

## Part VII

### Additional Information

#### 1. Responsibility

The Directors of Prudential, whose names are set out in section 6 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of Prudential (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Incorporation

Prudential was incorporated as a private company on 1 November 1978 and re-registered as a public company limited by shares in England and Wales with registered number 1397169 on 20 January 1982 under the Companies Acts 1948 to 1980. The registered and head office of the Company is at Laurence Pountney Hill, London EC4R 0HH.

#### 3. Share capital

3.1 The following table shows the authorised and issued share capital of the Company at the date of this document, and the authorised and issued share capital of the Company following completion of the Rights Issue:

	Existing Ordinary Shares prior to the Rights Issue		Immediately following the Rights Issue	
	Number	£	Number	£
Authorised	3,000,000,000	£150,000,000	3,000,000,000	£150,000,000
Issued and fully paid	2,023,294,186	£101,164,709.30	2,360,509,883	£118,025,494.18

The Company also has the following authorised preference share capital: 2,000,000,000 Sterling Preference Shares of 1p each, 2,000,000,000 Dollar Preference Shares of US\$0.01 each and 2,000,000,000 Euro Preference Shares of €0.01 each. No preference share capital has been issued to date.

3.2 At the annual general meeting of the Company held on 8 May 2003, a resolution was passed that the authorised ordinary share capital of the Company be increased to £150 million by the creation of an additional 600 million Ordinary Shares.

At the annual general meeting of the Company held on 6 May 2004, resolutions were passed:

- (i) that the authority conferred on the directors by Article 12 of the Company's Articles of Association to allot generally and unconditionally relevant securities (as defined in section 80 of the Companies Act 1985) be renewed for a period expiring at the end of the next Annual General Meeting and for that period the section 80 amount in respect of the Company's Shares shall be £33,480,000;
- (ii) that the power conferred on the directors by Article 13 of the Company's Articles of Association to allot equity securities within the meaning of section 94 of the Companies Act 1985, up to a maximum nominal aggregate amount of £5,000,000 for cash including where such allotment constitutes an allotment by virtue of section 94(3A) of that Act, for cash as if section 89(1) of that Act did not apply to such allotment, be renewed for a period expiring at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed.

3.3 The Ordinary Shares are in registered form and are capable of being held in uncertificated form.

3.4 The following table shows the quoted middle market closing price for the Existing Ordinary Shares, as derived from the Official List for the first dealing day of each of the six months before the date of this document, and for 13 October 2004 (being the latest practicable date prior to the publication of this document):

Date	Price (pence)
4 May 2004	449.5
1 June 2004	444
1 July 2004	466
2 August 2004	452.25
1 September 2004	443.5
1 October 2004	461.5
13 October 2004	471.5

3.5 The Group has three employee share ownership trusts (the Prudential Employee Share Trust, the Prudential QUEST Limited and the Prudential Europe Assurance Holdings Trust). The Prudential Employee Share Trust and the Prudential Europe Assurance Holdings Trust purchase Ordinary Shares in the market and the Prudential QUEST Limited subscribes for Ordinary Shares from Prudential plc. All three employee share ownership trusts hold such Ordinary Shares for delivery to employees under some of the Prudential Share Schemes. As at 13 October 2004, being the latest practicable date prior to the publication of this document, the Prudential Employee Share Trust held 3,951,640 Ordinary Shares, the Prudential QUEST held 5,207,612 Ordinary Shares and the Prudential Europe Assurance Holdings Trust 3,533 Ordinary Shares. The Prudential QUEST Limited has waived their right to receive dividends payable on the Ordinary Shares held from time to time. The Prudential Employee Share Trust has waived their right to receive dividends payable on some of the Ordinary Shares held from time to time.

