



PRUDENTIAL

Prudential plc

(incorporated in England and Wales with registered number 1397169)

LSE: PRU.L HKSE: 2378 SGX-ST: K6S

QUESTIONS AND ANSWERS ON THE DEMERGER

The following summary of questions and answers has been prepared to help you understand what the Demerger involves.

1. The Demerger

1.1 What is the Demerger?

The Demerger is the proposed separation of the M&G Group from the Prudential Group. This will result in two separately listed companies, each with its own distinct investment prospects.

The Post-Demerger Prudential Group is one of the largest international life insurance and asset management businesses, focused on the attractive growth opportunities in Asia. Prudential will remain headquartered in London with primary listings on the main market of the LSE and on the HKSE and secondary listings on the NYSE (in the form of the Prudential ADRs which evidence Prudential Shares on the UK Register) and the SGX-ST.

The M&G Group is an independent savings and investment business, headquartered and premium-listed in London. In the UK and continental Europe, it will continue to provide a range of long-term savings and investment solutions. In the Americas, Africa, Asia and Australia, it will also continue to provide asset management solutions.

1.2 Why is Prudential proposing the Demerger?

The Prudential Board believes that the Post-Demerger Prudential Business and the M&G Business operating as independent businesses will be more likely to result in each maximising its potential performance than if they continue to operate together under common ownership. It believes that each group has the platform and scale necessary to operate successfully as a listed company and to pursue its own independent strategy.

In particular, and as explained in more detail in section 3.2 of Part I of the circular, the Prudential Board believes that the Demerger will allow the two groups to focus on their distinct strategic priorities in their respective markets – the Post-Demerger Prudential Group being focussed on growth opportunities in Asia, and the M&G Group operating in the UK, Europe and select other international markets – and will provide each with greater flexibility to deploy capital in a manner consistent with its individual strategic priorities. The Directors also believe that each group will benefit from improved allocation of resources, increased focus and greater flexibility in execution following the Demerger, which will lead to an improvement in strategic and operational execution

for each group, and that the Demerger will provide flexibility for Shareholders to select their own exposure to each of the Post-Demerger Prudential Group and the M&G Group over time.

Accordingly, the Prudential Board believes that the Demerger is in the best interests of Shareholders as a whole.

1.3 Will there be any ongoing relationship between the Demerging Group and the Post-Demerger Prudential Group?

Following completion of the Demerger, M&G and Prudential will each operate as independent and separately listed companies. Each company has its own board of directors and will continue to do so.

There will be an ongoing relationship between the Post-Demerger Prudential Group and the Demerging Group following the Demerger pursuant to the Demerger Agreement, the Tax Covenant, the Transitional Services Agreement, the Data Centre Services Agreement, the Brand Agreement and the Co-existence Agreement. These agreements are described in more detail in section 10 of Part VIII of the circular. Some ordinary course arrangements will also remain in place between the Post-Demerger Prudential Group and the Demerging Group following completion of the Demerger.

1.4 How will the Demerger be implemented?

The Demerger is conditional upon, among other things, the passing of the Demerger Resolution to be proposed as an ordinary resolution at the General Meeting by a simple majority (i.e. more than 50 per cent) of the voting rights of Shareholders who vote on it, and the approval of the Demerger Dividend by the Prudential Board. Other conditions, which are contained in the Demerger Agreement, are set out in more detail in section 10 of Part VIII of the circular.

Assuming the conditions are satisfied (or, where applicable, waived), the Demerger of the M&G Group from the Prudential Group will be effected by Prudential declaring an in-specie distribution of all of the M&G Shares to Shareholders.

The Prudential Board unanimously recommends that Shareholders vote in favour of the Demerger Resolution. Notwithstanding this, it should be noted that Prudential is entitled to decide not to proceed with the Demerger at any time prior to completion of the Demerger if circumstances change such that the Prudential Board no longer considers that the Demerger would be in the best interests of Shareholders as a whole.

