-division or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 8 with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom or, as the case may be, Hong Kong of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 7.2 shall be modified accordingly;
 - (c) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (d), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Holders;
 - (d) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the relevant Issuer or as the case may be, the Guarantor or the previous substitute under this Clause as applicable; and
 - (e) the Trustee shall have received confirmation in writing satisfactory to it from any rating agency which, at the request of the relevant Issuer or the Guarantor, shall have assigned a credit rating to the Notes that such substitution by itself and the circumstances pertaining to such substitution will not result in a downgrading of the then current credit rating assigned to the Notes by such rating agency.

- (C) Any such trust deed or undertaking shall, if so expressed, operate to release the relevant Issuer or, as the case may be, the Guarantor (or, in any such case, the previous substitute as aforesaid) from all of its obligations as principal debtor or, as the case may be, guarantor under these presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the New Company shall give notice thereof in a form previously approved by the Trustee to the Holders in the manner provided in Condition 14. Upon the execution of such documents and compliance with such requirements, the New Company shall be deemed to be named in these presents as the principal debtor in place of the relevant Issuer or, as the case may be, as guarantor in place of the Guarantor (or, in any such case, in place of the previous substitute as aforesaid) under these presents and these presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these presents to the relevant Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Company.

24. NEW TRUSTEE

- (A) THE power to appoint a new trustee of these presents shall be vested in the Issuers jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuers to the Issue and Paying Agent, the Registrar and the Holders.

SEPARATE AND CO-TRUSTEES

- (B) Notwithstanding the provisions of sub-clause (A) above, the Trustee may, upon giving prior written notice to the relevant Issuer and the Guarantor and after consultation with the relevant Issuer where, in the reasonable opinion of the Trustee, such consultation will not be materially prejudicial to the interests of the Holders but without the consent of the relevant Issuer, the Guarantor (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC), the Holders, the Receiptholders or the Couponholders, appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:
- (i) if the Trustee considers such appointment to be in the interests of the Holders;
 - (ii) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
 - (iii) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the relevant Issuer or (where the relevant Issuer is Prudential Finance or Prudential Funding (Asia) PLC) the Guarantor.

Each of the relevant Issuer and the Guarantor irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as costs, charges and expenses incurred by the Trustee.

25. TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuer and the Guarantor without giving any reason and without being responsible for any Expenses incurred by reason of such retirement. The Holders shall have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being of these presents. The Issuer and the Guarantor each undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution they will use all reasonable endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed.

26. TRUSTEE'S POWERS TO BE ADDITIONAL

THE powers conferred upon the Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Notes, Receipts or Coupons.

27. NOTICES

ANY notice or demand to Prudential Funding (Asia) PLC, Prudential, Prudential Finance or the Trustee required to be given, made or served for any purposes under these presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand as follows:

to Prudential Funding (Asia) PLC 1 Angel Court,
London EC2R 7AG, England

(Attention: Tom Clarkson)

Email: tom.clarkson@prudentialplc.com
Tel. No. +44 779 661 6635
(copy to the Guarantor)

to Prudential plc 1 Angel Court,
London EC2R 7AG, England

(Attention: Adrian Parkes, Director of Group Finance)
Facsimile No. +44 207 256 7672

(Attention: Simon Rich, Group Treasurer)
Facsimile No. +44 207 256 7672

to the Trustee: Eighth Floor
100 Bishopsgate
London EC2N 4AG

(Attention: the Manager, Trust Management)
Facsimile No. 020 7696 5261

or to such other address or facsimile number as shall have been notified (in accordance with this Clause) to the other parties hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served 48 hours in the case of inland post or five days in the case of overseas post after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch provided that in the case of a notice or demand given by facsimile transmission such notice or demand shall forthwith be confirmed by post and telephone. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

28. RIGHTS OF THIRD PARTIES

SAVE in respect of Clause 15(xix), a person who is not a party to this Trust Deed or any trust deed supplemental hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29. GOVERNING LAW

THESE presents are governed by, and shall be construed in accordance with, English law.

30. COUNTERPARTS

THIS Trust Deed and any trust deed supplemental hereto may be executed and delivered in counterparts, all of which, taken together, shall constitute one and the same deed and either party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

IN WITNESS whereof this Trust Deed has been executed as a deed by Prudential, Prudential Finance and the Trustee and delivered on the date first stated on page 1.

THE FIRST SCHEDULE TERMS AND CONDITIONS OF THE NOTES

This Note was originally issued by whichever of Prudential plc (“Prudential”) or Prudential Finance (UK) plc (“Prudential Finance”) is specified as the “Issuer” in the Pricing Supplement (as defined below). This Note is one of a Series (as defined below) of Notes constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time (including, for the avoidance of doubt, by the Supplemental Trust Deed (as defined below)), the “Trust Deed”) dated 22nd November, 2001 and made between Prudential, Prudential Finance and The Law Debenture Trust Corporation p.l.c. as trustee (the “Trustee”, which expression shall include any successor trustee) for the Holders (as defined below) of such Notes. References herein to the “Notes” shall be references to the Notes of this Series. As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Pursuant to a supplemental trust deed dated 2 March 2023 and made between Prudential Funding (Asia) plc, Prudential and the Trustee (the “Supplemental Trust Deed”), Prudential Funding (Asia) plc assumed the obligations of Prudential as principal debtor in respect of the Dated Subordinated Notes (being those Notes that specify their status as such in the Pricing Supplement) and Prudential (hereinafter referred to as the “Guarantor” in respect of such Dated Subordinated Notes) has unconditionally and irrevocably guaranteed, on a subordinated basis, the Dated Subordinated Notes. As such, references in this Note and these Conditions (as defined below) to “the Issuer” shall be taken to refer to Prudential Funding (Asia) plc in respect of the Dated Subordinated Notes originally issued by Prudential.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 22nd November, 2001 and made between Prudential, Citibank, N.A., London Office as issuing and principal paying agent and agent bank (the “Issue and Paying Agent”, which expression shall include any successor agent), Citibank, N.A., London Office as registrar in respect of Notes in registered form and as paying agent (the “Registrar”, which expression shall include any successor registrar), Citibank, N.A., London Office as Exchange Agent (the “Exchange Agent”, which expression shall include any successor exchange agent) (together with the Issue and Paying Agent, the Exchange Agent and the Registrar, unless the context otherwise requires, the “Paying Agents”, which expression shall include any additional or successor paying agents) and the Trustee.

Notes issued by Prudential Finance are unconditionally and irrevocably guaranteed by Prudential pursuant to the terms of the guarantee (the “Guarantee”) set out in the Trust Deed.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions (these “Conditions”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the “Pricing Supplement” are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal London office for the time being of the Trustee (being at 8th Floor, 100

Bishopsgate, London EC2N 4AG) and at the specified office of each of the Paying Agents. Copies of the Pricing Supplement are obtainable during normal business hours at the specified office of each of the Paying Agents save that, if this Note is an unlisted Note of any Series, the Pricing Supplement will only be obtainable by a Holder holding one or more unlisted Notes of that Series and such Holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Holders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the Pricing Supplement, the Pricing Supplement will prevail.

1. FORM AND DENOMINATION

1.1 Form

Notes are issued in bearer form (“Bearer Notes”) and/or, in the case of Notes issued by Prudential, in registered form (“Registered Notes”), as specified in the Pricing Supplement, serially numbered and in the Specified Currency and the Specified Denomination(s). Registered Notes are not exchangeable for Bearer Notes or vice versa. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

1.2 Coupons and Talons

Interest-bearing definitive Bearer Notes (unless otherwise indicated in the Pricing Supplement) have attached thereto, at the time of their initial delivery, coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Pricing Supplement, such Notes have attached thereto, at the time of their initial delivery, a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons. If this Note is a Zero Coupon Note, references to Coupons and Couponholders in these Conditions are not applicable.

1.3 Interest Basis

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the Pricing Supplement.

1.4 Redemption/Payment Basis

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the Pricing Supplement.

1.5 *Instalment Notes*

Definitive Bearer Notes, the principal amount of which is repayable by instalments (“Instalment Notes”) have attached thereto, at the time of their initial delivery, payment receipts (“Receipts”) in respect of the instalments of principal (other than the final instalment).

1.6 *Denomination of Bearer Notes*

Bearer Notes are in the Specified Denomination or Denominations specified in the Pricing Supplement. Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

1.7 *Denomination of Registered Notes*

Registered Notes are in the minimum Specified Denomination specified in the Pricing Supplement or integral multiples thereof.

1.8 *Currency of Notes*

The Notes are denominated in the Specified Currency specified in the Pricing Supplement. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

1.9 *Status of Notes*

This Note may be a Senior Note, a Dated Subordinated Note or an Undated Subordinated Note, as indicated in the Pricing Supplement.

2. TITLE AND TRANSFER

2.1 *Title to Bearer Notes*

Title to Bearer Notes, Receipts and Coupons passes by delivery. References herein to the “Holders” of Bearer Notes or of Receipts or Coupons are to the bearers of such Bearer Notes or such Receipts or Coupons.

2.2 *Title to Registered Notes*

Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar. References herein to the “Holders” of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.

2.3 *Holder as Owner*

The Holder of any Bearer Note, Receipt, Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon or any theft or loss thereof) and no person shall be liable for so treating such Holder.

2.4 *Transfer of Registered Notes*

A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum Specified Denomination specified in the Pricing Supplement) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

2.5 New Registered Notes

Each new Registered Note to be issued upon the transfer of a Registered Note will, within five Relevant Banking Days of the transfer date, be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or a Paying Agent after the Record Date (as defined in Condition 6.4) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or such Paying Agent (as the case may be) until the day following the due date for such payment For the purposes of these Conditions:

- (a) “Relevant Banking Day” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located; and
- (b) the “transfer date” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.4.

2.6 No Charges upon Transfer

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer, any Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, such Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charge of whatsoever nature which may be levied or imposed in relation thereto.