#### 4. Subsidiaries

The Company is the holding company of the Group. The following table shows the principal operating subsidiaries of the Company, being those which are considered by the Company to be most likely to have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of the Company. Save as indicated below, each of these companies is wholly-owned by a member of the Group and the issued share capital is fully paid. In addition, unless otherwise stated, each of these companies is registered in England and Wales:

	Nature of business	Issued Capital (million)
Jackson National Life Insurance Company*	Insurance	US\$13.8 and \$2,533.5 additional paid in capital
M&G Investment Management Limited*	Investment Management	£9.35
Prudential Annuities Limited*	Insurance	£550
The Prudential Assurance Company Limited	Insurance	£75.6
Egg Banking plc*	Banking	£719.5
Prudential Retirement Income Limited*	Insurance	£256.7
Prudential Assurance Company Singapore (Pte)* Limited	Insurance	Sing\$25.5

\* Owned by a subsidiary undertaking of the Company.

Egg Banking plc is a subsidiary of Egg plc, a listed subsidiary of the Company. The ordinary shares of Egg plc, of which there is only one class, are 79% owned by the Company and 21% owned by shareholders other than Prudential.

The registered address of Egg Banking plc is 1 Waterhouse Square, 138-142 Holborn, London EC1N 2NA. Prudential Retirement Income Limited is registered in Scotland, with its registered address at PO Box 25, Craigforth, Stirling FK9 4UE. The registered address of both Prudential Annuities Limited and of The Prudential Assurance Company Limited is 142 Holborn Bars, London EC1N 2NH. The registered address of M&G Investment Management Limited is Laurence Pountney Hill, London EC4R 0HH. Jackson National Life Insurance Company is registered in the United States, with its registered address at 1 Corporate Way, Lansing, Michigan 48951, the United States. Prudential Assurance Company Singapore (Pte) Limited is registered in Singapore, registered address 30 Cecil Street, 30-01 Prudential Tower, Singapore 049712.

## 5. Articles of Association

The Articles of Association of the Company (the "Articles") contain provisions, *inter alia*, to the following effect:

### (a) Voting rights

Subject to any rights or restrictions attached to any Shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every Share of which he is the holder. No member shall be entitled to vote at a general meeting of the Company or at any separate meeting of the holders of any class of shares in the capital of the Company either in person or by proxy in respect of Shares held by them unless all moneys payable by them in respect of any Share held by them have been paid.

### (b) Dividends and other distributions

Subject to the provisions of company legislation, the members of the Company may declare a final dividend in accordance with the respective rights of members by passing an ordinary resolution at a general meeting of the Company. No such dividend may exceed the amount recommended by the directors. The directors may at any time, and in accordance with the Companies Act, (i) recommend to shareholders that a final dividend be declared and recommend the amount of any such dividend, and (ii) pay a distribution by way of an interim dividend out of the profits of the Company if justified by the financial position of the Company in accordance with the respective rights of members. If the Board acts in good faith, it is not liable to holders of any shares conferring preferred rights for any loss arising from the lawful payment of a dividend on any shares having deferred or non-preferred rights.

Except as otherwise provided by the rights attached to Shares, all dividends shall be paid according to the amounts paid up on the Shares; but no amount paid on a Share in advance of the date on which a call is payable shall be treated as paid on the Share for these purposes. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid unless any Share is allotted on terms that it will rank for dividend as from a particular date.

The Board may at any time, and from time to time in its absolute discretion, direct that any dividend may be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate. The Directors may, in their absolute discretion, offer to members the right to elect to receive additional shares credited as fully paid instead of cash in respect of any dividend.

Any dividend unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain due for payment by the Company and the payment by the Board of any unclaimed dividend or other sum payable in respect of a Share into a separate account from the Company's own account shall not constitute the Company a trustee in respect of it.

### (c) Variation of rights

Subject to the provisions of company legislation, if the share capital of the Company is divided into different classes of shares, the rights of any class of shares may (unless otherwise provided by the terms of allotment of the shares of that class) be varied (whether or not the Company is being wound up) with the consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (such consent to be given by way of one or more instruments or contained in one or more electronic communications), or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. No business shall be conducted at a general meeting unless a quorum of two persons present in person or by proxy and entitled to vote is present.