1.5 What is Admission?

Admission involves M&G applying to the FCA for all of the M&G Shares to be admitted to the premium listing segment of the Official List and to the LSE for all of the M&G Shares to be admitted to trading on the LSE's main market for listed securities.

No application has been made for admission of the M&G Shares to trading on any other stock exchange (nor is it the current intention of M&G to make any such application in the future).

1.6 What does this mean for me?

If you are a Qualifying Shareholder, you will be entitled to receive:

one M&G Share for each Prudential Share

you held at the applicable Record Time.

If you are a Qualifying UK Shareholder, you will not need to take any further action after completion of the Demerger. Subject to the Demerger completing, you will receive the M&G Shares to which you will be entitled. The settlement process for M&G Shares that will be held in certificated form or through CREST is explained in more detail in the answers to the questions at sections 3.4 to 3.7 of this Part II of the circular.

If you are a Qualifying Hong Kong Shareholder, you will not need to take any further action after completion of the Demerger if you want to receive the M&G Shares to which you will be entitled in certificated form. If you want the M&G Shares to which you will be entitled to be sold on your behalf under the Share Sale Option and the gross cash proceeds paid to you, or if you want to receive the M&G Shares to which you will be entitled in uncertificated form through CREST, you must return a completed Form of Election in accordance with the instructions set out in the circular.

If you are a Singapore Holder at the applicable Record Time (being the Record Time for Hong Kong Shareholders), the M&G Shares to which you will be entitled will be sold on your behalf under the Share Sale Option and the gross cash proceeds paid to you instead.

More information on the Share Sale Option is set out in the answers to the questions at sections 4.1 to 4.6 of this Part II of the circular.

If you are a Prudential ADR Holder, you will receive your entitlement to the Demerger Dividend in accordance with the terms of the Prudential ADR Deposit Agreement. As the Qualifying Shareholder on the UK Register, the US Depository will receive the M&G Shares on completion of the Demerger. It is expected that, in accordance with the terms of the Prudential ADR Deposit Agreement, the US Depository will sell the M&G Shares it receives and, after deduction of the fees, charges and expenses provided for under the ADR Deposit Agreement, remit your portion of the net cash proceeds of such sale to you.

Following completion of the Demerger, all Shareholders will continue to own their existing Prudential Shares; all Singapore Holders will continue to have an interest in Prudential Shares through CDP; and all Prudential ADR Holders will continue to own their existing Prudential ADRs, in each case unless they sell or otherwise dispose of them in the usual course.

No payment is required from Shareholders and no commissions, fees or expenses will be charged to Shareholders in connection with the Demerger.

1.7 Will I have to pay any tax as a result of the Demerger?

A summary of certain UK, Hong Kong, Singapore and United States tax consequences in respect of the Demerger relevant to Shareholders and Singapore Holders who are resident (or, in the case of individuals, resident or domiciled) in the UK, Hong Kong or Singapore for tax purposes

and certain US Holders of Prudential Shares is set out in Part VII of the circular. The summary is intended as a guide only and Shareholders, Singapore Holders or Prudential ADR Holders who are in doubt about their tax position are strongly advised to contact an appropriate professional, independent adviser immediately.

Shareholders in jurisdictions outside of the UK, Hong Kong, Singapore or the United States should consult with their own legal and tax advisers with respect to the tax consequences in their particular circumstances under the relevant legislation and regulations.

1.8 What is the expected timing of the Demerger?

It is expected that the Demerger will be completed, Admission will become effective and that dealings in M&G Shares will commence on the LSE's main market for listed securities by no later than 8.00 a.m. UK time on 21 October 2019.

1.9 Will the Demerger have an effect on the FTSE indexation of Prudential?

No, Prudential is expected to remain eligible for inclusion in the FTSE UK Index Series, including the FTSE 100 Index, following completion of the Demerger. As a newly listed company, M&G is also expected to be eligible for inclusion in the FTSE UK Index Series from Admission.

1.10 Will there be any change to the corporate governance of Prudential, or the application of the Takeover Code and the Hong Kong Takeovers Code to Prudential, following completion of the Demerger?

