

**PRUDENTIAL PLC**

*(Incorporated and registered in England and Wales with limited liability, registered number 01397169)*

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**DRAFT RULES OF THE PRUDENTIAL SHARES SAVE PLAN 2023**

SUBJECT TO APPROVAL BY SHAREHOLDERS  
AT THE ANNUAL GENERAL MEETING TO BE HELD  
ON 25 MAY 2023

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## THE PRUDENTIAL SHARESAVE PLAN 2023

### Introduction

The purpose of the Plan is to provide, in accordance with Schedule 3, benefits for employees and directors in the form of Options over Shares in the Company if they save for a period of three or five years under a Savings Contract. The Plan may not provide benefits to employees or directors otherwise than in accordance with Schedule 3.

The Exercise Price may be set at up to 20% below the Market Value of the Shares subject to the Option. Options are normally exercisable after three or five years (depending upon the length of the Savings Contract) but special rules apply on a Participant's cessation of employment and if there is a Corporate Event.

The Plan is intended to be registered with HMRC under Schedule 3 and to be a "Schedule 3 SAYE option scheme" for the purposes of Schedule 3. In order to be a "Schedule 3 SAYE option scheme" and registered with HMRC, the Company must notify HMRC of the first grant of Options by 6 July following the end of the tax year in which the relevant Grant Date occurs in accordance with Schedule 3 and then make annual filings with HMRC by each subsequent 6 July detailing the operation of the Plan.

This introduction does not form part of the Plan rules.

### 1. DEFINITIONS

In these rules:

**"Acquiring Company"** has the meaning given by paragraph 38 of Schedule 3;

**"Approval Date"** means the date on which the Plan is approved by the Company's shareholders;

**"Associated Company"** has the meaning given by paragraph 47(1) of Schedule 3 except in relation to rules 6.4.5 and 6.5 where it has the meaning given by paragraph 35(4) of Schedule 3;

**"Board"** means the board of directors of the Company, or any committee or person duly authorised by it;

**"Bonus"** means any sum payable by way of terminal bonus under a Savings Contract being any additional payment made by the nominated Savings Authority when repaying contributions under a Savings Contract;

**"Bonus Date"** means the earliest date on which the relevant Bonus is payable under the Savings Contract applicable to the Option;

**"Business Day"** means a day on which the London Stock Exchange (or, if relevant and if the Board determines, any other stock exchange nominated by the Board on which the Shares are traded) is open for the transaction of business;

**"Company"** means Prudential plc, a company incorporated in England and Wales with registered number 01397169);

**“Control”** means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

**“Controlling Company”** has the meaning given by paragraph (b) or (c) of paragraph 18 of Schedule 3;

**“Dealing Restrictions”** means any restrictions relating to dealing in Shares imposed by law, order, regulation or Government directive or any dealing code adopted by the Company;

**“Eligible Employee”** means:

- (i) any person who is an employee or Full-Time Director of any Participating Company who:
  - (a) has been such an employee or Full-Time Director during any qualifying period of continuous service being a period of not more than five years before the Grant Date (or such other period as may be permitted by paragraph 6(2)(b) of Schedule 3) as the Board may determine in its absolute discretion from time to time; and
  - (b) receives earnings in respect of their office or employment with that Participating Company which are general earnings to which section 15 of ITEPA applies (or would apply if there were any); and
- (ii) any other director or employee of any Participating Company whom the Board may in its absolute discretion determine from time to time;

**“Employment”** means, subject to rule 6.5, the Participant’s employment or directorship by reference to which the Participant is or was an Eligible Employee;

**“Exercise Date”** has the meaning given in rule 7.4;

**“Exercise Price”** means, subject to rule 8, the price at which each Share subject to an Option may be acquired on the exercise of that Option, being not manifestly less than:

- (i) eighty per cent. (80%) of the Market Value of a Share; or
- (ii) if greater, the nominal value of a Share;

**“Exercise Period”** means the period beginning on the Bonus Date and ending six months after that date;

**“Expiry Date”** means 25 May 2033, being the tenth anniversary of the Approval Date;

**“Full-Time Director”** means a director of any Participating Company who normally devotes not less than 25 hours per week excluding meal breaks and normal holiday entitlements, or such other number of hours as may be required by HMRC for the purposes of paragraph 6 of Schedule 3, to their duties;

**“Grant Date”** means the date on which an Option is granted;

**“Group Member”** means:

- (i) the Company; and
  - (ii) its Subsidiaries from time to time,
- and “**Group**” will be construed accordingly;

“**HMRC**” means HM Revenue & Customs;

“**Hong Kong Listing Rules**” means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time;

“**Hong Kong Stock Exchange**” means the Stock Exchange of Hong Kong Limited or any successor entity;

“**Invitation Date**” means the date on which invitations are issued to Eligible Employees in accordance with rule 2.1;

“**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003, as amended from time to time;

“**London Stock Exchange**” means the London Stock Exchange or any successor body;

“**Market Value**” means:

(A) in relation to a Share on any date, the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange), or if the Board so determines, the closing price (taken from the daily quotations sheet of the Hong Kong Stock Exchange) for the Business Day before the Invitation Date, or, if the Board so determines, the average of such closing middle-market quotations or closing prices of a Share for the three Business Days before the Invitation Date (or such other date as the Board may determine on the Invitation Date, being no later than the Grant Date), provided that:

- (i) such Business Days do not fall within any period when Dealing Restrictions apply; and
- (ii) if Shares are subject to a Restriction, “**Market Value**” will be determined as if they were not subject to that Restriction; and

(B) where (A) does not apply, the market value determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed with HMRC;

“**Maximum Contribution**” means the maximum aggregate Monthly Contribution which a Participant may make under all Savings Contracts linked to options granted to that Participant under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3, being £500 per month or any other maximum amount specified for the purposes of paragraph 25(3) of Schedule 3 from time to time;

“**Minimum Contribution**” means £10 per month or any other minimum amount specified for the purposes of paragraph 25(3) of Schedule 3 from time to time;

“**Monthly Contribution**” means the monthly contribution agreed to be paid by a Participant under the relevant Savings Contract;

“**Non-UK Company Reorganisation Arrangement**” has the meaning given by paragraph 47A of Schedule 3;

**“Official List”** means the list maintained by the Financial Conduct Authority for the purposes of section 74(1) of the Financial Services and Markets Act 2000;

**“Option”** means a right to acquire Shares granted under the Plan;

**“Option Certificate”** means a certificate in such form as the Board may determine evidencing the grant of an Option;

**“Participating Company”** means the Company and any other Group Member of which the Company has Control and which the Board has determined will be a participating company for the purposes of the Plan;

**“Participant”** means a person holding an Option or that person’s personal representatives;

**“Plan”** means the plan constituted by these rules known as the Prudential Sharesave Plan 2023, as amended from time to time;

**“Restriction”** means any contract, agreement, arrangement or condition which makes provision to which any of subsections (2) to (4) of section 423 of ITEPA would apply if the references in those subsections to the employment-related securities were to the Shares;

**“Savings Authority”** means the bank, building society or European authorised institution chosen by the Board from time to time for the purpose of receiving Monthly Contributions under Savings Contracts;

**“Savings Contract”** means a savings contract under a certified SAYE savings arrangement within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005 approved by HMRC for the purposes of Schedule 3 and **“Three Year Savings Contract”** and **“Five Year Savings Contract”** will be construed accordingly;

**“Schedule 3”** means Schedule 3 to ITEPA;

**“Shares”** means fully paid ordinary shares in the capital of the Company which satisfy the requirements of paragraphs 18 to 20 and 22 of Schedule 3, unless rule 9.3 applies;

**“Subsidiary”** means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006;

**“Treasury Shares”** means Shares which are governed by Chapter 6 of Part 18 of the Companies Act 2006;

**“UK Listing Rules”** means (in accordance with sections 73A(1) and 73A(2) of the Financial Services and Markets Act 2000) the rules relating to admission to the Official List published by the Financial Conduct Authority, as amended from time to time;

**“US Tax Year”** means the calendar year or, if it would result in a longer period for the exercise of an Option, the 12-month period in respect of which the Participant’s employing company is obliged to pay tax in the United States of America; and

**“US Taxpayer”** means any Participant who is subject to tax in the United States of America in respect of an Option.

References in these rules to any statutory provision are to that provision as amended or re-enacted and any regulations made under it, and, unless the context otherwise requires, words in the singular include the plural and vice versa. The wording “to the extent” means “if, but only to the extent”.

## **2. INVITATIONS TO APPLY FOR OPTIONS**

### **2.1 Invitations under the Plan**

At any time after the Approval Date, the Board may, in its absolute discretion, decide if and when to invite all Eligible Employees to apply for the grant of Options.

### **2.2 Contents of invitation**

Any invitation must be made in writing to all Eligible Employees and must include details of the following matters which will be determined by the Board:

- 2.2.1 the Exercise Price or the means by which it will be notified to Eligible Employees;
- 2.2.2 the latest date by which applications must be received, being no earlier than 14 days after the Invitation Date;
- 2.2.3 the minimum Monthly Contribution that an Eligible Employee may make in respect of that invitation, which may not exceed the Minimum Contribution;
- 2.2.4 the maximum Monthly Contribution that an Eligible Employee may make in respect of that invitation, which may not in any event when taken together with any Monthly Contribution the Eligible Employee makes under any other Savings Contract linked to options granted to that Eligible Employee under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3 exceed the Maximum Contribution;
- 2.2.5 any limit on the number of Shares over which applications for Options will be accepted in respect of that invitation;
- 2.2.6 whether Eligible Employees can apply for more than one Option;
- 2.2.7 whether, in determining the number of Shares over which Options will be granted in respect of that invitation, the amount of any Bonus will be excluded from the amount of the expected repayment under the applicable Savings Contract;
- 2.2.8 whether the Savings Contracts being offered are:
  - (i) a Three Year Savings Contract only; or
  - (ii) a Five Year Savings Contract only; or

- (iii) either a Three Year Savings Contract or a Five Year Savings Contract; or
- (iv) a combination of a Three Year Savings Contract and a Five Year Savings Contract subject always to the Maximum Contribution;

2.2.9 whether the Shares under an Option will be subject to any Restriction and, if so, details of that Restriction; and

2.2.10 confirmation of whether rule 2.10 applies to applications in respect of the invitation.