### (d) Transfer of shares

Any member may transfer all or any of his certificated Shares by an instrument of transfer in any usual form or other form which the Board may approve signed by or on behalf of the transferor and (in the case of a partly-paid Share) the transferee. The transferor is deemed to remain the holder of such Share until the transferee's name is entered in the register in respect of it. The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a certificated share

which is not fully paid (provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis). The Board may also decline to register any transfer of a certificated Share unless the instrument of transfer:

- (i) is lodged with the Company accompanied by the certificate for the Shares to which it relates and such other evidence of the right of the transferor to make the transfer as the Board may reasonably require;
- (ii) is in respect of only one class of share; and
- (iii) in the case of a transfer to joint holders, is in favour of not more than four joint holders.

Uncertificated shares may be transferred in accordance with the Uncertificated Securities Regulations 2001 and the Directors may only refuse to register a transfer of title to such shares in circumstances referred to in those Regulations.

*(e) Alteration of Share Capital*

The Company may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subject to the provisions of company legislation, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Subject to the provisions of company legislation, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

*(f) Purchase of own shares*

The Company may also, subject to the provisions of company legislation and any rights attached to any class of shares, purchase any of its own shares of any class (including without limitation any redeemable shares) in any way and at any price (whether at par or above or below par).

*(g) Distribution of assets on a winding up*

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986:

- (i) divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members;
- (ii) vest the whole or any part of the assets in trustees for the benefit of the members; and
- (iii) determine the scope and terms of those trusts,

but no member shall be compelled to accept any asset on which there is a liability.

## **6. Directors**

The names of the directors of Prudential, their respective functions and ages and short biographical details in relation to each of them are set out below:

(Ages as at 15 October 2004)

### **Sir David Clementi MA FCA MBA**

Chairman. Aged 55. Chairman since 1 December 2002. In July 2003 he was appointed by the Secretary of State for Constitutional Affairs to carry out a review of the regulation of legal services in England and Wales. In February 2003 he joined the Financial Reporting Council. He is also a non-executive director of Rio Tinto plc, which he joined on 28 January 2003. From September 1997 to August 2002 he was Deputy Governor of the Bank of England. During this time he served as a member of the Monetary Policy Committee and as a non-executive director of the Financial Services Authority. From 1975 to 1997 he worked for the Kleinwort Benson Group, latterly as Chief Executive.

### **Jonathan Bloomer FCA**

Group Chief Executive. Aged 50. Appointed as a director in January 1995 and as Group Chief Executive in March 2000. He was previously Deputy Group Chief Executive and Group Finance Director. He is a non-executive director of Egg plc. He is also Chairman of the Practitioner Panel of the Financial Services Authority and a Board Member of the Association of British Insurers.

### **Philip Broadley FCA**

Group Finance Director. Aged 43. Appointed in May 2000. He is currently a member of the Insurance Advisory Group of the International Accounting Standards Board and the external advisory panel of the Morris Review of the Actuarial Profession. He is also President of the Przeworski Charitable Foundation, which has been established in Poland in recognition of former policyholders with whom the Company lost contact. Previously he was with the UK firm of Arthur Andersen where he became a partner in 1993. He specialised in providing services to clients in the financial services industry, including regulators and government agencies in the United Kingdom and the United States.

### **Michael Garrett**

Independent non-executive director. Aged 62. Appointed in September 2004. He is an Executive Vice President of Nestlé S.A., and member of the Executive Board. He has worked for Nestlé since 1961, becoming Head of Japan in 1990 and Director with responsibility for the Far East in 1993. He is a member of the Advisory Committee for an APEC (Asia-Pacific Economic Cooperation) Food System. He is Director of a number of listed Nestlé companies in Asia, Africa and the Middle East. He has been a member of the Supervisory Board of Cereal Partners Worldwide (a joint-venture between Nestlé and General Mills) since 1993.