2.7 Private Placement Legend

Upon the transfer or replacement of Registered Notes bearing the private placement legend (the “Private Placement Legend”) set forth in the relevant form of Registered Note scheduled to the Trust Deed, the Registrar shall deliver only Registered Notes that also bear such legend unless either: (a) such transfer or replacement occurs two or more years after the later of (i) the original issue date of such Notes, or (ii) the last date on which the Issuer or any affiliate (as such term is defined in paragraph (a)(1) of Rule 144 under the United States Securities Act of 1933 (the “Securities Act”)) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Notes (or any predecessor of such Note); or (b) there is delivered to the Registrar an opinion satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its affiliates not to acquire any beneficial interest, in any Registered Note bearing the Private Placement

Legend unless it notifies the Registrar of such acquisition. Each Paying Agent, the Registrar, the Trustee and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

2.8 *Information to Holders*

For so long as any of the Registered Notes bearing the Private Placement Legend remains outstanding and is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act 1934, as amended (the “Exchange Act”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any Holder at the specified office of each of the Paying Agents in connection with any sale thereof and any prospective purchaser of such Notes from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) in relation to it, under the Securities Act.

3. **STATUS OF THE NOTES**

Conditions 3.2, 3.3 and 3.4 shall only apply to Subordinated Notes issued by Prudential and references to “Notes” and “Issuer” shall be construed accordingly.

3.1 *Status of Senior Notes*

The Senior Notes (being those Notes in respect of which the Pricing Supplement specifies their Status as Senior) and any relative Receipts and Coupons are direct and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank without any preference among themselves and (subject as aforesaid and to such exceptions as are from time to time applicable under the laws of the United Kingdom) *pari passu* with all other outstanding, unsecured and unsubordinated obligations of the Issuer.

Status of Guarantee

Under the Guarantee, the obligations of Prudential in respect of Senior Notes issued by Prudential Finance are direct and (subject to the provisions of Condition 4) unsecured obligations of Prudential and rank and will rank without any preference among themselves and (subject as aforesaid and to such exceptions as from time to time are applicable under the laws of the United Kingdom) *pari passu* with all other outstanding, unsecured and unsubordinated obligations of Prudential.

3.2 *Status of Dated Subordinated Notes and the Subordinated Guarantee*

Status of the Dated Subordinated Notes

The Dated Subordinated Notes (being those Notes in respect of which the Pricing Supplement specifies their Status as Dated Subordinated) and any relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

Status of the Subordinated Guarantee

The Guarantor has (subject as provided in this Condition 3.2 and in the Trust Deed) in the Trust Deed irrevocably guaranteed, on a subordinated basis, the payment obligations and due and punctual performance and observance of each other obligation of the Issuer under the Dated Subordinated Notes and the relative Receipts and Coupons and under the Trust Deed in respect thereof (the “Subordinated Guarantee”). The Guarantor’s obligations under the Subordinated Guarantee constitute unsecured and subordinated obligations of the Guarantor.

For the avoidance of doubt, if the amount payable by the Issuer in respect of claims for outstanding amounts arising under the terms of the Dated Subordinated Notes is reduced or cancelled by reason of the provisions of this Condition 3, the Guarantor shall remain liable to pay all outstanding amounts arising under the terms of the Dated Subordinated Notes subject to and in accordance with the provisions of the Subordinated Guarantee.

Subordination: Winding-up of the Issuer

The rights of Holders of Dated Subordinated Notes and any relative Receipts and Coupons against the Issuer to payment of principal and interest in respect of the Dated Subordinated Notes are, in the event of the winding-up of the Issuer, subordinated in right of payment in the manner provided in the Trust Deed to the claims of all unsubordinated creditors of the Issuer and will rank, in the event of the winding up of the Issuer, at least *pari passu* with all other Issuer Subordinated Indebtedness, present and future. Accordingly, amounts due and payable in respect of such principal and interest shall be due and payable in such winding-up only if and to the extent that the Issuer could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (i) it is able to pay its debts to unsubordinated creditors as they fall due and (ii) its Assets exceed its Liabilities to unsubordinated creditors.

Subordination: Winding-up of the Guarantor

The rights of Holders of Dated Subordinated Notes and any relative Receipts and Coupons against the Guarantor to payment of any amounts under the Subordinated Guarantee are, in the event of the winding-up of the Guarantor, subordinated in right of payment in the manner provided in the Trust Deed to the claims of all unsubordinated creditors of the Guarantor and will rank, in the event of the winding up of the Guarantor, at least *pari passu* with all other Guarantor Subordinated Indebtedness, present and future. Accordingly, amounts due and payable in respect of such principal and interest shall be due and payable in such winding-up only if and to the extent that the Guarantor could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Guarantor shall be considered solvent if both (i) it is able to pay its debts to unsubordinated creditors as they fall due and (ii) its Assets exceed its Liabilities to unsubordinated creditors.

Solvency report

A report as to the solvency of the Issuer or the Guarantor by two Directors of the Issuer or the Guarantor (as applicable) or, in certain circumstances as provided in the Trust Deed, its Auditors (as defined below) or, if the Issuer and/or Guarantor is being wound up, its liquidator shall, in the absence of proven error, be treated and accepted by the Issuer, the Guarantor, the Trustee and the Holders of the Dated Subordinated Notes and any relative Receipts and Coupons as correct and sufficient evidence thereof.

3.3 Status of Undated Subordinated Notes

The Undated Subordinated Notes (being those Notes in respect of which the Pricing Supplement specifies their Status as Undated Subordinated) (together with the Dated Subordinated Notes, the “Subordinated Notes”) and any relative Coupons are direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

The rights of Holders of Undated Subordinated Notes and any relative Coupons against the Issuer to payment of principal and interest in respect of the Undated Subordinated Notes are, in the event of the winding-up of the Issuer, subordinated in right of payment in the manner provided in the Trust Deed to the claims of all Creditors (as defined below) of the Issuer. Accordingly, amounts due and payable in respect of such principal and interest shall be due and payable in such winding-up only if and to the extent that the Issuer could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (i) it is able to pay its debts to Creditors as they fall due and (ii) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Creditors).

A report as to the solvency of the Issuer by two Directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors or, if the Issuer is being wound up, its liquidator shall, in the absence of proven error, be treated and accepted by the Issuer, the Trustee and the Holders of the Undated Subordinated Notes and any relative Coupons as correct and sufficient evidence thereof.

For the purposes of Conditions 3.2 and 3.3:

“Assets” means the non-consolidated gross assets of the Issuer or the Guarantor as shown by the then latest published balance sheet of the Issuer or the Guarantor (as applicable) but adjusted for contingencies and for subsequent events and to such extent as two Directors of the Issuer or the Guarantor (as applicable), its Auditors or the liquidator of the Issuer or the Guarantor (as the case may be) may determine to be appropriate;

“Auditors” means the auditors for the time being of the Issuer or the Guarantor or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these Conditions or the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer or Guarantor;

“Creditor” means any creditor of the Issuer (i) who is an unsubordinated creditor of the Issuer or (ii) whose claim is or is expressed to be subordinated to the claim of any unsubordinated creditor of the Issuer but not further or otherwise or (iii) who is a subordinated creditor of the Issuer other than any whose claim ranks or is expressed to rank *pari passu* with or junior to the claims of the Holders of any Undated Subordinated Notes;

“Guarantor Subordinated Indebtedness” means all indebtedness of the Guarantor which is subordinated, in the event of the winding-up of the Guarantor, in right of payment to the claims of unsubordinated creditors of the Guarantor and so that indebtedness shall include all liabilities, whether actual or contingent;

“Issuer Subordinated Indebtedness” means all indebtedness of the Issuer which is subordinated, in the event of the winding-up of the Issuer, in right of payment to the claims of unsubordinated creditors of the Issuer and so that indebtedness shall include all liabilities, whether actual or contingent; and

“Liabilities” means the non-consolidated gross liabilities of the Issuer or the Guarantor as shown and adjusted in like manner as for Assets.

The obligations of the Issuer in respect of the Undated Subordinated Notes are, on the winding up of the Issuer, conditional on the Issuer being solvent, within the meaning described in Condition 3.3, at the time of, and immediately after, payment by the Issuer. If the Issuer would not be so solvent, any amounts which might otherwise have been allocated in or towards payment of principal and interest in respect of the Undated Subordinated Notes may be used to absorb losses.

3.4 Set-off

Subject to applicable law, no Holder of any Subordinated Note or any relative Receipt or Coupon may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer or the Guarantor arising under or in connection with the Dated or Undated Subordinated Notes or any relative Receipts or Coupons and each Holder shall, by virtue of being the holder of any Dated or Undated Subordinated Note or, as the case may be, relative Receipt or Coupon, be deemed to have waived all such rights of such set-off, counter-claim or retention.

4. NEGATIVE PLEDGE

This Condition 4 is applicable only to Senior Notes.

So long as any of the Notes remains outstanding (as defined in the Trust Deed) neither the Issuer nor, where the Issuer is Prudential Finance, Prudential will, and each will procure, so far as the Issuer or Prudential, as the case may be, by the proper exercise of voting and other rights or powers of control exercisable by the Issuer or Prudential, as the case may be, in relation to Subsidiaries (as defined in the Trust Deed) can procure, that the Principal Subsidiary (as defined below) shall not, create or permit to subsist any mortgage or charge upon the whole or any part of its undertaking or assets (other than assets representing the fund or funds maintained by the Issuer, Prudential, or as the case may be, the Principal Subsidiary in respect of long-term business (as defined in the Insurance Companies Act 1982)), present or future, to secure payment of any present or future Relevant Indebtedness (as defined below) of the Issuer, Prudential or any Subsidiary thereof or to secure any guarantee or indemnity in respect thereof, without at the same time according to the Notes, the Receipts, the Coupons and all amounts payable under the Trust Deed in respect thereof to the satisfaction of the Trustee, the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Holders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders.

“Principal Subsidiary” means The Prudential Assurance Company Limited but, in the case of this Condition and paragraphs (iii) to (vii) (inclusive) of Condition 10.1, only for so long as it remains a Subsidiary of Prudential.