### **2.3 Application form**

Each invitation will be accompanied by:

2.3.1 a proposal form (in such form as the Board may determine) for a Savings Contract; and

2.3.2 an application form (in such form as the Board may determine).

### **2.4 Contents of application form**

An application form will be in such form as the Board may determine, but it must provide for the Eligible Employee to state:

2.4.1 the Monthly Contribution (being a multiple of £1) which the Eligible Employee wishes to make under the related Savings Contract;

2.4.2 that the Eligible Employee's proposed Monthly Contribution (when taken together with any Monthly Contribution the Eligible Employee makes under any other Savings Contract linked to options granted to that Eligible Employee under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3) will not exceed the Maximum Contribution;

2.4.3 that the Eligible Employee authorises the Participating Company which employs them to deduct the Monthly Contribution from the Eligible Employee's salary and to pay it to the Savings Authority; and

2.4.4 if the Board has determined that an Eligible Employee may select either a Three Year Savings Contract and/or a Five Year Savings Contract, the Eligible Employee's selection in that respect.

### **2.5 Setting Exercise Price**

When determining the Market Value by reference to which the Exercise Price is calculated, the Board will only use the closing middle-market quotation (or, if the Board so determines, the closing price) of a Share for Business Days which occur:

2.5.1 within the period of 42 days beginning on:



- (i) the Business Day after the day on which the Company's results are announced for any period; or
- (ii) the day on which an announcement is made of a new prospectus for certified SAYE savings arrangements (within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005) that has been approved by HMRC for the purposes of Schedule 3; or
- (iii) the day on which an announcement is made of amendments to be made to ITEPA (so far as those changes affect savings-related share option plans registered with HMRC) or a day on which any such amendments come into force; or
- (iv) if Dealing Restrictions apply at any time during the periods referred to in (i) to (iii) above, the day on which those Dealing Restrictions cease to apply; or

2.5.2 on any other date on which the Board resolves that exceptional circumstances exist which justify the issue of invitations under the Plan,

provided that such day(s) do not fall within any period when Dealing Restrictions apply.

## **2.6 Dealing Restrictions**

An Eligible Employee must not complete an application to receive an Option on a day that the Eligible Employee is subject to Dealing Restrictions in respect of that application and if the Company receives an application purporting to be completed on such a day, it will not take effect until such time as the Dealing Restrictions cease to apply.

## **2.7 Scaling down authority**

Each application will provide that, in the event of scaling down in accordance with rule 3, the Board is authorised by the Eligible Employee to modify their application to reflect such scaling down.

## **2.8 Number of Shares under Option**

Subject to rules 2.2.7, 2.7, 2.9 and 3, each application will be deemed to be for an Option over such number of whole Shares as can be acquired at the Exercise Price with the expected repayment under the related Savings Contract at the appropriate Bonus Date.

## **2.9 Applications in excess of maximum Monthly Contribution**

If an application for a Savings Contract specifies a Monthly Contribution which exceeds the maximum Monthly Contribution that the Eligible Employee may make in respect of the relevant invitation, the Board may reduce the proposed Monthly Contribution to the maximum amount permitted.

## **2.10 Cancelled Savings Contracts**

If the Board so determines in respect of an invitation before or on the Invitation Date, if a Participant gives, or is deemed to have given, notice to the relevant Savings Authority of an intention to stop paying Monthly Contributions under a Savings Contract, the Participant will, for the purposes of this rule 2, be treated as if they were continuing to pay the remaining Monthly Contributions payable under that Savings Contract.

## **3. SCALING DOWN**

### **3.1 Method of scaling down**

If valid applications are received in excess of any maximum number of Shares determined by the Board in accordance with rule 2.2.5, the Board will scale down applications in the same manner in order to eliminate the excess by:

- 3.1.1 excluding the Bonuses under the relevant Savings Contracts; and/or
- 3.1.2 each application for a Five Year Savings Contract will be deemed to be an application for a Three Year Savings Contract; and/or
- 3.1.3 reducing pro-rata the proposed Monthly Contributions in excess of the Minimum Contribution; and/or
- 3.1.4 so far as necessary, selecting by lot, each application based on a Monthly Contribution of the Minimum Contribution and no Bonus; and/or
- 3.1.5 such other method as the Board may determine and agree with HMRC.

### **3.2 Effect of scaling down**

Where applications are scaled down in accordance with rule 3.1 all relevant applications will be deemed to have been amended or withdrawn, as the case may be.