No. The Prudential Shares will retain their premium listing on the Official List and will continue to be traded on the main market for listed securities of the LSE and on the HKSE. The Post-Demerger Prudential Group will continue to maintain a governance structure based on the UK Corporate Governance Code and the Hong Kong Corporate Governance Code.

Prudential will also remain subject to the Takeover Code and the Hong Kong Takeovers Code.

1.11 Will Prudential remain incorporated in the UK following completion of the Demerger?

Yes. Prudential is incorporated in the UK and will remain so after the Demerger.

1.12 What will be the impact of the Demerger on Prudential's dividends?

The dividend policy for the Post-Demerger Prudential Group is set out in full in section 8.1 of Part I of the circular.

Following the Demerger, Prudential will determine its dividend in US dollars commencing with dividends paid in 2020, including the 2019 second interim dividend. Shareholders will be provided with the option to elect to receive dividend payments in the equivalent value of pounds sterling, Hong Kong dollars or Singapore dollars.

1.13 Will my existing instructions relating to the monetary payment of dividends on Prudential Shares transfer to M&G Shares?

Unless amended or revoked, all existing mandates relating to the monetary payment of dividends on Prudential Shares given to Prudential by UK Shareholders, which are in force at the applicable Record Time on the UK Register, will be deemed from Admission to be an effective mandate or instruction to M&G in respect of the corresponding M&G Shares. Hong Kong Shareholders will need to submit new instructions for the M&G Shares in order to receive monetary payment of future dividends on M&G Shares.

1.14 How will the Demerger effect my participation in the dividend reinvestment plan (or DRIP) of Prudential or M&G?

Shareholders who currently participate in Prudential's dividend reinvestment plan will need to submit new elections for their M&G Shares in order to participate in any dividend reinvestment plan in respect of future dividends on M&G Shares. Participation in Prudential's plan is not affected by the Demerger.

2. Voting and eligibility

2.1 Why am I being sent this circular?

Due to its size, the Demerger qualifies as a Class 1 transaction and so requires the approval of Shareholders at the General Meeting. The circular, referred to as the Circular, contains information to assist you in your voting decision.

The General Meeting is to be held at 9.30 a.m. UK time (4.30 p.m. Hong Kong / Singapore time) on 15 October 2019 in the conference suite at Nomura, 1 Angel Lane, London EC4R 3AB and the Notice of General Meeting is set out in the circular.

2.2 Who is eligible to vote?

Shareholders recorded on Prudential's UK Register or Hong Kong Register at the applicable Voting Record Time will be eligible to vote.

Singapore Holders recorded on CDP's register as at 5.00 p.m. Singapore time on 9 October 2019 are entitled to send voting or nomination instructions to CDP to exercise voting rights in respect of their interest in Prudential Shares.

An explanation as to how Prudential ADR Holders can vote is set out in the answer to the question at section 2.6 of this Part II of the circular.

2.3 How does the Prudential Board recommend I vote?

The Prudential Board unanimously recommends that you vote in favour of the Demerger Resolution to be considered at the General Meeting. LR 13.3.1(5)

Each Director intends to vote all Prudential Shares that he/she owns or controls in favour of the Demerger Resolution.

The Directors also recommend that you vote in favour of the Director Election Resolution in respect of the appointment of Ms Amy Yip. Further details on her appointment are set out in section 4 of Part VIII of the circular.

2.4 How do I vote?

Shareholders should read the Notice of General Meeting in the circular for the full text of the Demerger Resolution and the Director Election Resolution and for further details about the General Meeting.

Shareholders may vote in person at the General Meeting or they may appoint another person as their proxy to attend, speak and vote in their place. A proxy need not be a Shareholder of Prudential. Shareholders may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to different Prudential Shares held by that Shareholder.

It is important that as many votes as possible are cast. Whether or not you plan to attend the General Meeting in person, you are encouraged to complete and return your Form of Proxy as soon as possible.