“Relevant Indebtedness” means any indebtedness for borrowed money (other than indebtedness in the form of sterling debenture stock (as defined in the Trust Deed) or indebtedness which has a stated maturity not exceeding one year) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which, with the agreement of the Issuer, Prudential or any Subsidiary thereof, as the case may be, are quoted, listed, dealt in or traded on a stock exchange or over the counter or other recognised securities market (whether or not distributed by way of private

placement) excluding any indebtedness for borrowed money incurred to acquire an asset from outside the Prudential Group in respect of which the person to whom such indebtedness is owed has no recourse whatsoever to the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary, as the case may be, for repayment other than recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset

5. INTEREST

5A *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest

Payment Date(s) in each year up to (and including) the Maturity Date Provided that (i) interest on Subordinated Notes shall be payable only at the option of the Issuer unless such Interest Payment Date is a Compulsory Interest Payment Date (as defined in Condition 5F) and (ii) interest on Dated Subordinated Notes shall be payable on the Maturity Date only with the prior approval of the Financial Services Authority (the "FSA"). In the absence of such approval such interest shall be payable at the same time as redemption of the Dated Subordinated Notes takes place (or such earlier date as may be approved by the FSA) but such amount of interest shall not in the meantime itself bear interest.

Except as provided in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payment of any Broken Amount will be made on the Interest Payment Date so specified in the Pricing Supplement.

As used in these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5A:

- (i) if "Actual/Actual (ISMA)" is specified in the Pricing Supplement:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination

Dates (as specified in the Pricing Supplement) that would occur in one calendar year;
or

- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the Pricing Supplement) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

“Determination Period” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on, the Determination Date falling after, such date); and “sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

5B Interest on Floating Rate Notes and Index Linked Interest Notes

5B.1 Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the Pricing Supplement, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date,

Provided that (i) interest on Subordinated Notes shall be payable only at the option of the Issuer unless such Interest Payment Date is a Compulsory Interest Payment Date and (ii) interest on Dated Subordinated Notes shall be payable on the Maturity Date only with the prior approval of the FSA. In the absence of such approval such interest shall be payable at the same time as redemption of the

Dated Subordinated Notes takes place (or such earlier date as may be approved by the FSA) but such amount of interest shall not in the meantime itself bear interest.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5B.1(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "Business Day" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "TARGET System") is open.

5B.2 Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the Pricing Supplement.

5B.3 ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Pricing Supplement) the Margin (if any). For the purposes of this Condition 5B.3, "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issue and Paying Agent under an interest rate swap transaction if the Issue and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

- (1) the Floating Rate Option is as specified in the Pricing Supplement;
- (2) the Designated Maturity is a period specified in the Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the Pricing Supplement.

For the purposes of this Condition 5B.3 "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

5B.4 Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, in each case the "Specified Time") on the Interest Determination Date in question plus or minus (as indicated in the Pricing Supplement) the Margin (if any), all as determined by the Issue and Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issue and Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (i) above, no offered quotation appears or, in the case of (ii) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issue and Paying Agent shall request each of the Reference Banks (as defined below) to provide the Issue and Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issue and Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issue and Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issue and Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issue and Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issue and Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issue and Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issue and Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the Pricing Supplement.

For the purposes of this Condition 5B.4, "Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issue and Paying Agent or as specified in the applicable Pricing Supplement.

5B.5 Minimum Rate of Interest and/or Maximum Rate of Interest

If the Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions

of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest

If the Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

5B.6 Determination of Rate of Interest and calculation of Interest Amounts

The Issue and Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Issue and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Issue and Paying Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "Actual/365" or "Actual/Actual" is specified in the Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the

month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified in the Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

5B.7 Notification of Rate of Interest and Interest Amounts

The Issue and Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and to the Holders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

5B.8 Determination or Calculation by Trustee

If for any reason at any relevant time the Issue and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Issue and Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 5B.3 or 5B.4 or as otherwise specified in the Pricing Supplement, as the case may be, and in each case in accordance with 5B.6, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5B, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Issue and Paying Agent or the Calculation Agent, as applicable.

5B.9 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5B, whether by the Issue and Paying Agent or, if applicable, the Exchange Agent, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, where Prudential Finance is the Issuer, Prudential, the Issue and Paying Agent, the Exchange Agent,

the Calculation Agent (if applicable), the other Paying Agents and all Holders and (in the absence as aforesaid) no liability to the Issuer or the Holders shall attach to the Issue and Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5C Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the Pricing Supplement.

5D Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the Pricing Supplement.

5E Accrual of interest

If any redemption of the Notes is not made on the Maturity Date by virtue of the provisions of Condition 7.2 interest shall continue to accrue and shall be payable as provided in these Conditions up to (but excluding) the Deferred Maturity Date (as defined in Condition 7.2) or such earlier date on which payment of such principal is made.

Each Note (or, in the case of the redemption of part only of an Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption (being the Maturity Date, the Deferred Maturity Date or any other date for redemption pursuant to these Conditions) unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5F Interest on Dated Subordinated Notes

In these Conditions:

“Compulsory Interest Payment Date” means, in the case of Dated Subordinated Notes, any Interest Payment Date if, in the immediately preceding six calendar months, any dividend has been declared or paid on any class of share capital of the Guarantor; and

“Optional Interest Payment Date” means, in the case of Dated Subordinated Notes, any Interest Payment Date other than a Compulsory Interest Payment Date.

Subject to the provisions of Conditions 5A and 5B relating to interest payable on the Maturity Date, interest on Dated Subordinated Notes shall be payable on each Compulsory Interest Payment Date in respect of the Interest Period which ends on that Compulsory Interest Payment Date. On any Optional Interest Payment Date, there may be paid (if the Issuer so decides and gives notice of such decision to the Holders) the interest accrued in the Interest Period which ends on that Optional Interest Payment Date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer or the Guarantor for any purpose. Any interest not so paid on an Interest Payment Date shall, so long as the same remains unpaid, constitute “Arrears of Interest”.

Arrears of Interest may, at the option of the Issuer or the Guarantor, be paid in whole or in part (any such part being the whole of the interest accrued during any Interest Period or Periods) at any time upon the expiration of not less than seven days' notice to such effect given to the Holders of the Dated Subordinated Notes in accordance with Condition 14 but so that in the case of payment of only part of the Arrears of Interest the interest accrued during any Interest Period shall not be paid prior to that accrued during an earlier Interest Period. All Arrears of Interest in respect of the Dated Subordinated Notes outstanding shall become due in full on the earlier of (i) the date upon which a dividend is next declared or paid on any class of share capital of the Guarantor, (ii) the due date for any redemption of the Notes (including, for the avoidance of doubt, any Deferred Maturity Date pursuant to Condition 7.2) and (iii) the commencement of the winding up of the Issuer or the Guarantor (except for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee). Notwithstanding the foregoing, if notice is given by the Issuer or the Guarantor of its intention to pay the whole or part of Arrears of Interest, the Issuer (in the case of notice being given by the Issuer) or Guarantor (in the case of notice being given by the Guarantor or notice being given by the Issuer and the Issuer failing to pay upon the expiry of such notice) shall be obliged to do so upon the expiry of such notice. Arrears of Interest shall not bear interest. All references in these Conditions to interest on Dated Subordinated Notes shall, unless the context otherwise requires, include Arrears of Interest.

For the purposes of this provision the declaration or payment of a dividend shall be deemed to include the making of any payment on any subordinated debt (or under any guarantee in respect thereof) and the redemption, purchase or other acquisition of any shares or subordinated debt (save where the funds used to redeem, purchase or acquire those shares or that subordinated debt are derived from an issue of shares or subordinated debt (i) made at any time within the six month period prior to the time of such redemption, purchase or acquisition, and (ii) with the same or junior ranking on a return of assets on a winding up or in respect of a distribution or payment of dividends and/or any other amounts thereunder to those shares or that subordinated debt being redeemed, purchased or acquired). The Trustee shall be entitled to rely on a certificate signed by two directors of the Issuer or the Guarantor as to whether the redemption, purchase or acquisition falls within the exception set out above and, if the Trustee does so rely, such certificate shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Holders.

5G Interest on Undated Subordinated Notes

In these Conditions:

“Compulsory Interest Payment Date” means, in the case of Undated Subordinated Notes, any Interest Payment Date if, in the immediately preceding six calendar months, any dividend has been declared or paid on any class of share capital of the Issuer; and

“Optional Interest Payment Date” means, in the case of Undated Subordinated Notes, any Interest Payment Date other than a Compulsory Interest Payment Date.

Interest on Undated Subordinated Notes shall be payable on each Compulsory Interest Payment Date in respect of the Interest Period which ends on that Compulsory Interest Payment Date. On any Optional Interest Payment Date there may be paid (if the Issuer so decides and gives notice of such decision to the Holders) the interest accrued in the Interest Period which ends on that Optional Interest Payment Date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. Any interest not so paid on an Interest Payment

Date shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may, at the option of the Issuer, be paid in whole or in part (any

such part being the whole of the interest accrued during any Interest Period or Periods) at any time upon the expiration of not less than seven days' notice to such effect given to the Holders of the Undated Subordinated Notes in accordance with Condition 14 but so that in the case of payment of only part of the Arrears of Interest the interest accrued during any Interest Period shall not be paid prior to that accrued during an earlier Interest Period. All Arrears of Interest in respect of the Undated Subordinated Notes outstanding shall become due in full on the earliest of (i) the date upon which a dividend is next declared or paid on any class of share capital of the Issuer, (ii) the date set for any redemption pursuant to Condition 7.4 or 7.5 and (iii) the commencement of the winding up of the Issuer (except for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee). Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiry of such notice. Arrears of Interest shall not bear interest. All references in these Conditions to interest on Undated Subordinated Notes shall, unless the context otherwise requires, include Arrears of Interest.