### **3.3 Revocation of invitation**

If the number of Shares is insufficient to enable an Option based on a Monthly Contribution of the Minimum Contribution per month to be granted to each Eligible Employee who has made a valid application, the Board may, as an alternative to selecting by lot, determine in its absolute discretion that no Options will be granted.

### **3.4 Multiple Options**

If an Eligible Employee applies for more than one Option, the Eligible Employee must be treated for the purposes of this rule 3 as if they had applied for a single Option. The Board may make such adjustments as it considers appropriate to make sure that the Eligible Employee is treated no more favourably than an Eligible Employee who had applied for a single Option.

## **4. GRANT OF OPTIONS**

### **4.1 Timing of grant**

4.1.1 Options must be granted within 30 days or, in the event that applications are scaled down under rule 3, 42 days (or such longer period as may be agreed with HMRC) of the first Business Day by reference to which the Exercise Price was determined, provided that the Grant Date of such Option is no earlier than (i) the day after the Business Day on which the Company has announced any inside information that has come to its attention and (ii) the day after the announcement of the Company's results for any period.

4.1.2 No Option must be granted under the Plan after the Expiry Date.

### **4.2 Conditions on grant**

An Option will only be granted to a person if:

4.2.1 that person is an Eligible Employee on the Grant Date;

4.2.2 the grant would not breach any Dealing Restrictions; and

4.2.3 the Option is not subject to any conditions relating to the performance of the Company or any withholding or recovering arrangements.

### **4.3 Option Certificate**

Each Participant will receive an Option Certificate specifying the terms of the Option as soon as reasonably practicable after its Grant Date including:

4.3.1 its Grant Date;

4.3.2 the number and class of Shares over which the Option is granted;

4.3.3 the Exercise Price; and

4.3.4 whether the Shares subject to the Option are subject to any Restrictions and, if so, details of those Restrictions.

The Option Certificate may be distributed in hard copy, by email or by any other electronic means. If any Option Certificate is lost or damaged the Board may replace it on such terms as it determines.

## **5. LIMITS**

### **5.1 Dilution limit**

The number of Shares over which the Board may grant Options on any date will be limited so that it does not exceed the limit specified in rule 5.2. The limit specified in rule 5.2 only

applies to Options which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of Treasury Shares.

## 5.2 10% in ten years

The limit is the number of Shares representing ten per cent. of the Company's equity share capital for the time being in issue less the aggregate of:

- 5.2.1 the number of Shares allocated in respect of awards granted within the previous ten years under any share scheme;
- 5.2.2 the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any share scheme; and
- 5.2.3 the number of Shares allocated on the same date or within the previous ten years under any share scheme otherwise than in respect of an award.

## 5.3 Interpretation

For the purposes of this rule 5:

- 5.3.1 "**allocate**" means the issue of new Shares or the transfer of Treasury Shares in satisfaction (directly or indirectly) of a person's right under an award;
- 5.3.2 "**award**" means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;
- 5.3.3 "**equity share capital**" has the meaning given by section 548 of the Companies Act 2006;
- 5.3.4 "**share scheme**" means any employees' share scheme (within the meaning given by section 1166 of the Companies Act 2006) for employees of the Group or any other share option scheme or share award scheme which has been adopted by the Company;
- 5.3.5 no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;
- 5.3.6 no account will be taken of awards which lapse;
- 5.3.7 subject to rule 5.3.8, no account will be taken of an award if and to the extent to which the Board considers that it will be satisfied by the transfer of existing Shares other than Treasury Shares or cash;
- 5.3.8 any Shares allocated or remaining to be allocated to the trustee of any trust established by a Group Member which were used or which are to be used to satisfy awards granted under a share scheme must be treated as having been

allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of Shares;

5.3.9 account will only be taken of Treasury Shares for so long as this is required under institutional shareholder guidelines; and

5.3.10 where an award was granted in consideration of the release by an individual holding an award previously granted to that individual under a share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

#### **5.4 Individual limit**

The Board must not grant an Option to an Eligible Employee which would cause the Shares issued and to be issued in respect of all awards, options or rights granted to that Eligible Employee (excluding any awards, options or rights that have lapsed in accordance with the terms of the relevant share scheme) in the period of 12 months up to and including the Grant Date to represent in aggregate over 1% of the Shares in issue, unless the approval by the Company's shareholders has been obtained in accordance with the requirements prescribed under the Hong Kong Listing Rules from time to time.

#### **5.5 Multiple related awards**

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 5 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

#### **5.6 Adjustments for variation of share capital**

The Board may adjust the limit specified in rule 5.2 in the event of a variation of the equity share capital of the Company.

### **6. EXERCISE AND LAPSE OF OPTIONS**

#### **6.1 Exercise Period**

An Option may only be exercised, subject to any Dealing Restrictions, during the Exercise Period, or, if rule 6.3, 6.4, 6.6 or 9 applies, the periods specified in those rules. Subject to rule 6.3 and any earlier lapse in accordance with the Plan rules, the Option will lapse at the end of the Exercise Period.