### **Bridget Macaskill**

Independent non-executive director. Aged 56. Appointed in September 2003. She rejoined the Board of Prudential having previously resigned due to a potential conflict of interest in March 2001. She is a non-executive director of J Sainsbury plc. She was previously Chairman and Chief Executive Officer of OppenheimerFunds Inc, a major New York based investment management company.

### **Clark Manning**

Executive director. Aged 46. Appointed in January 2002. He is also President and Chief Executive Officer of Jackson National Life. He was previously Chief Operating Officer, Senior Vice President and Chief Actuary of Jackson National Life, which he joined in 1995. Prior to that he was Senior Vice President and Chief Actuary for SunAmerica Inc., and prior to that Consulting Actuary at Milliman & Robertson Inc. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

### **Michael McLintock**

Executive director. Aged 43. Appointed in September 2000. He is also Chief Executive of M&G, a position he held at the time of M&G's acquisition by Prudential in March 1999. He joined M&G in October 1992. He is also a non-executive director of Close Brothers Group plc.

### **Roberto Mendoza**

Independent non-executive director and Chairman of the Remuneration Committee. Aged 59. Appointed in May 2000. He is also the non-executive Chairman of Egg plc, a founding member of

Integrated Finance Limited and a member of the World Bank-IFC Bank Advisory Group. He was previously Vice Chairman and director of JP Morgan & Co, Inc., a non-executive director of Reuters Group Plc and the BOC Group plc, and a managing director of Goldman Sachs.

### **Mark Norbom**

Executive director. Aged 46. Appointed in January 2004. He is also Chief Executive, Prudential Corporation Asia. He was previously President and Chief Executive Officer of General Electric Japan, and a company officer of General Electric Company. He has spent the last 10 years with General Electric in Taiwan, Indonesia, Thailand and Japan. Prior to that, his career was with General Electric in various posts in the United States.

### **Kathleen O'Donovan**

Independent non-executive director. Aged 47. Appointed in May 2003. She is a non-executive director of EMI Group plc, Great Portland Estates PLC and the Court of the Bank of England. She is also Chairman of the Invensys Pension Fund. She was previously Finance Director at BTR and Invensys. Prior to that she was a partner at Ernst & Young.

### **James Ross**

Independent non-executive director since May 2004. Aged 66. He is also Deputy Chairman of National Grid Transco and holds non-executive directorships with McGraw Hill and Datacard in the United States and Schneider Electric in France. He is also Chairman of the Leadership Foundation for Higher Education. He was previously Chairman of the National Grid plc and Littlewoods plc. He was also Chief Executive of Cable & Wireless plc and President and Chairman and Chief Executive of BP America Inc, and a Managing Director of the British Petroleum Co plc.

### **Rob Rowley**

Senior Independent Non-executive Director and Chairman of the Audit Committee. Aged 55. Appointed in July 1999 (as an independent non-executive director), June 2000 (as Chairman of the Audit Committee) and December 2003 (as Senior Independent Director). He is executive Deputy Chairman of Cable & Wireless Public Limited Company, a non-executive director of Taylor Nelson Sofres plc and a non-executive director of Liberty International plc. He retired as a director of Reuters Group PLC in December 2001, where he was Finance Director from 1990-2000.

### **Mark Wood**

Executive director. Aged 51. Appointed in June 2001. He is also Chief Executive of Prudential Assurance, UK and Europe a position he has held since June 2001. In May 2002 he became a member of the Life Insurance Committee of the Association of British Insurers. He was previously Deputy Chairman of the ABI, Chief Executive of Axa UK plc (formerly Sun Life & Provincial Holdings plc) and Axa Equity and Law plc, and Managing Director of AA Insurance.