For the purposes of this provision the declaration or payment of a dividend shall be deemed to include the making of any payment on any undated subordinated debt (or under any guarantee in respect thereof) and the redemption, purchase or other acquisition of any shares or undated subordinated debt (save where the funds used to redeem, purchase or acquire those shares or that undated subordinated debt are derived from an issue of shares or undated subordinated debt (i) made at any time within the six month period prior to the time of such redemption, purchase or acquisition, and (ii) with the same or junior ranking on a return of assets on a winding up or in respect of a distribution or payment of dividends and/or any other amounts thereunder to those shares or that undated subordinated debt being redeemed, purchased or acquired. The Trustee shall be entitled to rely on a certificate signed by two directors of the Issuer as to whether the redemption, purchase or acquisition falls within the exception set out above and, if the Trustee does so rely, such certificate shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Holders.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

6.2 *Presentation of Bearer Notes, Receipts and Coupons*

Payments of principal in respect of Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Bearer Notes, and payments of interest in respect of Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any Temporary or Permanent Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Temporary or Permanent Global Note in bearer form against presentation or surrender, as the case may be, of such Temporary or Permanent Global Note in bearer form at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Temporary or Permanent Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Temporary or Permanent Global Note in bearer form by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

The Holder of a Temporary or Permanent Global Note in bearer form shall be the only person entitled to receive payments in respect of Notes represented by such Temporary or Permanent Global Note in bearer form and the Issuer, the Guarantor, or, where the Issuer is Prudential Finance, Prudential will be discharged by payment to, or to the order of, the Holder of such Temporary or Permanent Global Note in bearer form in respect of each amount so paid. Each of the persons shown in the records of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or any other clearing system as the beneficial holder of a particular nominal amount of Notes represented by such Temporary or Permanent Global Note in bearer form must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, for his share of each payment so made by the Issuer, the Guarantor or, as the case may be, Prudential (where the Issuer is Prudential Finance) to, or to the order of, the Holder of such Temporary or Permanent Global Note in bearer form.

6.3 *U.S. Paying Agent*

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer, the Guarantor or, where the Issuer is Prudential Finance, Prudential.

6.4 *Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Registered Note appearing in the register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "Record Date"). Notwithstanding the previous sentence, if (i) a Holder does not have a Designated Account or (ii) the nominal amount of the Registered Notes held by a Holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency) payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a Designated Bank and identified as such in the register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the Holder (or the first named of joint Holders) of the Registered Note appearing in the register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown in the register on the Record Date and at his risk. Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the

payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the Holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

6.5 *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, London and any Additional Financial Centre specified in the Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

6.6 *Interpretation of principal and interest*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.8); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption of Senior Notes at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Senior Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Pricing Supplement in the relevant Specified Currency on the Maturity Date.

7.2 Redemption of Dated Subordinated Notes at Maturity and Deferral of Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Dated Subordinated Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Pricing Supplement in the relevant Specified Currency on the Maturity Date provided that the Issuer shall have obtained the prior approval of the FSA for such redemption. In the absence of such approval, each Dated Subordinated Note will, unless previously redeemed or purchased and cancelled, be redeemed at its Final Redemption Amount on the Deferred Maturity Date. As used in these Conditions, "Deferred Maturity Date" means the day following the second anniversary of the Maturity Date or such earlier date for redemption as may be approved by the FSA pursuant to the provisions set out below.

In the event that the Maturity Date is deferred pursuant to this Condition the Issuer will on the last business day of each three month period, the first such period commencing with the date on which a payment in respect of any Dated Subordinated Notes is so deferred, make application in writing (with a copy to the Trustee of such application and the response thereto) to the FSA for approval for the repayment of all amounts so deferred. If the Maturity Date of more than one Series of Dated Subordinated Notes (which for this purpose shall include any other dated subordinated obligations of the Issuer constituted otherwise than by the Trust Deed) has been deferred pursuant to this Condition (or a corresponding provision in any other such obligations) then the Issuer shall in its application seek approval for redemption of such Dated Subordinated Notes in the order in which they were deferred, commencing with the Series which was first so deferred.

If the FSA shall approve the redemption of any Subordinated Notes pursuant to such application the Issuer shall within seven days thereof give notice to the Trustee and to the Holders in accordance with Condition 14 which notice shall specify the Deferred Maturity Date (which shall be not more than 30 or less than 15 days after the date of such notice).

The Issuer shall be bound on the Deferred Maturity Date to redeem each Dated Subordinated Note at its Final Redemption Amount together with interest accrued to (but excluding) the Deferred Maturity Date, any Arrears of Interest and any amount of interest deferred pursuant to Condition 5A or 5B.

Whilst the redemption of any Dated Subordinated Note is deferred pursuant to this Condition 7.2 the Issuer or Guarantor shall not declare or pay any dividend on any class of its share capital, make any payment on any subordinated debt or under any guarantee in respect thereof (unless the Issuer or the Guarantor (as applicable) is contractually obliged to make such payment pursuant to the terms of the relevant subordinated debt), redeem, purchase or otherwise acquire any shares or subordinated debt (save where the funds used to redeem, purchase or acquire those shares or that subordinated debt are derived from an issue of shares or subordinated debt (i) made at any time within the six month period prior to the time of such redemption, purchase or acquisition, and (ii) with the same or junior ranking on a return of assets on a winding up or in respect of a distribution or payment of dividends and/or any other amounts thereunder to those shares or that subordinated debt being redeemed, purchased or acquired). The Trustee shall be entitled to rely on a certificate signed by two directors of the Issuer or the Guarantor as to whether the redemption, purchase or acquisition falls within the exception set out above and, if the Trustee does so rely, such certificate shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Holders.

7.3 Redemption of Undated Subordinated Notes

Each Undated Subordinated Note has no final maturity date and is only redeemable or repayable in accordance with the following provisions of this Condition and Condition 10.3.

7.4 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer (but subject, in the case of Subordinated Notes, to the prior approval of the FSA, such approval to be obtained not more than three months prior to such redemption) in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 (which notice shall be irrevocable), if (A) immediately prior to the giving of such notice the Issuer or the Guarantor or, where the Issuer is Prudential Finance, Prudential, as the case may be, satisfies the Trustee that the Issuer or the Guarantor (as applicable) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or, where the Issuer is Prudential Finance, Prudential would be unable for reasons outside its control to procure payment by Prudential Finance and in making payment itself would be required to pay such additional amounts, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and such obligation cannot be avoided by the Issuer or the Guarantor (as applicable) or, where the Issuer is Prudential Finance, Prudential, as the case may be, taking reasonable measures available to it; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor or, where the Issuer is Prudential Finance, Prudential, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (B) on the next Interest Payment Date the payment of interest in respect of any Dated Subordinated Notes or Undated Subordinated Notes would be treated, for reasons outside the control of the Issuer and which cannot be avoided by the Issuer, taking reasonable measures available to it, as a "distribution" within the meaning of the Income and Corporation Taxes Act 1988 (as amended, re-enacted or replaced) provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the payment of interest would be treated as a "distribution" as aforesaid if a payment of interest in respect of the Notes were then due.

The Issuer or the Guarantor or, where the Issuer is Prudential Finance, Prudential, as the case may be, shall be deemed to have satisfied the Trustee as referred to in the preceding paragraph if prior to the publication of any notice of redemption pursuant to this Condition 7.4, the Issuer or the Guarantor or, where the Issuer is Prudential Finance, Prudential, as the case may be, shall have delivered to the Trustee (1) a certificate signed by two Directors of the Issuer or the Guarantor (as applicable) or, where the Issuer is Prudential Finance, Prudential, as the case may be, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or Guarantor (as applicable) has or will become obliged to pay such additional amounts as a result of such change or amendment or, as the case may be, the payment of interest would be treated as a "distribution" as aforesaid. Upon the expiry of any such notice as is referred to in this Condition 7.4, the Issuer shall be bound to redeem the Notes in accordance with this Condition 7.4. Notes redeemed pursuant to this Condition 7.4 will be redeemed at their Early Redemption Amount referred to in Condition 7.8 below together, if appropriate, with interest accrued to (but excluding) the date of redemption.

7.5 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Issue and Paying Agent and the Trustee;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount. In the case of a partial redemption of Notes in definitive form, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). A list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

Subordinated Notes may not be redeemed pursuant to this Condition 7.5 without the prior approval of the FSA, such approval to be obtained not more than three months prior to such redemption.

7.6 *Redemption at the option of the Issuer due to Capital Disqualification Event*
This Condition 7.6 is applicable only to Subordinated Notes.

If Issuer Call due to Capital Disqualification Event is specified in the Pricing Supplement and the Issuer satisfies the Trustee prior to the giving of the notice referred to below that a Capital Disqualification Event has occurred, the Issuer may, at its option, having obtained the approval of the FSA and having given not less than 15 nor more than 30 days' notice to the Trustee and to the Holders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem at any time (if this Note is neither a Floating Rate Note nor an Index Linked Notes) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) all, but not some only, of the Subordinated Notes at the Special Redemption Amount(s) specified in or determined in the manner specified in, the Pricing Supplement together, in each case, with interest accrued to, but excluding, the date of redemption and all Arrears of Interest.

A "Capital Disqualification Event" is deemed to have occurred if solvency calculations in respect of the Issuer or the Guarantor are required by the FSA, including, without limitation pursuant to Directive 98/78/EC of the European Union (the "Directive") or any legislation, rules or regulations (whether having the force of law or otherwise) in any state within the European Economic Area (being the European Union together with Norway, Liechtenstein and Iceland) implementing the Directive (the "Relevant Rules") and:

- (i) under the Directive or the Relevant Rules or the application or official interpretation thereof, at the time, the Subordinated Notes would not be capable of counting as cover for the minimum or notional margin of solvency required of the Issuer or the Guarantor under the Directive or the Relevant Rules; or

- (ii) as a result of any change to the Directive or the Relevant Rules or the application or official interpretation thereof any Subordinated Notes would not be capable of counting as cover for the minimum or notional margin of solvency of the Issuer or the Guarantor under the Directive or the Relevant Rules.

7.7 Redemption at the option of the Holders of Senior Notes (Investor Put)
This Condition 7.7 is applicable only to Senior Notes.

If Investor Put is specified in the Pricing Supplement, upon the Holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the Pricing Supplement, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the Holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition.

7.8 Early Redemption Amount

For the purpose of Condition 7.4 above and Condition 10, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) at the amount specified in, or determined in the manner specified in, the Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at its nominal amount; or
- (ii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") equal to the sum of the Reference Price and the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the Pricing Supplement.

7.9 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.8 above.

7.10 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the Pricing Supplement.

7.11 Purchases

The Issuer and the Guarantor and, where the Issuer is Prudential Finance, Prudential and any of their respective Subsidiaries may (but subject, in the case of Subordinated Notes, to the prior approval of the FSA) at any time purchase Notes (provided that, in the case of definitive Bearer Notes, any unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Holders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor (as applicable) or, where the Issuer is Prudential Finance, Prudential or any of their respective Subsidiaries, as the case may be, surrendered to any Paying Agent for cancellation.