If you are a UK Shareholder, you should ensure that the Form of Proxy is returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by no later than 9.30 a.m. UK time on 11 October 2019.

Alternatively, if you are a UK Shareholder, you may appoint a proxy electronically by logging onto Equiniti's website www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number, which, if you are a UK Shareholder, are printed on the face of your Forms of Proxy. Full details of the procedures are given on the website. Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your proxy by logging onto your portfolio at www.shareview.co.uk and clicking on the link to vote under your Prudential details. Instructions are given on the website.

If you hold your Prudential Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual so that it is received by Equiniti (under CREST Participant ID RA19) no later than 9.30 a.m. UK time on 11 October 2019.

Completion and return of the Form of Proxy, an electronic proxy or the appointment of proxies through CREST will not preclude a Shareholder from attending and voting in person at the General Meeting.

If you are a Hong Kong Shareholder, you should ensure that the Form of Proxy is returned to Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong so as to be received by no later than 4.30 p.m. Hong Kong time on 12 October 2019.

If you are a Singapore Holder, please see further details about how you may vote in section 2.5 of Part II of the circular.

2.5 Can I vote if I have an interest in Prudential Shares through CDP?

If you are a Singapore Holder and wish to provide CDP with voting instructions in respect of your interest in Prudential Shares, you must complete and execute CDP Form A in accordance with the instructions set out therein and ensure that any such voting instructions are received by CDP by 5.00 p.m. Singapore time on 9 October 2019 to allow it to collate voting instructions for onward transmission to HKSCC Nominees through its CCASS participant.

If you are a Singapore Holder and wish to attend the General Meeting and cast votes in respect of your interest in Prudential Shares in person, you must complete and execute CDP Form B in accordance with the instructions set out therein and ensure that any such nomination instructions are received by CDP by 5.00 p.m. Singapore time on 9 October 2019 to allow it to transmit the names and addresses and the interest in Prudential Shares represented of the persons named in CDP Form B to HKSCC Nominees through its CCASS participant.

2.6 Can I vote if I hold Prudential ADRs?

If you are a Prudential ADR Holder you will receive a Voting Instruction Card from the US Depository which will enable you to instruct the US Depository on how to vote on your behalf at the General Meeting in respect of the Prudential Shares represented by your Prudential ADRs. You are encouraged to complete and sign the Voting Instruction Card and return it to the US Depository as soon as possible and by no later than 12.00 noon New York time on 11 October 2019.

Please note that Prudential ADR Holders, in their capacities as such, are not entitled to attend or vote at the General Meeting directly or to appoint proxies to attend and vote on their behalf. In order to attend and vote at the General Meeting, a Prudential ADR Holder can cancel their Prudential ADRs and become a registered holder of Prudential Shares before the Voting Record Time. This entails surrendering their Prudential ADRs in accordance with the terms of the Prudential ADR Deposit Agreement and receiving Prudential Shares in return.

2.7 What will happen if the Demerger Resolution is not approved by Shareholders?

If the Demerger Resolution is not approved by Shareholders, the M&G Group will not separate from the Prudential Group and will continue to form a part of the Prudential Group. As long as the M&G Group remains a part of the Prudential Group, Prudential Shares will also represent an interest in the M&G Group, as they do today.

If the Demerger does not proceed, the potential benefits of the Demerger will not be realised and there may be an adverse impact on the reputation of the Prudential Group due to the increased publicity arising in connection with the proposals to implement the Demerger. Any such reputational risk could adversely affect the Prudential Group's business, financial condition and operating results. This is considered in more detail in the risk factor at section 1.1 of Part III of the circular.

2.8 Who is eligible to participate in the Demerger?

Shareholders recorded on Prudential's UK Register or Hong Kong Register on the applicable Record Time will be Qualifying Shareholders who are able to participate in the Demerger.

Singapore Holders recorded on CDP's register as at the Record Time for Hong Kong Shareholders will be able to participate in the Demerger.