#### **6.2 Participant in Employment on exercise**

6.2.1 Subject to rules 6.3, 6.4 and 6.6, an Option may only be exercised by a Participant whilst in Employment.

- 6.2.2 An Option will lapse on the date the Participant ceases to be in Employment unless rule 6.3, 6.4 or 6.6 applies.

### **6.3 Death**

Subject to rule 9.2.2, the personal representatives of a deceased Participant may exercise that Participant's Option:

- 6.3.1 during the period of 12 months after the date of the Participant's death if such death occurs before the Bonus Date; or
- 6.3.2 during the period of 12 months after the Bonus Date if the Participant's death occurs on or within the period of six months after the Bonus Date,
- after which time, it will lapse.

### **6.4 Good leavers**

Subject to rule 6.3, if a Participant ceases Employment because of:

- 6.4.1 injury or disability;
- 6.4.2 redundancy within the meaning of the Employment Rights Act 1996;
- 6.4.3 retirement;
- 6.4.4 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- 6.4.5 the company by which the Participant is employed ceasing to be an Associated Company of the Company by reason of a change of control within the meaning given by sections 450 and 451 of the Corporation Tax Act 2010;
- 6.4.6 the transfer of the business or part of a business in which the Participant is employed to a person who is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006; or
- 6.4.7 if the date of such cessation is on or after the third anniversary of the Grant Date, any reason other than the Participant ceasing Employment in circumstances where a Group Member is entitled to terminate the Participant's employment contract summarily without payment,

the Option may be exercised within the period of six months after the date of such cessation or, if it ends earlier, the Exercise Period applicable to that Option after which time it will lapse.

## **6.5 Meaning of Employment**

If the Participant ceases to hold Employment but continues to hold any office or employment with the Company or an Associated Company of the Company then the Participant will be regarded as ceasing to be in Employment when the Participant ceases to hold that office or employment.

## **6.6 Participant employee or director of Associated Company on Bonus Date**

If a Participant is an employee or director of an Associated Company of the Company on the Bonus Date, the Participant may exercise their Option within six months of the Bonus Date, after which time it will lapse.

## **6.7 US taxpayers**

Notwithstanding anything to the contrary contained in the Plan, no Option granted to a US Taxpayer may be exercised later than the date 2.5 calendar months after the end of the US Tax Year in which the Option first becomes exercisable and, to the extent it has not already lapsed in accordance with the rules of the Plan, the Option will lapse on that date.

The intention is that Options held by US Taxpayers should be administered in compliance with section 409A of the United States of America's Internal Revenue Code (as amended from time to time) and the Board may, in accordance with rule 13, make whatever changes are required in relation to the treatment of such Options as is necessary to ensure that that intention is satisfied.

## **6.8 Cessation of Monthly Contributions**

An Option will lapse if, before an Option has become capable of being exercised, the Participant:

6.8.1 gives notice of an intention to stop paying Monthly Contributions;

6.8.2 is deemed under the terms of the Savings Contract to have given such notice; or

6.8.3 makes an application for the repayment of Monthly Contributions,

unless it may be exercised at that time under rule 6.3, 6.4, 6.6 or 9.

## **7. TERMS OF EXERCISE OF OPTIONS**

### **7.1 Repayment**

An Option may only be exercised with monies not exceeding the amount of the repayment including any Bonus or interest made under the related Savings Contract. For the purpose of this rule 7.1, a repayment under the Savings Contract will exclude the repayment of any Monthly Contribution the due date for payment of which falls after the date on which repayment is made.

## **7.2 Exercise in whole or in part**

An Option may be exercised in whole or in part but only on one occasion. If the Option is exercised in part, it lapses in respect of the balance.

## **7.3 Method of exercise**

A Participant may, subject to any Dealing Restrictions, exercise their Option in accordance with these rules by:

- 7.3.1 giving notice in the prescribed form (in such form as the Board may determine) to the Company or any person nominated by the Board;
- 7.3.2 enclosing the relevant Option Certificate if required by the Board; and
- 7.3.3 paying to the Company or any person nominated by the Board a remittance in cleared funds for the aggregate Exercise Price payable or an instruction for any sums held by the Savings Authority to be used to pay such Exercise Price.

## **7.4 Exercise Date**

The “**Exercise Date**” will be the date of receipt (as determined by the Board) by the Company or its duly appointed agent of the notice and, if relevant, the Option Certificate, payment and/or instruction referred to in rule 7.3. However, if an exercise notice is delivered at a time when any Dealing Restrictions would prohibit the exercise of Options by the Participant, the Exercise Date will be, subject to the Plan rules, the first Business Day when such Dealing Restrictions cease to apply.

## **7.5 Issue or transfer of Shares**

Subject to rule 12.8 and any Dealing Restrictions, the Company will, within 30 days of the Exercise Date, arrange for the transfer (including a transfer out of treasury) or issue to, or to the order of, the Participant, of the number of Shares in respect of which the Option has been exercised.