7.12 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to Condition 7.11 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issue and Paying Agent and cannot be reissued or resold.

7.13 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.4, 7.5 or 7.7 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.8(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Issue and Paying Agent, the Registrar or the Trustee, as the case may be, and notice to that effect has been given to the Holders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom or Hong Kong, or any political subdivision of, or any authority of, or in, the United Kingdom or Hong Kong having power to tax, unless the withholding or deduction is required by law. In such event, the Issuer or the Guarantor (as applicable) or, where the Issuer is Prudential Finance, Prudential will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of the

withholding or deduction, except that no such additional amounts shall be payable in relation to any Note, Receipt or Coupon:

- (i) presented for payment by, or on behalf of, a Holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom or Hong Kong (as applicable) other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment by, or on behalf of, a Holder who would be able to avoid such withholding or deduction by satisfying any requirement to provide such evidence as is required by statute or making a declaration or any other statement or claim, including, but not limited to, a declaration of non-residence but fails to do so; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 (the "Directive") or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issue and Paying Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14.

9. PRESCRIPTION

Claims in respect of principal and interest or other sums payable hereunder will be prescribed unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date (as defined in Condition 8) in relation thereto.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 This Condition 10.1 is applicable only to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the Holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the

Holders shall (subject to each case to being indemnified to its satisfaction), (but, in the case of the happening of any of the events mentioned in paragraphs (ii), (v), (vi) and (vii) below in relation to the Issuer or, where the Issuer is Prudential Finance, Prudential and (iii) to (viii) below (inclusive) in relation to the Principal Subsidiary, only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Holders) give notice to the Issuer and, where the Issuer is Prudential Finance, Prudential that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (as referred to in Condition 7.8), together with accrued interest as provided in the Trust Deed, if any of the following events shall occur and be continuing:

- (i) if default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them; or
- (ii) if default is made by the Issuer or, where the Issuer is Prudential Finance, Prudential in the performance or observance of any obligation, condition or provision binding upon it under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where such default is, in the opinion of the Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Trustee may permit) after written notice thereof has been given by the Trustee to the Issuer or, where the Issuer is Prudential Finance, Prudential, as the case may be, requiring the same to be remedied; or
- (iii) if an order is made or an effective resolution is passed for the winding up of, or an administration order is made in relation to, the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary (save, in the case of the Principal Subsidiary, (a) with the prior written consent of the Trustee or the prior sanction of an Extraordinary Resolution of the Holders for the purposes of or in connection with an amalgamation or reconstruction, or (b) a voluntary solvent winding-up where surplus assets are available for distribution); or
- (iv) if the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary stops or threatens to stop payment to its creditors generally or the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary ceases or threatens to cease to carry on its business or substantially the whole of its business (except for the purposes of, or in connection with, a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or an Extraordinary Resolution of the Holders or, in the case of the Principal Subsidiary, such a winding-up as is referred to in (iii)(b) above); or
- (v) if an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the undertaking, property and assets of the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary or if a distress or execution is levied or enforced upon or sued out against the whole or any substantial part of the chattels or property of the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary and, in the case of any of the foregoing events, is not discharged within 60 days or such longer period as the Trustee may allow; or
- (vi) if the Issuer or, where the Issuer is Prudential Finance, Prudential, or the Principal Subsidiary is unable to pay its debts within the meaning of Section 123(2) of the Insolvency Act 1986; or

- (vii) if any indebtedness for moneys borrowed (as defined below) of the Issuer or, where the Issuer is Prudential Finance, Prudential or (regardless of the Issuer) the Principal Subsidiary (which indebtedness in respect of any single company has an outstanding aggregate principal amount of at least £30,000,000 (or its equivalent in any other currency or currencies)) is not paid on its due date as extended by any applicable grace period and following a demand therefor or is declared to be or automatically becomes due and payable prior to its stated maturity by reason of default or if any guarantee or indemnity in respect of indebtedness for moneys borrowed of any third party given by the Issuer or, where the Issuer is Prudential Finance, Prudential or (regardless of the Issuer) the Principal Subsidiary (having in respect of any single company an outstanding aggregate principal amount as aforesaid) is not honoured when due and called upon and, in any such case, the liability of the Issuer, Prudential or the Principal Subsidiary, as the case may be, to make payment is not being contested in good faith; or
- (viii) if the Principal Subsidiary or, where it is the Issuer, Prudential Finance shall cease to be a Subsidiary of Prudential, except pursuant to such an amalgamation, reconstruction or winding-up as is referred to in paragraph (iv) above.

“Indebtedness for moneys borrowed” means the principal amount of (a) all moneys borrowed and (b) all debentures (together in each case with any fixed or minimum premium payable on final redemption or repayment) which are not for the time being beneficially owned by Prudential or any of its Subsidiaries.

The Trustee may at its discretion institute such proceedings as it may think fit to enforce the obligations of the Issuer and/or, where the Issuer is Prudential Finance, Prudential under the Trust Deed, the Notes, the Receipts and the Coupons but it shall not be bound to institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Holders or so requested in writing by the Holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified to its satisfaction. No Holder shall be entitled to institute proceedings directly against the Issuer or, where the Issuer is Prudential Finance, Prudential unless the Trustee having become bound so to proceed fails to do so within a reasonable time and such failure is continuing.

10.2 This Condition 10.2 is applicable only to Dated Subordinated Notes

Issuer Events of Default

10.2.1. If default is made in the payment of any principal or interest due in respect of the Notes or any of them and such default continues for a period of 14 days or more in any case after the due date, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Issuer, provided that the Issuer shall not be in default, however, if, during the relevant 14 days grace period referred to above, it satisfies the Trustee that the relevant sum was not paid in order to comply with the order of any United Kingdom court of competent jurisdiction provided always that the relevant grace period shall automatically start to run again upon any such order being discharged or revoked but may take no further action in respect of such default.

10.2.2. If an order is made by any competent court or resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Holders the Trustee may, subject as provided below, give notice to the Issuer that the Notes are, and

they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (as referred to in Condition 7.8), together with accrued interest as provided in the Trust Deed.

Guarantor Events of Default

- 10.2.3. If default is made in the payment of any amount due under the Subordinated Guarantee and such default continues for a period of 14 days or more in any case after the due date, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Guarantor, provided that the Guarantor shall not be in default, however, if, during the relevant 14 days grace period referred to above, it satisfies the Trustee that the relevant sum was not paid in order to comply with the order of any United Kingdom court of competent jurisdiction provided always that the relevant grace period shall automatically start to run again upon any such order being discharged or revoked but may take no further action in respect of such default.
- 10.2.4. If an order is made by any competent court or resolution passed for the winding-up or dissolution of the Guarantor, save for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Holders the Trustee may, subject as provided below, give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (as referred to in Condition 7.8), together with accrued interest as provided in the Trust Deed.

10.3 This Condition 10.3 is applicable only to Undated Subordinated Notes

- 10.3.1. If default is made in the payment of any principal or interest due in respect of the Notes or any of them and such default continues for a period of 14 days or more in any case after the due date, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Issuer provided that the Issuer shall not be in default, however, if, during the 14 days grace period referred to above, it satisfies the Trustee that the relevant sum was not paid in order to comply with the order of any United Kingdom court of competent jurisdiction provided always that the relevant grace period shall automatically start to run again upon any such order being discharged or revoked but may take no further action in respect of such default.
- 10.3.2. If an order is made by any competent court or resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Holders the Trustee may, subject as provided below, give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (as referred to in Condition 7.8), together with accrued interest as provided in the Trust Deed.

10.4 This Condition 10.4 is applicable only to Dated Subordinated Notes and Undated Subordinated Notes

Issuer

- 10.4.1. Without prejudice to Conditions 10.2 and 10.3, if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to such Notes binding on it under these Conditions or the Trust Deed (other than any obligation of the Issuer for the payment of any

principal or interest in respect of the Notes), the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of such Notes sooner than the same would otherwise have been payable by it.

- 10.4.2. Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 10.2 (in the case of Dated Subordinated Notes only) and Condition 10.3 (in the case of Undated Subordinated Notes only) and, in either case, Condition 10.4.1 above or submitting a claim in the winding-up of the Issuer will be available to the Trustee or the Holders.
- 10.4.3. The Trustee shall be bound to take action as referred to in Conditions 10.2, 10.3 and 10.4.1 if, but only if, (i) it shall have been so requested in writing by Holders holding at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Holders and (ii) it shall have been indemnified to its satisfaction.
- 10.4.4. No Holder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. No Holder shall be entitled either to institute proceedings for the winding up of the Issuer or to submit a claim in such winding-up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such winding-up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such Holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding-up of the Issuer and/or submit a claim in such winding-up to the same extent (but not further or otherwise) that the Trustee would have been entitled to do.

Guarantor

- 10.4.5 Without prejudice to Conditions 10.2 and 10.3, if the Guarantor fails to perform, observe or comply with any obligation, condition or provision relating to such Notes binding on it under these Conditions or the Trust Deed (other than any obligation of the Guarantor for the payment of any principal or interest in respect of the Notes under the Subordinated Guarantee), the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Guarantor as it may think fit to enforce such obligation, condition or provision provided that the Guarantor shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of such Notes sooner than the same would otherwise have been payable by it.
- 10.4.6 Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 10.2 (in the case of Dated Subordinated Notes only) and Condition 10.3 (in the case of Undated Subordinated Notes only) and, in either case, Condition 10.4.5 above or submitting a claim in the winding-up of the Guarantor will be available to the Trustee or the Holders.
- 10.4.7 The Trustee shall be bound to take action as referred to in Conditions 10.2, 10.3 and 10.4.5 if, but only if, (i) it shall have been so requested in writing by Holders holding at least one-quarter

in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Holders and (ii) it shall have been indemnified to its satisfaction.