As explained in the answer to the question at section 1.6 of Part II of the circular, the US Depository will be eligible to participate in the Demerger as the Qualifying Shareholder on the UK Register and Prudential ADR Holders will receive their entitlement to the Demerger Dividend in accordance with the terms of the Prudential ADR Deposit Agreement.

2.9 Can I receive cash instead of M&G Shares as a result of the Demerger?

All Qualifying Shareholders will be entitled to receive one M&G Share for each Prudential Share they hold at the applicable Record Time. The Demerger Dividend is not a cash dividend.

However, given that the M&G Shares will not be listed outside the UK and will not be traded on any exchange other than the LSE, the Share Sale Option will be available to Qualifying Hong Kong Shareholders, which will allow them to elect to have the M&G Shares to which they will be entitled upon completion of the Demerger sold on their behalf and the gross cash proceeds paid to them instead. The Share Sale Option will be compulsory for Singapore Holders. More information on the Share Sale Option is set out in the circular and in the answers to the questions at sections 4.1 to 4.6 of Part II of the circular.

It is also expected that, in accordance with the terms of the Prudential ADR Deposit Agreement, the US Depository will sell the M&G Shares it receives as the Qualifying Shareholder on the UK Register and, after deduction of the fees, charges and expenses provided for under the ADR Deposit Agreement, remit the net cash proceeds of such sale to Prudential ADR Holders.

2.10 Will I receive a prospectus relating to M&G?

The M&G Prospectus will be published in printed form and available free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of its publication at 10 Fenchurch Avenue, London EC3M 5AG, United Kingdom. In addition, the M&G Prospectus will be published in electronic form and will be available online at www.mandgprudential.com.

2.11 What should I do if I need help with filling in the Form of Proxy?

Prudential has established helplines which will be operated from the UK and Hong Kong.

The UK helpline will be operated by Equiniti and will be available on 0371 384 2731 (from inside the UK) or +44 121 415 0167 (from outside the UK). The helpline will be available from 8.30 a.m. to 5.30 p.m. UK time Monday to Friday (except public holidays in England and Wales) and will remain open until 15 November 2019. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes.

The Hong Kong helpline will be operated by Computershare Hong Kong and will be available on +852 2862 8646. The helpline will be available from 9.00 a.m. to 6.00 p.m. Hong Kong time Monday to Friday (except on public holidays) and will remain open until 31 December 2019.

3. Prudential Shares and M&G Shares

3.1 What will happen to my Prudential Shares following the Demerger?

The number of Prudential Shares you hold will not change as a result of the Demerger. Following the Demerger, the Prudential Shares will retain their premium listing on the Official List and will continue to be traded on the main market for listed securities of the LSE and on the HKSE. The Prudential Shares will also maintain their secondary listings on the NYSE (in the form of the Prudential ADRs which evidence Prudential Shares on the UK Register) and the SGX-ST.

From Admission, Prudential's share price is expected to fall to reflect the value of the Demerger Dividend delivered to Shareholders.

3.2 Where will M&G Shares be listed following Admission?

Following Admission, M&G Shares will have a premium listing on the Official List and will be admitted to trading on the main market for listed securities of the LSE with the ISIN GB00BKFB1C65. They will not be listed on any other exchanges on Admission.

3.3 What will be the price of Prudential Shares and M&G Shares following the Demerger?

There is no certainty as to the price of Prudential Shares or M&G Shares following the Demerger. The price at which the Prudential Shares and the M&G Shares may be quoted, and the price which investors may realise for such shares, will be influenced by a large number of factors. Some of these may be specific to either the Post-Demerger Prudential Group or the Demerging Group and their respective operations, and others may affect the industries in which they operate, other comparable companies or publicly traded companies as a whole. The price of Prudential Shares may also be affected by the exchange on which they trade.

3.4 Can M&G Shares be held in CREST?

M&G's articles of association permit the holding of M&G Shares in CREST. M&G will apply for its shares to be enabled in CREST with effect immediately upon Admission. It is expected that CREST accounts for Qualifying UK Shareholders will be credited in respect of M&G Shares in uncertificated form shortly after Admission on 21 October 2019 or, for Qualifying Hong Kong Shareholders electing for their shares to be credited to a CREST account, by 28 October 2019.