## 7. Directors' and other interests

7.1 The interests in the ordinary share capital of the Company of the Directors, as notified to the Company pursuant to sections 324 or 328 of the Companies Act or which are required to be entered in the register to be maintained under the provisions of section 325 of the Companies Act or which are interests of a person connected with a Director which interests, if such connected persons were Directors would be required to be disclosed pursuant to sections 324 or 328 of the Companies Act and the existence of which is known or could, with reasonable diligence, be ascertained by the Directors as at 13 October 2004 being the latest practicable date prior to the publication of this document, were and will subject as mentioned below, on completion of the Rights Issue, be as follows:

Director	Current Interests *		Interests immediately following the Rights Issue *	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
J W Bloomer <sup>1,2,3</sup>	795,468 <sup>5</sup>	—	795,468 <sup>5</sup>	
P A J Broadley <sup>1,2</sup>	24,007 <sup>6</sup>	—	26,605 <sup>6</sup>	
D C Clementi	14,242	—	16,615	
M W O Garrett	10,269	—	11,935	
B A Macaskill <sup>4</sup>	7,761	646	8,870	753
C P Manning <sup>4</sup>	23,862	—	23,862	
M G A McLintock <sup>1</sup>	98,508 <sup>7</sup>	—	98,508 <sup>7</sup>	
R G Mendoza <sup>4</sup>	110,106	—	127,981	
M Norbom <sup>1,3</sup>	557,074 <sup>8</sup>	—	557,074 <sup>8</sup>	
K A O'Donovan	6,477	—	7,556	
J H Ross	3,784	—	4,414	
R O Rowley <sup>2</sup>	34,240	—	38,357	
G M Wood <sup>1</sup>	126,679 <sup>9</sup>	—	126,679 <sup>9</sup>	

\* Options under the SAYE scheme and awards that remain conditional under the Restricted Share Plan are excluded. Except for J W Bloomer, M G A McLintock and G M Wood interests immediately following the Rights Issue are stated on the assumption that each Director takes up his/her full entitlement in respect of Ordinary Shares they beneficially own to subscribe for New Ordinary Shares under the Rights Issue. J W Bloomer, M G A McLintock and G M Wood anticipate selling sufficient of the rights to subscribe for the balance of the New Ordinary Shares to which they would then be entitled. As a consequence it is not possible prior to publication to determine their interests immediately following the Rights Issue and the figures are therefore the same as their current interests.

1. In respect of interests which represent options or awards under the Company's share schemes where the participant has the right, subject to certain time-related conditions, to obtain Ordinary Shares but does not have the right for the New Ordinary Shares attributable to those Ordinary Shares, the same number of Ordinary Shares is included under both the Current Interests and the Interests immediately following the Rights Issue. The Share awards may subsequently be adjusted in accordance with the terms of each respective award.
2. Directors who hold investments under PEP or ISA arrangements intend to take up their entitlements under the Rights Issue to the extent they are able. In respect of these arrangements, the same number of Ordinary Shares is shown under both the Current Interests and Interests immediately following the Rights Issue.
3. In respect of ADR holdings, the same number of Ordinary Shares is shown under both the Current Interests and Interests immediately following the Rights Issue.
4. As set out earlier in this document shareholdings with registered addresses in the United States are unable to take up their entitlements under the Rights Issue. B A Macaskill, C P Manning and R G Mendoza are affected by this and either no adjustment or only a partial adjustment to their interests immediately following the Rights Issue is shown.
5. Includes 103,610 Ordinary Shares awarded to Jonathan Bloomer under the 1997, 1998 and 1999 Restricted Share Plan where he has yet to exercise his right to receive shares. Jonathan Bloomer's interest in Ordinary Shares also includes 100 ADRs (representing 200 Ordinary Shares), 916 Ordinary Shares and 5,643 Ordinary Shares in PEPs.
6. Includes 5,681 Ordinary Shares awarded and deferred under the Annual Incentive Plan to Philip Broadley. Philip Broadley's interests also include 2,738 ISA Ordinary Shares.
7. Includes 50,776 Ordinary Shares awarded and deferred under the Annual Incentive Plan to Michael McLintock.
8. Includes 554,574 Ordinary Shares awarded under Mark Norbom's On-Appointment Share Award. Mark Norbom's interest in Ordinary Shares also includes 1,250 ADRs (representing 2,500 Ordinary Shares).
9. Includes 6,829 Ordinary Shares awarded and deferred under the Annual Incentive Plan to Mark Wood.