10.4.8 No Holder shall be entitled to proceed directly against the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. No Holder shall be entitled either to institute proceedings for the winding up of the Guarantor or to submit a claim in such winding-up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such winding-up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such Holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding-up of the Guarantor and/or submit a claim in such winding-up to the same extent (but not further or otherwise) that the Trustee would have been entitled to do.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Issue and Paying Agent and, in respect of Registered Notes, a Registrar and an Exchange Agent; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall appoint a Paying Agent approved in writing by the Trustee having a specified office in New York City in the circumstances described in Condition 6.3. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to Holders in accordance with Condition 14.

The Issuer undertakes that, if the conclusions of the ECOFIN Council meeting of 26th- 27th November, 2000 are implemented, it will ensure that to the extent practicable it maintains a Paying Agent in a Member State of the European Union (other than the United Kingdom) that will not be obliged to withhold or deduct tax pursuant to the Directive.

In acting under the Agency Agreement, the Paying Agents, the Registrar and the Exchange Agent act solely as agents of the Issuer and, in certain limited circumstances, the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Holders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent, the Registrar or the Exchange Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent, registrar or Exchange Agent, as the case may be.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issue and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding Bearer Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of publication in the last of such newspapers.

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issue and Paying Agent.

15. MEETINGS OF HOLDERS, MODIFICATION, WAIVER, DETERMINATION AND SUBSTITUTION ETC.

15.1 Meetings

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes and the Receipts and Coupons relating to them or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer upon the request of Holders holding not less than five per cent in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent, in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting

the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting and on all Holders of Receipts and Coupons.

The Trust Deed contains provisions for an Extraordinary Resolution to take the form of an instrument or instruments signed by the Holder or the Holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding.

15.2 Modifications

The Trustee may agree, without the consent of the Holders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest or proven error.

Any modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

15.3 Substitution

15.3.1. Where the Issuer is Prudential Finance

Subject as provided in the Trust Deed, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Holders, may agree with the Issuer, without the consent of the Holders to the substitution (a) in place of the Issuer as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of (i) any Subsidiary of the Issuer, (ii) any successor in business (as defined in the Trust Deed) of the Issuer, (iii) Prudential or any Holding Company (as defined in the Trust Deed) of Prudential or (iv) any other Subsidiary of Prudential or its Holding Company provided that, except where the new principal debtor is Prudential or its Holding Company, the obligations of such new principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons shall be unconditionally and irrevocably guaranteed by Prudential or its Holding Company to the satisfaction of the Trustee, or (b) in place of Prudential as guarantor of (i) its successor in business or (ii) its Holding Company.

15.3.2. Where the Issuer is Prudential

Subject as provided in the Trust Deed (and, in the case of Dated or Undated Subordinated Notes, with the prior approval of the FSA), the Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the Holders, may agree with the Issuer, without the

consent of the Holders, to the substitution (a) in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of (i) any Subsidiary of the Issuer, (ii) any successor in business of the Issuer, (iii) any Holding Company of the Issuer or (iv) any other Subsidiary of such Holding Company provided that except where the new principal debtor is Prudential or the successor in business or Holding Company of Prudential the obligations of such new principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons shall be unconditionally and irrevocably guaranteed by Prudential or its Holding Company and provided further that (in the case of Subordinated Notes) the obligations of Prudential or, as the case may be, its Holding Company under such guarantee shall be subordinated on a basis considered by the Trustee to be equivalent to that described in Condition 3, or (b) in place of Prudential as guarantor of (i) its successor in business or (ii) its Holding Company.

15.3.3. Any substitution in accordance with Condition 15.3.1 or 15.3.2 above shall be binding on the Holders and, unless the Trustee agrees otherwise, any such substitution shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

15.4 Exercise of Trustee's powers and discretions

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders, except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of the notes of other series in circumstances where the Trustee so decides.

17. GOVERNING LAW

The Trust Deed, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

ISSUE AND PAYING AGENT AND REGISTRAR

Citibank. N.A.
5 Carmelite Street
London EC4Y 0PA

**THE SECOND SCHEDULE
FORMS OF GLOBAL AND DEFINITIVE NOTES, RECEIPTS, COUPONS AND TALONS**

**PART I
FORM OF TEMPORARY GLOBAL NOTE**

[The form of Temporary Global Note is not being modified on account of the historic nature of this Schedule]

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

[THIS NOTE CONSTITUTES [COMMERCIAL PAPER/[A SHORTER/LONGER] TERM DEBT SECURITY]² ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997) AND REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAS [NOT]³ BEEN GUARANTEED [BY PRUDENTIAL plc WHICH IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION]^{4,5}

**[PRUDENTIAL plc
(the “Issuer”)**

(incorporated with limited liability in England and Wales)/

**PRUDENTIAL FINANCE (UK) plc
(the “Issuer”)**

(incorporated with limited liability in England and Wales)]⁶

[Unconditionally and irrevocably guaranteed by

**PRUDENTIAL plc
(the “Guarantor”)**

(incorporated with limited liability in England and Wales)]⁴

TEMPORARY GLOBAL NOTE

¹ Delete if the Notes have a maturity of not more than one year.

² Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

³ Delete where the relevant Issuer is Prudential Finance.

⁴ Delete where the relevant Issuer is Prudential.

⁵ Unless otherwise permitted, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K. before Section 19 (General Prohibition) of the Financial Services and Markets Act 2000 is brought into force.

⁶ Delete as applicable

This Note is a Temporary Global Note in respect of a duly authorised issue of Notes of the Issuer (the “**Notes**”) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the “**Pricing Supplement**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in the First Schedule to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 22nd November, 2001 and made between Prudential plc. Prudential Finance (UK) plc and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Issue and Paying Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Issue and Paying Agent by Clearstream Banking, societe anonyme (“**Clearstream, Luxembourg**”) or Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) a certificate in or substantially in the form set out in Part VII of the Second Schedule to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate “A” as set out in Part VII of the Second Schedule to the Trust Deed. The bearer of this Global Note will not (unless upon due presentation of this Global Note for exchange, delivery of the appropriate number of Definitive Bearer

Notes (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto in or substantially in the forms set out in Parts III, FV, V and VI of the Second Schedule to the Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the “**Exchange Date**”) which is 40 days after the Issue Date, this Global Note may be exchanged (free of charge) in whole or in part for, as specified in the Pricing Supplement, either Definitive Bearer Notes and (if applicable) Receipts, Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Definitive Bearer Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Bearer Notes) or a Permanent Global Note in or substantially in the form set out in Part II of the Second Schedule to the Trust Deed (together with the Pricing Supplement attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Note and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the Pricing Supplement. If Definitive Bearer Notes and (if applicable) Receipts, Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Bearer Notes and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof. Presentation of this Global Note for exchange shall be made by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Issue and Paying Agent specified above. The Issuer shall procure that Definitive Bearer Notes or (as the case may be) the Permanent Global Note shall be so issued and delivered in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Issue and Paying Agent by Euroclear or Clearstream, Luxembourg a certificate in or substantially in the form set out in Part VII of the Second Schedule to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate “A” as set out in Part VII of the Second Schedule to the Trust Deed. On an exchange of the whole of this Global Note, this Global Note shall be surrendered to the Issue and Paying Agent. On an exchange of part only of this Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, TV, V and VI (as applicable) of the Second Schedule to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account

Schedule One

PART I

INTEREST PAYMENTS

Date made	Interest Payment Date	Total amount of interest payable	Amount of interest paid	Confirmation of payment by or on behalf of the Issuer

Schedule Two

EXCHANGES

FOR DEFINITIVE NOTES OR PERMANENT GLOBAL NOTE

The following exchanges of a part of this Global Note for Definitive Notes or a part of a Permanent Global Note have been made:

Date made	Nominal amount of this Global Note exchanged for Definitive Notes or a part of a Permanent Global Note	Remaining nominal amount of this Global Note following such exchange*	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____

*See most recent entry in Part II, III or IV or Schedule One in order to determine this amount.

PART II

FORM OF PERMANENT GLOBAL NOTE

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 1650) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

[THIS NOTE CONSTITUTES [COMMERCIAL PAPER/[A SHORTER/LONGER] TERM DEBT SECURITY]² ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997) AND REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAS [NOT]³ BEEN GUARANTEED [BY PRUDENTIAL plc WHICH IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION]⁴.]⁵

[PRUDENTIAL FUNDING (ASIA) PLC
(the “Issuer”)

(incorporated with limited liability in England and Wales)

PRUDENTIAL plc
(the “Issuer”)

(incorporated with limited liability in England and Wales)

PRUDENTIAL FINANCE (UK) plc
(the “Issuer”)

(incorporated with limited liability in England and Wales)]⁶

[Unconditionally and irrevocably guaranteed by

PRUDENTIAL plc
(the “Guarantor”)

(incorporated with limited liability in England and Wales)]⁴

PERMANENT GLOBAL NOTE

¹ Delete if the Notes have a maturity of not more than one year.

² Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

³ Delete where the relevant Issuer is Prudential Finance.

⁴ Delete where the relevant Issuer is Prudential.

⁵ Unless otherwise permitted, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K. before Section 19 (General Prohibition) of the Financial Services and Markets Act 2000 is brought into force.

⁶ Delete as applicable.

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the “**Notes**”) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the “**Pricing Supplement**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in the First Schedule to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 22nd November, 2001 and made between Prudential plc, Prudential Finance (UK) plc and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Issue and Paying Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or FV of Schedule One hereto or in Schedule Two hereto.

If the Notes represented by this Global Note were, on issue, represented by a Temporary Global Note then on any exchange of such Temporary Global Note for this Global Note or any part hereof, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.

This Global Note may be exchanged (free of charge) in whole, but not in part, for Definitive Bearer Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of the Second Schedule to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Bearer Notes and (if applicable) Receipts,

Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Bearer Notes) either, as specified in the applicable Pricing Supplement:

- (i) upon not less than 45 days' written notice being given to the Issue and Paying Agent by Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, societe anonyme ("**Clearstream, Luxembourg**") (acting on the instructions of any holder of an interest in this Global Note); or
- (ii) only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

- (1) an Event of Default has occurred and is continuing;
- (2) Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any such case no alternative clearing system satisfactory to the Trustee is available; or
- (3) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Holders in accordance with Condition 14 of the occurrence of such Exchange Event; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Note) or the Trustee may give notice to the Issue and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (3) above, the Issuer may also give notice to the Issue and Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not later than 45 days after the date of receipt of the first relevant notice by the Issue and Paying Agent.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Definitive Bearer Notes for the total nominal amount of Notes represented by this Global Note.