3.5 Will I be able to get a share certificate in respect of my M&G Shares?

Yes. M&G Shares will be capable of being held in certificated or uncertificated form.

Share certificates for M&G Shares will be issued to those Shareholders who hold their Prudential Shares in certificated form. No share certificates will be issued in respect of M&G Shares in uncertificated form. If any such M&G Shares are converted to be held in certificated form, share certificates will be issued in respect of those M&G Shares in accordance with applicable legislation.

3.6 When can I expect to receive a share certificate if I will hold M&G Shares in certificated form?

This depends on which of Prudential's registers of members you are on at the applicable Record Time.

If you are a Qualifying UK Shareholder and will hold your M&G Shares in certificated form, share certificates in respect of such M&G Shares are expected to be despatched at your risk by first class post to the address of the first named holder on the UK Register by no later than 31 October 2019.

If you are a Qualifying Hong Kong Shareholder and you do not elect to take the Share Sale Option or to hold your M&G Shares in uncertificated form through CREST, share certificates in respect of such M&G Shares are expected to be despatched by ordinary post at your own risk by no later than 20 November 2019.

Temporary documents of title will not be issued. Pending despatch of the certificates, transfers of M&G Shares will be certified against the register of members of M&G by the Registrar.

3.7 What if I want to transfer my M&G Shares before I receive my share certificate?

You will be able to sell your M&G Shares once they have been registered in your name. For Qualifying UK Shareholders, this is after Admission. For Qualifying Hong Kong Shareholders, as explained in the circular this is from the Hong Kong Settlement Date, which is expected to be on 28 October 2019.

Any transfers made and transfer forms registered after the M&G Shares have been registered in your name but before share certificates have been despatched (if applicable) will be registered by the Registrar against M&G's register of members if a valid transfer form is received by Equiniti before 25 October 2019 in respect of Qualifying UK Shareholders or 1 November 2019 in respect of Qualifying Hong Kong Shareholders. Separate share certificates will then be despatched to the new holders of those M&G Shares.

3.8 Who is the registrar for M&G?

M&G's registrar will be Equiniti from Admission and commencement of unconditional dealings of the M&G Shares on the LSE.

4. Questions specific to Hong Kong Shareholders and Singapore Holders

4.1 What is the Share Sale Option and why is it being offered to Hong Kong Shareholders?

The Share Sale Option will be available to Qualifying Hong Kong Shareholders, which will allow them to elect to have the M&G Shares to which they will be entitled upon completion of the Demerger sold on their behalf and the gross cash proceeds paid to them instead. This is because the M&G Shares will not be listed outside the UK and will not be traded on any exchange other than the LSE. The Share Sale Option will be compulsory for Singapore Holders, as explained in the answer to the question at section 4.6 of Part II of the circular.

Shareholders on the UK Register and Prudential ADR Holders are not eligible to take the Share Sale Option.

However, all Qualifying Shareholders will be entitled to sell their Prudential Shares and/or, following their receipt, sell their M&G Shares, in the usual course. It should be noted that you will not receive any M&G Shares as part of the Demerger if you transfer or sell all of your Prudential Shares prior to the applicable Record Time.

4.2 How can Hong Kong Shareholders take the Share Sale Option?

If you are a Hong Kong Shareholder, you will receive a Form of Election with this Circular. You should complete and return it to Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong so as to be received by no later than 4.30 p.m. Hong Kong time on 25 October 2019 if you would like either to take the Share Sale Option or, if you have a CREST account, to receive the M&G Shares to which you will be entitled in uncertificated form through CREST.

4.3 What will happen after a Qualifying Hong Kong Shareholder returns a valid Form of Election?

Depending on your election, on the Hong Kong Settlement Date, either the M&G Shares to which you are entitled upon completion of the Demerger will be sold by a broker appointed by Prudential or you will receive your M&G Shares in uncertificated form through CREST. This is expected to occur on 28 October 2019, the business day after the deadline for the return of completed Forms of Election to Computershare Hong Kong.