Taken together, the combined percentage interest of the Directors in the issued ordinary share capital of Prudential as at 13 October 2004 was approximately 0.09 per cent.

The interests of certain Directors in the share capital of Egg plc are shown below:

Director	Beneficial interest in Egg plc shares
J W Bloomer	9,092
P A J Broadley	2,610
R G Mendoza	300,000
R O Rowley	940

## 7.2 Long-term Incentive Plans

The table below shows the outstanding conditional awards made to the Directors under the Restricted Share Plan:

Director	Year of Award			Year of Vesting	
	2002	2003	2004	Earliest	Latest
J W Bloomer	177,110			2005	2012
		266,527		2006	2013
			401,708	2007	2014
P A Broadley	85,990			2005	2012
		127,653		2006	2013
			200,854	2007	2014
C Manning	107,086			2005	2012
		141,874		2006	2013
			186,995	2007	2014
M McLintock	30,292			2005	2012
		43,486		2006	2013
			64,274	2007	2014
M Norbom	—				
		—			
			190,811	2007	2014
M Wood	87,944			2005	2012
		131,861		2006	2013
			200,854	2007	2014

The 2000 conditional RSP award lapsed and no rights were granted after the performance period ending on 31 December 2002.

The 2001 conditional RSP award lapsed and no rights were granted after the performance period ending on 31 December 2003.

The table below shows rights granted under the Restricted Share Plan upon vesting prior to 31 December 2002 and not yet exercised.

Director	RSP Rights Outstanding	Exercise Date	
		Earliest	Latest
J W Bloomer	56,859	17 March 2000	17 March 2007
	38,581	2 April 2001	2 April 2008
	8,170	15 March 2002	15 March 2009

7.3 As at 13 October 2004 (the latest practicable date prior to the publication of this document), the following Directors have savings-related options to subscribe for Ordinary Shares in the Company:

Director	Number of Options	Exercise Price (p)	Earliest exercise date	Date of expiry
Jonathan Bloomer	2,247	751p	1 June 2005	30 November 2005
Philip Broadley	2,589	364p	1 June 2007	30 November 2007
Michael McLintock	5,866	280p	1 June 2008	30 November 2008
Mark Wood	2,835	648p	1 December 2008	31 May 2009



7.4 In addition to the awards set out in 7.2 and 7.3 above, the following Ordinary Shares are held under the Annual Incentive Scheme; Philip Broadley holds 5,681, Michael McLintock holds 50,776 and Mark Wood holds 6,829 Ordinary Shares. In addition Mark Norbom holds 554,574 Ordinary Shares under an Prudential On-Appointment Share Award. All the Ordinary Shares referred to in this section 7.4 are held in the Prudential plc Employee Share Trust.

#### 7.5 Employee Option Schemes

The number of Ordinary Shares over which options have been granted and remain outstanding under the Employee Option Schemes, including those of the Directors set out in section 7.3 above is:

Number of options	Exercise Price (p)	Option period ending in
370,179	404.6p-730p	2004
452,976	315p-759p	2005
6,057,504	280p-730p	2006
1,160,125	364p-751p	2007
3,966,298	280p-730p	2008
402,905	364p-648p	2009
873,034	280p-360p	2010
86,288	364p-380p	2011
49,238	360p	2012

All of the above options were granted for nil consideration.

7.6 The Directors are aware of the following interests (other than interests held by the Directors) which represent three per cent. or more of the issued ordinary share capital of the Company on 15 October 2004 (being the last practicable date prior to the publication of this document):

Shareholder	15 October 2004		Immediately following the Rights Issue*	
	No. of Ordinary Shares	Per cent. of Issued Ordinary Share Capital	No. of Ordinary Shares	Per Cent. of Issued Ordinary Share Capital
Fidelity Investments	77,255,787	3.82	90,131,751	3.82
Legal and General Investment Management Limited	81,326,380	4.02	99,880,776	4.02

\* Assuming each such Shareholder takes up in full their entitlement under the Rights Issue.