## **7.6 Rights**

- 7.6.1 Shares issued or transferred on the exercise of an Option will rank equally in all respects with the Shares in issue at the point of issue or transfer, except as specified in the Plan rules. They will not rank for any rights attaching to Shares by reference to a record date before the date of issue or transfer.
- 7.6.2 Where Shares are transferred (including a transfer out of treasury) on the exercise of an Option the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date.



## **8. ADJUSTMENT OF OPTIONS**

### **8.1 Power to adjust**

If there is a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (but excluding where there is any issue of Shares as consideration in any transaction), the Board may adjust the number or description of Shares subject to, and the Exercise Price of, an Option as it considers appropriate, provided that:

- 8.1.1 any adjustment to the nominal amount of Shares in respect of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital must give the Option Holder the same proportion of the equity capital of the Company (rounded to the nearest whole Share) as that to which that person was entitled before the adjustment;
- 8.1.2 except as specified in rule 8.2, no variation will be made which would result in the Exercise Price for an unissued Share being less than its nominal value;
- 8.1.3 any such adjustment complies with paragraph 28 of Schedule 3; and
- 8.1.4 except in circumstances relating to a capitalisation issue, the Company's auditors or an independent financial adviser appointed by the Board has confirmed to the Board in writing that the proposed adjustment complies with the requirements of the Hong Kong Listing Rules.

### **8.2 Adjustments below nominal value**

- 8.2.1 Any adjustment made to the Exercise Price for unissued Shares which would have the effect of reducing the Exercise Price to less than the nominal value of the Shares will only be made if and to the extent that the Board is authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Exercise Price. The Board may apply such sum in paying up such amount on such Shares so that on the exercise of any Option in respect of which such a reduction will have been made, the Board will capitalise such sum (if any) and apply the same in paying up such amount.
- 8.2.2 Where an Option subsists over both issued and unissued Shares, an adjustment may only be made under rule 8.1 if the reduction of the Exercise Price in relation to Options over both issued and unissued Shares can be made to the same extent.

### **8.3 Notice**

The Company will notify Participants of any adjustment made under this rule 8 as soon as reasonably practicable thereafter.

#### 8.4 Independent advice

The requirement under rule 8.1.4 to obtain a written confirmation of compliance with the Hong Kong Listing Rules will only apply so long as it is required by the Hong Kong Listing Rules.

### 9. CORPORATE EVENTS

#### 9.1 Definitions

9.1.1 A “**Corporate Event**” occurs when:

- (i) a person (either alone or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the offeror (together with any persons acting in concert with that person) will have Control of the Company and any condition to which that offer was subject has been satisfied;
- (ii) a person (either alone or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the Shares and any condition to which that offer was subject has been satisfied;
- (iii) the court sanctions a compromise or arrangement under section 899 or 901F of the Companies Act 2006 applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a savings-related share option plan registered with HMRC under Part 8 of Schedule 3;
- (iv) a Non-UK Company Reorganisation Arrangement applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a savings-related share option plan registered with HMRC under Part 8 of Schedule 3 becomes binding on the shareholders covered by it;
- (v) any person becomes bound or entitled to acquire Shares under sections 979 to 982 or sections 983 to 985 of the Companies Act 2006; or
- (vi) a resolution is passed by the Company for the voluntary winding-up of the Company.

9.1.2 The offeror’s offer under rule 9.1.1(i) or (ii) need not extend to shares which are already owned by the offeror and/or by persons connected with the offeror. It does not matter if the offer is made to different shareholders by different means.

9.1.3 **“Within the Rule 9 Period”** means:

- (i) where rule 9.1.1(i) or (ii) applies, within 6 months from the date the person obtains Control of the Company and any condition to which the offer was subject has been satisfied;
- (ii) where rule 9.1.1(iii) applies, within 6 months from the date the court sanctions the relevant compromise or arrangement;
- (iii) where rule 9.1.1(iv) applies, within 6 months from the date the Non-UK Company Reorganisation Arrangement becomes binding on the shareholders covered by it;
- (iv) where rule 9.1.1(v) applies, within one month from the date on which that person first becomes so bound or entitled; and
- (v) where rule 9.1.1(vi) applies, within one month from the date the resolution is passed.

**9.2 Exercise on a Corporate Event**

9.2.1 Subject to rules 6.3, 9.2.2, 9.6 and 10, if a Corporate Event occurs, an Option may be exercised within the Rule 9 Period, after which time it will lapse.

9.2.2 If a Corporate Event referred to in rule 9.1.1(vi) occurs, an Option held by a deceased Participant will lapse at the end of the relevant Rule 9 Period.

**9.3 Shares ceasing to satisfy Schedule 3**

If as a result of a Corporate Event other than a Corporate Event to which rule 9.1.1(vi) applies, Shares will no longer satisfy the requirements of Part 4 of Schedule 3, Options may be exercised within the period of 20 days after the date on which the change of Control occurs, provided that the date of exercise falls within the Rule 9 Period.