Any such exchange as aforesaid will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Issue and Paying Agent specified above.

The aggregate nominal amount of Definitive Bearer Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note. Upon exchange of this Global Note for Definitive Bearer Notes, the Issue and Paying Agent shall cancel it or procure that it is cancelled.

Schedule One

PART I

INTEREST PAYMENTS

Date made	Interest Payment Date	Total amount of interest payable	Amount of interest paid	Confirmation of payment by or on behalf of the Issuer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

PART II

PAYMENT OF INSTALMENT AMOUNTS

Date made	Total amount of Instalment Amounts Payable	Amount of Instalment Amounts paid	Remaining nominal amount of this Global Note following such payment*	Confirmation of payment by or on behalf of the Issuer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PART III

FORM OF DEFINITIVE BEARER NOTE

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

[THIS NOTE CONSTITUTES (COMMERCIAL PAPER/[A SHORTER/LONGER] TERM DEBT SECURITY)² ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997) AND REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAS [NOT]³ BEEN GUARANTEED [BY PRUDENTIAL plc WHICH IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION]⁴.]⁵

**[PRUDENTIAL FUNDING (ASIA) PLC
(the “Issuer”)**

(incorporated with limited liability in England and Wales)/

**PRUDENTIAL plc
(the “Issuer”)**

(incorporated with limited liability in England and Wales)/

**PRUDENTIAL FINANCE (UK) plc
(the “Issuer”)**

(incorporated with limited liability in England and Wales)]⁶

[Unconditionally and irrevocably guaranteed by

PRUDENTIAL plc

(incorporated with limited liability in England and Wales)]⁴

**[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]**

¹ Delete if the Notes have a maturity of not more than one year.

² Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

³ Delete where the relevant Issuer is Prudential.

⁴ Delete where the relevant Issuer is Prudential.

⁵ Unless otherwise permitted, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K. before Section 19 (General Prohibition) of the Financial Services and Markets Act 2000 is brought into force.

⁶ Delete as applicable.

[Conditions]

[Conditions to be as set out in the First Schedule to this Trust Deed or such other form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

Pricing Supplement

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Pricing Supplement relating to the Notes]

PART IV

FORM OF RECEIPT

**PRUDENTIAL FUNDING (ASIA) PLC/PRUDENTIAL plc/
PRUDENTIAL FINANCE (UK) plc⁷**

**[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]**

Series No. []

Receipt for the sum of [] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Note to which this Receipt appertains (the “Conditions”) on [].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Note) and is payable at the specified office of any of the Paying Agents set out on the reverse of the Note to which this Receipt appertains (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Holders).

This Receipt must be presented for payment together with the Note to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Note to which it appertains or any unmatured Receipts.

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]⁸

⁷ Delete as applicable.

⁸ Delete if the Notes have a maturity of not more than one year.

PART V

FORM OF COUPON

On the front:

**PRUDENTIAL FUNDING (ASIA) PLC/PRUDENTIAL plc/
PRUDENTIAL FINANCE (UK) plc⁹**

**[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]**

Series No. []

[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].¹⁰

Part A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately Coupon for negotiable and subject to the Terms and [] Conditions of the said Notes. due on [], []]

Part B

[For Floating Rate Notes or Indexed Interest Notes:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in []/[]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹¹

⁹ Delete as applicable.

¹⁰ Delete where the Notes are all of the same denomination.

¹¹ Delete if the Notes have a maturity of not more than one year.

PART VI

FORM OF TALON

On the front:

**PRUDENTIAL FUNDING (ASIA) PLC/PRUDENTIAL plc/
PRUDENTIAL FINANCE (UK) plc¹²**

**[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]**

Series No. []

[Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]]¹³.

On and after [] further Coupons [and a further Talon]¹⁴ appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Holders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 1650) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁵

¹² Delete as applicable.

¹³ Delete where the Notes are all of the same denomination.

¹⁴ Not required on last Coupon sheet.

¹⁵ Delete if the Notes have a maturity of not more than one year.

On the back of Receipts, Coupons and Talons:

ISSUE AND PAYING AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

PART VII

**FORM OF CERTIFICATE TO BE PRESENTED BY
EUROCLEAR OR CLEARSTREAM, LUXEMBOURG**

**PRUDENTIAL FUNDING (ASIA) PLC/PRUDENTIAL plc/
PRUDENTIAL FINANCE (UK) plc¹⁶**

[Title of Notes]

(the “Securities”)

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the nominal amount set forth below (our “Member Organisations”) substantially to the effect set forth in the Trust Deed relating to the Securities, as of the date hereof, [] nominal amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“United States persons”), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Sections 1.165-12(c)(1)(iv) (“financial institutions”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165G(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(2) of Regulation S under the Securities Act of 1933, as amended, then this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the temporary Global Note representing the Securities.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary Global Note excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

¹⁶ Delete as applicable.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated: _____, 200●¹⁷

Yours faithfully,

[Euroclear Bank S.A./N.V.
as operator of the Euroclear
System]

or

[Clearstream Banking, societe anonyme]

By:

¹⁷ To be dated no earlier than the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

CERTIFICATE “A”

**PRUDENTIAL FUNDING (ASIA) PLC/PRUDENTIAL plc/
PRUDENTIAL FINANCE (UK) plc¹**

**[Title of Notes]
(the “Securities”)**

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“United States person(s)”), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“financial institutions”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(2) of Regulation S under the Securities Act of 1933, as amended, (the “Act”) then this is also to certify that, except as set forth below, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph, the term “U.S. person” has the meaning given to it by Regulation S under the Act.

As used herein, “United States” means the United States of America (including the States and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any right or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal

proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated: _____, 200**

Name of person making certification

By:

To be dated no earlier than the fifteenth day prior to the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

PART VIII

FORMS OF REGISTERED GLOBAL NOTES

[THIS NOTE CONSTITUTES [COMMERCIAL PAPER/[A SHORTER/LONGER] TERM DEBT SECURITY]¹⁸ ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997) AND REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAS NOT BEEN GUARANTEED.]¹⁹

PRUDENTIAL FUNDING (ASIA) PLC
(the "Issuer")

(incorporated with limited liability in England and Wales)

Irrevocably guaranteed as to payment of principal and interest by

PRUDENTIAL plc
(the "Guarantor")

(incorporated with limited liability in England and Wales)

GLOBAL NOTE

The Issuer hereby certifies that _____ is, at the date hereof, entered in the Register as the holder of the aggregate Nominal Amount of _____ of a duly authorised issue of Notes of the Issuer (the "Notes") of the Specified Currency and Specified Denomination(s) specified in the Pricing Supplement applicable to the Notes (the "Pricing Supplement"), a copy of which is annexed hereto. References herein to the Conditions shall be to the Conditions of the Notes as set out in the First Schedule to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "Trust Deed") dated 22nd November, 2001 and made between Prudential plc, Prudential Finance (UK) plc and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, agrees to pay to such registered holder on the Maturity Date and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable

¹⁸ Include "commercial paper" if Notes must be redeemed before their first anniversary. Include "shorter" if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include "longer" if Notes may not be redeemed before their third anniversary.

¹⁹ Unless otherwise permitted, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K. before Section 19 (General Prohibition) of the Financial Services and Markets Act 2000 is brought into force.

under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Registrar at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions. On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the nominal amount of this Global Note and the Notes held by the registered holder hereof shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled. The nominal amount of this Global Note and of the Notes held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

This Global Note may be exchanged (free of charge) in whole, but not in part, for Definitive Registered Notes only upon the occurrence of an Exchange Event.

An “**Exchange Event**” means:

- (1) an Event of Default or any of the events which constitutes a default under Condition 10.2 or 10.3 has occurred and is continuing;
- (2) in the case of Notes represented by a Rule 144A Global Note only, The Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America (“**DTC**”) has notified the Issuer that it is no longer willing or able to continue to discharge properly its responsibilities as depository for the Notes or has ceased to be a “**Clearing Agency**” registered under the United States Securities Exchange Act of 1934 or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of ineligibility on the part of such depository;
- (3) in the case of Notes represented by a Regulation S Global Note only, Euroclear or Clearstream, Luxembourg (each as defined below) has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any such case, no alternative clearing system satisfactory to the Trustee is available; or
- (4) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by this Global Note in definitive form.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Holders in accordance with Condition 14 of the occurrence of such Exchange Event; and
- (ii) DTC, Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) (acting on the instructions of any holder of an interest in this Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event

as described in (4) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Notes represented by this Global Note are transferable only in accordance with, and subject to, the provisions hereof and of the Agency Agreement dated 22nd November, 2001 and the rules and operating procedures of Euroclear, Clearstream, Luxembourg and DTC.

On any transfer pursuant to which either (i) Notes represented by this Global Note are no longer to be so represented or (ii) Notes not so represented are to be so represented details of such transfer shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so transferred.

Subject as provided in the following paragraph, until the exchange of the whole of this Global Note as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Definitive Registered Notes in the form set out in Part IX of the Second Schedule to the Trust Deed.

Each person who is for the time being shown in the records of DTC or, as the case may be, Euroclear or Clearstream, Luxembourg as entitled to a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by DTC or, as the case may be, Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Registrar as the holder of such nominal amount of the Notes for all purposes other than with respect to payments on and, in the case of DTC, voting, giving consents and making requests in respect of, such nominal amount of such Notes the right to which shall be vested, as against the Issuer, solely in the registered holder of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A. as Registrar.