7.7 Save as disclosed above, the Directors are not aware of any person who is or will be immediately following Admission, directly or indirectly, interested in three per cent. or more of the issued ordinary share capital of the Company. The Directors are not aware of any person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

7.8 No Director has or has had an interest in any transactions which are or were unusual in their nature and conditions, or significant to the business of the Group and which were effected by the Company during the period from 1 January 2004 to the date of this document, or prior to 1 January 2004 to the date of this document which are outstanding or unperformed.

7.9 No Director has any outstanding loans granted by any Group Company (other than any loan granted in the ordinary course of business of that Group Company) and no Director benefits from any guarantee provided by any Group Company.

#### 8. Directors' service agreements and emoluments

The Chairman is paid fees of £450,000 per annum. He is paid a supplement for pension purposes. Benefits include participation in a medical insurance scheme, life assurance cover of four times his annual fees, and the use of a car and driver. The Chairman does not participate in any company incentive arrangements. The notice period for termination is 12 months from either party.

The following executive Directors have entered into service contracts the main terms of which are described below:

Name	Date of contract	Annual Salary
Jonathan Bloomer	5 March 1999	£ 800,000
Philip Broadley	12 April 2000	£ 500,000
Clark Manning	7 May 2002	US\$850,000
Michael McLintock	21 November 2001	£ 320,000
Mark Norbom	23 December 2003	£ 475,000
Mark Wood	5 October 2001	£ 500,000

The Remuneration Committee reviews the salaries of the executive Directors. The last review came into effect on 1 January 2004.

All executive Directors are employed by Prudential. The contracts of employment for executive Directors contain a 12 months notice period from the Company.

The remuneration of the executive Directors comprises an annual basic salary, an annual bonus depending on performance, participation in long term incentive plans which vest according to Prudential's performance and, in the case of executive Directors with regional or business sector responsibilities, long term incentive plans that depend on regional or business sector performance, together with pension arrangements and benefits.

Jonathan Bloomer, Philip Broadley, Mark Norbom and Mark Wood are eligible for awards of up to 110 per cent of their basic salary based on Group and individual performance, and, in the case of Mark Wood and Mark Norbom, the performance of their region. The award for on-target performance is 50 per cent of basic salary paid in cash. Michael McLintock participates in an annual bonus plan providing an on-target award of 300% of basic salary and a maximum award of 500% of basic salary based on the profits of M&G and group and individual performance. Any part of the annual incentive awards described above made for performance above on-target is made in Ordinary Shares which are released after three years (during which time dividends accumulate for his benefit) provided he is still employed by Prudential. Clark Manning participates in an annual bonus that provides for a percentage share of a bonus pool geared to the profits of Jackson National Life. In addition, his targets include elements that depend on Group and individual performance which provide 100% of basic salary for on-target performance with a maximum of 120% of basic salary. Clark Manning also participates in a US tax qualified all-employee profit sharing plan.

All executive Directors participate in the Restricted Share Plan under which rewards are based on Prudential's achievement of Total Shareholder Return relative to other companies in the FTSE 100 at the beginning of each three-year performance period. Annual grants of conditional awards of Ordinary Shares in the Company are held in trust for three years. At the end of each three-year performance period, a right to receive Ordinary Shares at no cost to the individual may be granted dependent on the Company's performance. To reflect their responsibilities for regions or sectors, Clark Manning, Michael McLintock, Mark Norbom and Mark Wood also participate in long-term incentive plans providing rewards contingent upon the performance of their region or sector.

Upon joining Prudential Mark Norbom was granted Prudential Share awards that will be released on various dates between 1 January 2005 and 20 February 2013 provided he remains in employment with the Company on the release dates.