It is expected that cheques for the sale proceeds will be despatched to you by ordinary post at your own risk by no later than 12 November 2019 or your CREST account will be credited with M&G Shares by 28 October 2019, depending on your election.

4.4 What will happen if no valid Form of Election is returned in time?

If you do not return a valid Form of Election in time, you will receive the M&G Shares to which you are entitled under the Demerger in certificated form. It is expected that certificates in respect of your M&G Shares will be despatched by ordinary post at your own risk by no later than 20 November 2019.

4.5 Why is the settlement process longer for Qualifying Hong Kong Shareholders than for Qualifying UK Shareholders?

The Share Sale Option is only available to Qualifying Hong Kong Shareholders. UK Shareholders are not eligible to take it. There is a longer period for settlement following completion of the Demerger for Hong Kong Shareholders as a result of the election process in respect of the Share Sale Option.

Prudential will remain the legal holder of all M&G Shares to which Qualifying Hong Kong Shareholders will be entitled on completion of the Demerger. Prudential will hold such shares as bare trustee for the benefit and on behalf of such Qualifying Hong Kong Shareholders from completion of the Demerger until the Hong Kong Settlement Date (which is expected to be

28 October 2019). This arrangement will allow Prudential to deal with administrative matters arising in connection with the distribution of M&G Shares to Qualifying Hong Kong Shareholders.

4.6 Why is the Share Sale Option compulsory for Singapore Holders?

There are practical difficulties arising in connection with the distribution and settlement of M&G Shares to Singapore Holders through CDP because the M&G Shares will only be listed in the UK and not on the SGX-ST. Accordingly, the M&G Shares to which such Singapore Holders will be entitled upon completion of the Demerger will be sold on their behalf under the Share Sale Option and the gross cash proceeds paid to HKSCC Nominees for onward transmission to them via CDP.

Singapore Holders who wish to retain the option of receiving M&G Shares in certificated form may request to move their holding of interests in Prudential Shares from CDP to the CCASS, such that their interests in Prudential Shares are credited into the relevant CCASS account by or before the Record Time for Hong Kong Shareholders. Such Singapore Holder would then be considered as a holder of beneficial interests in Prudential Shares through the CCASS.

A Singapore Holder who holds their interest in the Prudential Shares through CDP and wishes to remove such interest in the Prudential Shares from CDP to the CCASS can do so as follows:

- the Singapore Holder or their CCASS participant must have a securities account in the CCASS system;
- the Singapore Holder (where the Singapore Holder holds a direct securities account with CDP) or their depository agent (where the Singapore Holder holds a securities sub-account with a depository agent) shall submit the following to CDP:
 - a duly executed CDP transfer form; and
 - payment of the applicable transfer charges (currently comprising the transfer fee of a minimum of S\$30.00 and a maximum of S\$100.00 and all applicable conversion and correspondent bank charges), together with the applicable goods and services tax, and all other charges as may be prescribed by CDP in its sole discretion;
- the Singapore Holder must simultaneously instruct CDP's CCASS participant to expect receipt of such interest in Prudential Shares from CDP and to match the relevant movement;
- upon receipt of the duly completed CDP transfer form, CDP will debit the relevant number of Prudential Shares from the Singapore Holder's securities account with CDP and thereafter instruct its CCASS participant to move such Prudential Shares to the CCASS account as specified by the Singapore Holder; and
- CDP will send a confirmation of the debit to the Singapore Holder.

If the Singapore Holder wishes to move their interest in the Prudential Shares from CDP to the CCASS, they shall be responsible for ensuring that the Prudential Shares are credited into the relevant CCASS account in time for them to be recorded as holding a beneficial interest in Prudential Shares through CCASS by or before the Record Time for Hong Kong Shareholders.