IN WITNESS whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

PRUDENTIAL FUNDING (ASIA) PLC

By:

Duly Authorised

Authenticated by Citibank, N.A.
as Registrar

By:

Authorised Officer

Schedule One

Part I

INTEREST PAYMENTS

Date made	Total amount payable	Amount of interest paid	Confirmation of payment by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Schedule Two

SCHEDULE OF TRANSFERS

The following transfers affecting the nominal amount of this Global Note have been made:

Date made	Nominal amount of Notes transferred	Remaining/increased nominal amount of this Global Note following such transfer*	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PART IX

FORM OF DEFINITIVE REGISTERED NOTE

[THIS NOTE CONSTITUTES [COMMERCIAL PAPER/[A SHORTER/LONGER] TERM DEBT SECURITY]²⁰ ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997) AND REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAS NOT BEEN GUARANTEED.]²¹

PRUDENTIAL FUNDING (ASIA) PLC
(the “Issuer”)

(incorporated with limited liability in England and Wales)

Irrevocably guaranteed as to payment of principal and interest by

PRUDENTIAL plc
(the “Guarantor”)

(incorporated with limited liability in England and Wales)

[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer. References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in the First Schedule to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out hereon] as supplemented, replaced and modified by the relevant information (appearing in the Pricing Supplement (the “**Pricing Supplement**”)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 22nd November, 2001 and made between Prudential plc, Prudential Finance (UK) plc and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

THIS IS TO CERTIFY that _____ is/are the registered holder(s) of one of the above-mentioned Notes and is/are entitled on the Maturity Date or on such date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, to the amount payable on redemption of this Note and to receive interest (if any) on the nominal amount of this Note calculated

²⁰ Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

²¹ Unless otherwise permitted, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K. before Section 19 (General Prohibition) of the Financial Services and Markets Act 2000 is brought into force.

and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A. as Registrar.

IN WITNESS whereof this Note has been executed on behalf of the Issuer.

PRUDENTIAL FUNDING (ASIA) PLC

By:

Duly Authorised

Authenticated by Citibank, N.A.
as Registrar

By:

Authorised Officer

- FORM OF TRANSFER OF REGISTERED NOTE -

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....
.....
.....

(Please print or type name and address (including postal code) of transferee)

[Specified Currency] [] nominal amount of this Note and all rights hereunder, hereby

irrevocably constituting and appointing as attorney to transfer such nominal amount of this Note in the register maintained by PRUDENTIAL plc with full power of substitution.

Signature(s)

.....

Date:

N.B.: This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.

[Conditions]

[Conditions to be as set out in the First Schedule to this Trust Deed or such other form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

Pricing Supplement

[Here to be set out text of the relevant information supplementing, replacing or modifying the Conditions which appear in the Pricing Supplement relating to the Notes]

**THE THIRD SCHEDULE
PROVISIONS FOR MEETINGS OF HOLDERS**

1. (A) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
- (i) **“voting certificate”** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
- (a) that on the date thereof Bearer Notes (whether in definitive form or represented by a Bearer Global Note and not being Bearer Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Notes will cease to be so deposited or held or blocked until the first to occur of:
- (1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
- (2) the surrender of the certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Notes represented by such certificate;
- (ii) **“block voting instruction”** shall mean an English language document issued by a Paying Agent and dated in which:
- (a) it is certified that Bearer Notes (whether in definitive form or represented by a Bearer Global Note and not being Bearer Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Notes will cease to be so deposited or held or blocked until the first to occur of:
- (1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
- (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Note which is to be

released or (as the case may require) the Bearer Note or Bearer Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

- (b) it is certified that each holder of such Bearer Notes has instructed such Paying Agent that the vote(s) attributable to the Bearer Note or Bearer Notes so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
 - (c) the aggregate principal amount of the Bearer Notes so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (d) one or more persons named in such document (each hereinafter called a "proxy") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Notes so listed in accordance with the instructions referred to in (c) above as set out in such document;
- (iii) **"24 hours"** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) **"48 hours"** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

- (B) A holder of a Bearer Note (whether in definitive form or represented by a Bearer Global Note) may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note by depositing such Bearer Note with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Note being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (A)(i)(a) or (A)(ii)(b) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (A)(ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Holders be deemed to be the holder of the Bearer Notes to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Notes have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Notes have been blocked shall be deemed for such purposes not to be the holder of those Bearer Notes.
- (C) (i) A holder of Registered Notes (whether in definitive form or represented by a Registered Global Note (other than a Registered Note referred to in (iv) below)) may, by an instrument in writing in the English language (a “form of proxy”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a “proxy”) to act on his or its behalf in connection with any meeting of the Holders and any adjourned such meeting.
- (ii) Any holder of Registered Notes (whether in definitive form or represented by a Registered Global Note) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a “**representative**”) in connection with any meeting of the Holders and any adjourned such meeting.
- (iii) Any proxy appointed pursuant to sub-paragraph (i) above or representative appointed pursuant to sub-paragraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Holders, to be the holder of the Registered Notes to which such appointment relates and the holder of the Registered Notes shall be deemed for such purposes not to be the holder.
- (iv) For so long as any of the Registered Notes is represented by a Global Note registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to Prudential in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Holders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language signed by such assignee participant, or, in the case of a corporation, executed

under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a “**sub-proxy**”) to act on his or its behalf in connection with any meeting of Holders and any adjourned such meeting. All references to “**proxy**” or “**proxies**” in this Schedule other than in this paragraph shall be read so as to include references to “sub-proxy” or “sub-proxies”.

2. The relevant Issuer, the Guarantor or the Trustee may at any time and the relevant Issuer shall upon a requisition in writing in the English language signed by the holders of not less than five per cent, in nominal amount of the Notes for the time being outstanding convene a meeting of the Holders and if the relevant Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Whenever the relevant Issuer or the Guarantor is about to convene any such meeting the relevant Issuer or the Guarantor, as the case may be, shall forthwith give notice in writing to the Trustee of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Notes prior to any meeting of such holders in the manner provided by Condition 14. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Bearer Notes may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies and (ii) the holders of Registered Notes may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee), to the relevant Issuer (unless the meeting is convened by the relevant Issuer) and to the Guarantor (unless the meeting is convened by the Guarantor).
4. A person (who may but need not be a Holder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Holders present shall choose one of their number to be Chairman, failing which the relevant Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any

meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall, subject only to Clause 21(B)(ii), only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (i) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes;
- (ii) alteration of the currency in which payments under the Notes, Receipts and Coupons are to be made;
- (iii) alteration of the majority required to pass an Extraordinary Resolution;
- (iv) the sanctioning of any such scheme or proposal as is described in paragraph 18(1) below; and
- (v) alteration of this proviso or the proviso to paragraph 6 below;

the quorum shall be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Holders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Definitive Notes of the relevant one or more Series or voting certificates or being proxies or representatives (whatever the nominal

amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraphs above and such notice shall state the required quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the relevant Issuer, the Guarantor, the Trustee or any person present holding a Definitive Note of the relevant Series or a voting certificate or being a proxy or representative (whatever the nominal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of these presents and any director or officer of the relevant Issuer or the Guarantor and the lawyers of either of them and any other person authorised so to do by the Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "outstanding" in Clause 1, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Holders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Holders by Condition 10

unless he either produces the Definitive Bearer Note or Definitive Bearer Notes of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of a Definitive Registered Note or Definitive Registered Notes. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor or any Subsidiary of the relevant Issuer or the Guarantor. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, officer or representative of or otherwise connected with the relevant Issuer or the Guarantor.

14. Subject as provided in paragraph 13 hereof at any meeting:
 - (A) on a show of hands every person who is present in person and produces a Definitive Bearer Note or voting certificate or is a holder of a Definitive Registered Note or is a proxy or representative shall have one vote; and
 - (B) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Trustee in its absolute discretion may stipulate) in nominal amount of the Definitive Bearer Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Definitive Registered Note) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Holders.
16. Each block voting instruction together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Holders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Note from the holder thereof by the relevant Issuer at its registered office (or such other place as may have been required or

approved by the Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.

18. A meeting of the Holders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (A) Power to sanction any compromise or arrangement proposed to be made between the relevant Issuer, the Guarantor, the Trustee, any Appointee and the Holders, Receiptholders and Couponholders or any of them.
 - (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the Holders, the Receiptholders, the Couponholders, the relevant Issuer or the Guarantor against any other or others of them or against any of their property whether such rights shall arise under these presents or otherwise.
 - (C) Power to assent to any modification of the provisions of these presents which shall be proposed by the relevant Issuer, the Guarantor, the Trustee or any Holder.
 - (D) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.
 - (E) Power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon such committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution.
 - (F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
 - (G) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
 - (H) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (I) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the relevant Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Holders to execute an

instrument of transfer of the Registered Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively.

- (J) Power to approve the substitution of any entity for the Issuer and/or the Guarantor (or any previous substitute) as principal debtor and/or guarantor, as the case may be, under these presents.
19. Any resolution passed at a meeting of the Holders duly convened and held in accordance with these presents shall be binding upon all the Holders whether present or not present at such meeting and whether or not voting and upon all Receiptholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Holders shall be published in accordance with Condition 14 by the relevant Issuer within 14 days of such result being known PROVIDED THAT the non-publication of such notice shall not invalidate such result.
20. The expression "Extraordinary Resolution" when used in these presents means (a) a resolution passed at a meeting of the Holders duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent, in nominal amount of the Notes for the time being outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Holders.
21. Minutes of all resolutions and proceedings at every meeting of the Holders shall be made and entered in books to be from time to time provided for that purpose by the relevant Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (A) If and whenever the relevant Issuer shall have issued and have outstanding Notes of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Trustee affects the Notes of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
 - (ii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the Series so affected;

- (iii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Notes of one Series or group of Series so affected and the holders of the Notes of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
 - (iv) to all such meetings all the preceding provisions of this Schedule shall mutatis mutandis apply as though references therein to Notes and Holders were references to the Notes of the Series or group of Series in question or to the holders of such Notes, as the case may be.
 - (B) If the relevant Issuer shall have issued and have outstanding Notes which are not denominated in sterling in the case of any meeting of holders of Notes of more than one currency the nominal amount of such Notes shall (i) for the purposes of paragraph 2 above be the equivalent in sterling at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into sterling on the seventh dealing day prior to the day on which the requisition in writing is received by the relevant Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other sterling amount as the Trustee may in its absolute discretion stipulate) in nominal amount of the Notes (converted as above) which he holds or represents.
- 23. Subject to all other provisions of these presents the Trustee may without the consent of the Issuer, the Guarantor, the Holders, the Receiptholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Holders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

SIGNATORIES

[original signature pages not repeated]