**9.4 Conditional exercise**

If the Board reasonably expects a Corporate Event other than a Corporate Event to which rule 9.1.1(vi) applies to occur, the Board may, acting fairly and reasonably, make arrangements permitting Options to be exercised during a period of 20 days ending with the date on which the Corporate Event occurs. If an Option is exercised under this rule 9.4 it will be treated as having been exercised in accordance with rule 9.2.

**9.5 Effect of conditional exercise**

If the Board makes arrangements for the exercise of Options under rule 9.4, if the relevant Corporate Event does not occur within 20 days of the date of purported exercise, the Option will be treated as not having been exercised.

## 9.6 Internal reorganisation

If:

9.6.1 a company is expected to obtain Control of the Company as a result of a Corporate Event other than a Corporate Event to which rule 9.1.1(vi) applies and become an Acquiring Company;

9.6.2 substantially all the shares in the Acquiring Company are expected to be held by the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company; and

9.6.3 Participants are offered New Options under rule 10,

then Options which would become exercisable under rule 9.2 but for this rule 9.6 may not be exercised and, if they are not exchanged in accordance with rule 10 within the Rule 9 Period, will lapse at the end of that period.

## 10. EXCHANGE OF OPTIONS

### 10.1 Ability to exchange

If a Corporate Event occurs other than a Corporate Event under rule 9.1.1(iii) where there is no change of Control or under rule 9.1.1(vi), any Participant may at any time within the Rule 9 Period, by agreement with the Acquiring Company, release their Option (the “**Old Option**”) in consideration of the grant to the Participant of a new option (the “**New Option**”) which is equivalent to the Old Option because it satisfies the requirements of paragraph 39 of Schedule 3 but relates to shares in the Acquiring Company or the Controlling Company.

### 10.2 Terms of exchange

Where the New Options are granted in accordance with rule 10.1 they will be regarded for the purposes of the subsequent application of the rules of the Plan as having been granted at the time when the corresponding Old Options were granted and, with effect from the date on which the New Options are granted:

10.2.1 except for the definitions of “**Board**”, “**Group Member**” and “**Participating Company**” in rule 1, references to the “**Company**” (including the definition in rule 1) will be construed as being references to the Acquiring Company or such other company to whose shares the New Option relates;

10.2.2 references to “**Shares**” (including the definition in rule 1) will be construed as being references to shares in the Acquiring Company or shares in a Controlling Company but references to “**Participating Company**” will continue to be construed as if references to the Company were references to Prudential plc (registered no 01397169);

10.2.3 the Savings Contract made in connection with the Old Option will be treated as having been made in connection with the New Option; and

10.2.4 the Bonus Date in relation to the New Option will be treated as the same as in relation to the Old Option.

## **11. TERMS OF EMPLOYMENT**

### **11.1 Scope**

For the purposes of this rule 11, “**Employee**” means any employee of a Group Member. This rule 11 applies during an Employee’s employment and after the cessation of an Employee’s employment, whether or not such cessation is lawful.

### **11.2 Options separate from employment contract**

Nothing in the Plan rules or the operation of the Plan forms part of the Employee’s contract of employment. The rights and obligations arising from the employment relationship between the Employee and the Employee’s employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment of the Employee.

### **11.3 Employee rights**

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Options on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Options on the same basis, or at all, in any future year.

### **11.4 Rights to compensation**

No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

11.4.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

11.4.2 any exercise of a discretion or a decision taken in relation to an Option or to the Plan, or any failure to exercise a discretion or take a decision; or

11.4.3 the operation, suspension, termination or amendment of the Plan.

### **11.5 Plan participation**

Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Plan rules, including this rule 11.5. By participating in the Plan, an Employee waives all rights under or in connection with the Plan, other than the right to acquire Shares subject to and in accordance with the express terms of the Plan and any conditions applicable to their Option, in consideration for, and as a condition of, the grant of the Option.

## **11.6 Third party rights**

Nothing in the Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan or any condition applicable to an Employee's Option. This does not affect any other right or remedy of a third party which may exist.

## **12. GENERAL**

### **12.1 Rights**

A Participant will not be entitled to vote, to receive dividends or to have any other rights of a shareholder (including any rights arising on a liquidation of the Company) in respect of Shares subject to an Option until the Participant has received the underlying Shares as a result of the exercise of an Option.

### **12.2 Transfer**

A Participant may not transfer, assign or otherwise dispose of an Option or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 12.2 does not apply to the transmission of an Option on the death of a Participant to the Participant's personal representatives.

### **12.3 Not pensionable**

None of the benefits received under the Plan is pensionable.

### **12.4 Board's decisions final and binding**

The decision of the Board on the interpretation of the Plan or in any dispute relating to an Option or matter relating to the Plan will be final, conclusive and binding on all persons.

### **12.5 Documents sent to shareholders**

The Company may send to Participants copies of any documents or notices normally sent to the holders of its Shares.

### **12.6 Regulations**

The Board has the power from time to time to make or vary regulations for the administration and operation of the Plan but these must be consistent with its rules and with applicable law. The Board may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan.

