



PRUDENTIAL

Prudential plc

英國保誠有限公司*

(Incorporated and registered in England and Wales under the number 01397169)

(Stock code: 2378)

Prudential plc Nomination Committee – Terms of Reference

1. Constitution

- 1.1 The Board of Directors hereby resolves to establish a Committee of the Board to be known as the Nomination Committee with the Terms of Reference as set out below.
- 1.2 The Board will regularly review the Terms of Reference and may amend them from time to time.

2. Purpose

- 2.1 The Committee shall be accountable to the Board and shall assist the Board in meeting its responsibilities to ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors as well as effective succession planning within the Company.

3. Authority

- 3.1 The Board authorises the Committee to investigate any matter within its Terms of Reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Committee) and to obtain outside legal or other independent professional advice at the cost of the Company including obtaining advice from third parties with relevant experience and expertise in connection with the matters within these Terms of Reference.
- 3.2 The Committee may, if it so wishes, use the same external advisers as are used by the management of the Company provided that the Committee is satisfied that no conflict of interest arises. The Committee should ensure that a statement of whether the advisers have any other connection with the Company is made available.
- 3.3 The Board further authorises the Committee to determine any other matter, which the Board shall advise the Committee is reserved to be determined by it.

4. Membership

- 4.1 The Chairman of the Committee shall be the Chairman of the Board unless the Committee is choosing a successor for the Chairman's role, in which case the Senior Independent Director will chair the Committee.
- 4.2 The members of the Committee shall be appointed by the Board and shall comprise the Chairman and no fewer than three independent Non-Executive Directors, one of whom should be the Senior Independent Director.
- 4.3 Other Directors may also attend as invited by the Committee. From time to time, the Head of Human Resources and other members of the executive team, or any other person the Chairman may deem appropriate, may also be invited to attend.

4.4 The Company Secretary or his nominee shall act as the Secretary of the Committee.

5. Meetings

5.1 The Committee shall meet as and when required and at least twice a year.

5.2 Minutes of Committee meetings shall be circulated to all members of the Committee and made available, upon request to the Chairman, to other members of the Board. The Chairman shall be responsible for reporting to the Board on the activities of the Committee.

5.3 The quorum shall be two unaffected members one of whom must (unless precluded by a conflict of interest) be the Chairman or the Senior Independent Director.

6. Duties

The Committee, in carrying out its duties under these Terms of Reference, shall:

6.1 have regard to the UK Corporate Governance Code, the Corporate Governance Code under Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd ("Hong Kong Corporate Governance Code") and statutory and regulatory obligations applicable to the Company, and any other relevant corporate governance codes; and

6.2 keep under review the leadership needs of the organisation.

Board Composition

6.3 regularly review the size, structure and composition, including the, knowledge, competence, experience and diversity, of the board make recommendations to the board with regard to any changes; and

6.4 review the results of the board performance evaluation process relating to the composition of the board and its committees.

Board Appointments

6.5 before making an appointment, evaluate the balance of, knowledge, competence, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;

6.6 be responsible for identifying and nominating candidates, based on merit and against objective criteria, for the approval of the Board to fill Board vacancies as and when they arise. In doing so, it should consider candidates from a wide range of backgrounds;

6.7 recommend to the Board the appointment of any Director to executive or other office other than to the positions of Chairman and Group Chief Executive, the recommendation for which would be considered at a meeting of the Board; and

6.8 recommend to the Board any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Group subject to the provisions of the law and their service contract.

Appointment of Executive Directors

6.9 in respect of an Executive Director proposed for the Board, consult with the Group Chief Executive (except in the context of the appointment of a new Group Chief Executive where the Chairman will determine whether or not to consult with the incumbent Group Chief Executive); and

6.10 recommend to the Board plans for succession for the Board keeping under review the leadership needs of the Group.

Appointment of Chairman

- 6.11 for the appointment of a Chairman, the Committee should prepare a job specification, including an assessment of the time commitment, recognising in particular the need for availability in the event of crises.

Appointment of Non-Executive Directors

- 6.12 regularly review the independence of the Non-Executive Directors and make recommendations to the Board with regard to any changes;
- 6.13 review annually the time required from a Non-Executive Director to fulfil the obligations of the position;
- 6.14 ensure that, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- 6.15 recommend to the Board the re-appointment of any Non-Executive Director at the conclusion of their specified term of office;
- 6.16 recommend to the Board the appointment or removal of any members of the Audit, Risk, Remuneration or Nomination Committees in consultation with the Chairmen of these committees; and
- 6.17 recommend to the Board the appointment of the Senior Independent Director.

Conflicts of Interest

- 6.18 review directorships and other positions held by any person being considered for appointment to the Board in either an Executive or a Non-Executive capacity;
- 6.19 review any proposed additional directorship or other position being considered by any existing Director;
- 6.20 consider whether, in the case of Non Executive Directors, such other appointments could impact the proposed Director's independence status or, in the case of all directors, give rise to an actual or potential conflict of interest;
- 6.21 consider and, where necessary, authorise on behalf of the Board any actual or potential situational conflicts, upon such terms and conditions as the Committee considers appropriate, arising out of a proposed new appointment, the changed circumstances of an existing appointment or that of a Director's connected person; and
- 6.22 in the case of specially material conflicts, make recommendations to the Board as to whether such a conflict(s) should be authorised, and if so, as to the terms and conditions on which any such authorisation should be given by the Board.

Governance matters

- 6.23 make a statement in the Annual Report about its activities detailing the process used for appointments (and providing an explanation if external advice or open advertising has not been used), the membership of the Committee, the number of Committee meetings, attendance over the course of the year and any matters relating to conflicts of interest which the Committee deems appropriate to include;
- 6.24 ensure that the Chairman is available at the Annual General Meeting to answer questions relating to the work of the Committee; and

6.25 make available its Terms of Reference explaining clearly its role and the authority delegated to it by the Board.

Approved by the Prudential plc Board on 12 December 2012.

** For identification purposes*