4.7 How can the M&G Shares be traded and settled?

The M&G Shares will be traded on the LSE. Investors wishing to trade shares that are admitted to trading on the LSE usually instruct brokers or place their orders via an execution-only broker. The brokers then decide how best to execute the trade. Most trades executed on the LSE are carried out on the LSE's electronic system, SETS, which matches orders to buy and sell these shares constantly and electronically throughout the day. The standard settlement period in the UK for share trades is two days.

Qualifying Hong Kong Shareholders will need to engage a duly licensed broker to assist with trading M&G Shares on the LSE and should note that their ability to finalise a trade of M&G Shares would depend on their individual circumstances and satisfaction of "know your client" and any other internal procedures of the relevant broker. Qualifying Hong Kong Shareholders who are contemplating dealing with their M&G Shares in the short term should consider carefully the availability of the Share Sale Option.

4.8 What services are offered by the Transfer Agent in Hong Kong?

Prudential has appointed Computershare Hong Kong as Transfer Agent in Hong Kong until 31 December 2019 in order to assist Qualifying Hong Kong Shareholders and those who will hold a beneficial interest in M&G Shares registered in the name of HKSCC Nominees with splitting and/or registering their M&G Shares. The contact details of the Transfer Agent are as follows:

Name: Computershare Hong Kong Investor Services Limited

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Telephone number: +852 2862 8646

If a holder of a legal interest in M&G Shares wishes for their share certificate in respect of such M&G Shares to be split, they should contact the Transfer Agent to help make the necessary arrangements with Equiniti, the registrar of M&G. Such holder should expect to be issued with split certificates in respect of their M&G Shares within 15 business days of Equiniti receiving a valid instruction and all necessary documentation.

If a holder of a beneficial interest in M&G Shares registered in the name of HKSCC Nominees wishes for their share certificate to be registered in their own name, they should contact their licensed securities dealer (or other registered dealer in securities or custodian bank), which will instruct HKSCC Nominees to help make the necessary arrangements with Equiniti and the Transfer Agent. Such holder should expect to be issued with a share certificate in their own name in respect their M&G Shares within 15 business days of Equiniti receiving a valid instruction and all necessary documentation.

No charges will be payable by a legal or beneficial holder of M&G Shares for the above services. The helpline number will be available from 9.00 a.m. to 6.00 p.m. Hong Kong time Monday to Friday (except on public holidays) and will remain open until 31 December 2019. A Hong Kong holder of M&G Shares should call the helpline if they have questions or require other services in relation to their M&G Shares, including in relation to trading and setting up a CREST account.

5. Further questions?

If you have any additional questions in relation to this document or the Demerger, please contact the appropriate helpline as noted below.

The UK helpline will be operated by Equiniti and will be available on 0371 384 2731 (from inside the UK) or +44 121 415 0167 (from outside the UK). The helpline will be available from 8.30 a.m. to 5.30 p.m. UK time Monday to Friday (except public holidays in England and Wales) and will remain open until 15 November 2019. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes.

The Hong Kong helpline will be operated by Computershare Hong Kong and will be available on +852 2862 8646. The helpline will be available from 9.00 a.m. to 6.00 p.m. Hong Kong time Monday to Friday (except on public holidays) and will remain open until 31 December 2019.

Singapore Holders may also refer queries to CDP at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588 or by telephone on +65 6535 7511.

Enquiries regarding shares held in depository agent sub-accounts should be directed to the relevant depository agent or broker.

Prudential ADR Holders may refer queries relating to their accounts to the US Depository at JPMorgan Chase Bank, N.A, PO Box 64504, St. Paul, MN 55164-0504, USA. The telephone number is 800 990 1135 (from inside the US) or +1 651 453 2128 (from outside the US) and the website log-in at www.adr.com.

The helpline operators will not provide advice on the merits of the Demerger or give any legal, financial or taxation advice, for which you are recommended to consult your own legal, financial or taxation adviser. Alternatively, consult your stockbroker, bank manager, solicitor, accountant and/or other independent professional adviser.

For further information, please visit Prudential's website at www.prudentialplc.com.