### **12.7 Data protection**

12.7.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 in such form as incorporated into the law of the United Kingdom by virtue of the

European Union (Withdrawal) Act 2018 (as amended) and any regulations thereunder and/or any implementing legislation (together, the “**Data Protection Laws**”) held and controlled by any Group Member and relating to employees or customers of any Group Member or other individuals. Each Group Member will comply with the terms of the Data Protection Laws, and the Company’s data protection policies issued from time to time, in relation to such data.

12.7.2 Any Group Member and its employees and agents may from time to time hold, process and disclose Participants’ personal data in accordance with the terms of the Company’s employee privacy notice and data protection policy in force from time to time.

## **12.8 Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Participant will be responsible for complying with any requirements the Participant needs to fulfil in order to obtain or avoid the necessity for any such consent.

## **12.9 Listing**

If and so long as the Shares are traded on the London Stock Exchange or Hong Kong Stock Exchange, the Company will apply for listing of any Shares issued under the Plan as soon as reasonably practicable on whichever of those exchanges the Board considers appropriate.

## **12.10 Notices**

12.10.1 Except where otherwise specified in the Plan rules, any notice or communication to be given to any person who is or will be eligible to be a Participant may be:

- (i) delivered by electronic mail or in such other form as the Board may determine and it will be deemed to have been received upon electronic confirmation of such delivery; or
- (ii) personally delivered or sent by ordinary post to their last known address and where a notice or communication is sent by post it will be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped.

12.10.2 Share certificates and other communications sent by post will be sent at the risk of the recipient concerned and no Group Member will have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

12.10.3 Any notice to be given to any Group Member or the trustee of any trust established by a Group Member will be delivered or sent to the Company at its registered office, marked for the attention of the Company Secretary, and will be

effective upon receipt. The Board may make other arrangements to receive notices.

### **12.11 Purpose of the Plan**

The purpose of the Plan is to reward, incentivise and retain Eligible Employees through the grant of Options.

## **13. AMENDING THE PLAN**

### **13.1 Board's powers**

13.1.1 Subject to the rest of this rule 13, the Board may at any time amend the Plan and the terms of any Option in any way.

13.1.2 Any amended terms of the Plan and/or Option must comply with Chapter 17 of the Hong Kong Listing Rules (in so far as they are applicable).

### **13.2 Shareholder approval**

13.2.1 Subject to rule 13.2.2, the Company's shareholders must, in compliance with note 1 to rule 17.03(18) of the Hong Kong Listing Rules and rule 13.8.11 of the UK Listing Rules, approve in advance by ordinary resolution any proposed amendment to:

- (i) the terms and conditions of the Plan rules which are of a material nature;
- (ii) the authority of the Board to alter the Plan rules; or
- (iii) any provision relating to the following, which is to the advantage of present or future Participants:
  - (a) the purpose of the Plan;
  - (b) the persons to or for whom Shares may be provided under the Plan;
  - (c) the terms of rules 5.2 and 5.4;
  - (d) the maximum entitlement for any Participant;
  - (e) the Bonus Date;
  - (f) the Exercise Period;
  - (g) the Exercise Price;
  - (h) any amount payable on application or acceptance of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
  - (i) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;
  - (j) the rights attaching to the Shares and any such rights attaching to the Options themselves;



- (k) the Expiry Date;
- (l) the circumstances under which an Option will automatically lapse or be cancelled;
- (m) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company;
- (n) the treatment of (1) an Option or (2) Shares not yet issued or transferred pursuant to an Option, in the event of the termination of the Plan before the Expiry Date;
- (o) the terms of rule 12.2; or
- (p) the terms of this rule 13.2.

13.2.2 Subject to rule 13.2.3, the Board can amend the Plan rules or the terms of any Option and need not obtain the approval of the Company's shareholders for any minor amendments:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Group Member or any present or future Participant.

13.2.3 Any amendment made to the terms of an Option (except where the amendment takes effect automatically under the rules of the Plan) will not have effect if:

- (i) the Hong Kong Listing Rules require that the grant of that Option affected by the proposed amendment be approved by the Company's shareholders and/or some or all of the Company's directors; and
- (ii) those shareholders or directors (as appropriate) have not approved the amendment.

### **13.3 Participant consent**

If the Board proposes an amendment to the Plan rules or the terms of any Option which would materially adversely affect the subsisting rights under the Plan of Participants who, if they exercised their Options in full, would become entitled to not less than 75% of all Shares which fall to be issued or transferred upon the exercise in full of all such outstanding Options, then:

13.3.1 the Board will invite each so disadvantaged Participant to indicate whether or not they approve the amendment; and

13.3.2 such amendment will only take effect if the majority (assessed by reference to the size of affected Options) of the Participants who respond to an invitation made in accordance with rule 13.3.1 consent to the amendment.

**13.4 Notice**

The Board may (but is not obliged to) give written notice of any amendments made to any Participant affected.

**14. GOVERNING LAW AND JURISDICTION**

English law governs the Plan and all Options and their construction. The courts of England and Wales will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Option.