Executive Directors receive certain benefits, principally the provision of a company car or an allowance for such purpose, participation in medical insurance schemes and, in some cases, security arrangements. Mark Norbom receives allowances relating to the expatriate nature of his assignment. These benefits are not pensionable.

#### **Directors' pensions**

Philip Broadley and Mark Wood are members of the Prudential Staff Pension Scheme (PSPS) which is a non-contributory defined benefit scheme. Michael McLintock is a member of the M&G Group Pension Scheme which is a contributory defined benefit scheme. Where these members' pension

entitlement is capped, they are entitled to salary supplements or contributions to other pension arrangements for provision related to basic salary above the statutory earnings cap. Jonathan Bloomer and Mark Norbom receive salary supplements related to basic salary. All UK based Directors are entitled to death benefits of four times basic salary and an additional amount related to dependants, broadly equivalent to the benefit under the Prudential Staff Pension Scheme. Mark Norbom is entitled to a death benefit of four times basic salary.

Clark Manning participates in a qualified 401k plan in the United States and receives life assurance cover of two times basic salary.

The Company provides certain protections for Directors against any personal financial exposure that they may incur as a result of the performance of their duties. In addition to standard Directors and Officers insurance, the Directors benefit from a discretionary payments policy (which covers, on a discretionary basis, any liability that might arise in situations where a director has acted in good faith and in accordance with his duties). As a further protection, certain individuals are provided with formal indemnity letters.

### 8.2 *Non-executive letter agreements*

All non-executive Directors have been appointed under letters of appointment by Prudential which may be terminated with 6 months' notice.

Name	Prudential plc fees (£'000s)	Egg plc fees (£'000s)	Total fees (£'000s)
M W O Garrett	50	n/a	50
B A Macaskill	50	n/a	50
R G Mendoza*	70	75	145
K A O'Donovan	55	n/a	55
J H Ross	55	n/a	55
R O Rowley	90	n/a	90

\* Mr Mendoza has waived the last increase of £10,000 p.a. in the fee payable to him in his capacity as Chairman of the Remuneration Committee and as a result receives a fee of £60,000 p.a. in respect of Prudential.

The non-executive directors use the net value of £25,000 of their total annual Prudential fees to purchase Ordinary Shares in the Company on a quarterly basis. These shares will be held at least until retirement from the board. No benefits are provided for non-executive Directors.

8.3 Save as set out above, there are no service agreements existing between any of the Directors and the Company or any of its subsidiaries.

8.4 The total aggregate of the remuneration paid and benefits in kind granted to the Directors by members of the Group during the year ended 31 December 2003 was approximately £7.7 million (including pension contributions).

## 9. Directorships and Partnerships

9.1 Save as set out below, no directorships of any company, other than of the Company and its subsidiaries, has been held or occupied during the previous five years by any of the Directors, nor during that period has any of the Directors been a partner in a partnership, save as set out below:

Director	Current directorships/ partnerships	Former directorships/partnerships
J W Bloomer	Egg Banking plc Egg plc Holborn Finance Holding Company Prudential Services Limited Prudential Two Limited The Prudential Assurance Company Limited Board Member of the Association of British Insurers Chairman of the Practitioner Panel of the Financial Services Authority Governor Caterham School Member of the Finance Committee of the NSPCC	Holborn Delaware Corporation Prudential MG Limited (Liquidated) The Standard Trust Limited Railtrack Group plc
P A J Broadley	Prudential Finance (UK) Public Limited Company Prudential Process Management Services Private Limited Prudential Staff Pensions Limited The Prudential Assurance Company Limited Eastbourne College (Incorporated) Stichting CFO Forum Foundation President of the Przewornosc Charitable Foundation	Arthur Andersen Prudential (Netherlands) BV
D C Clementi	Rio Tinto Limited Rio Tinto plc Thornhill Flats Management Limited Member of the Financial Reporting Council	Bank of England Nominees Limited BE Property Holdings Limited Deputy Governor of the Bank of England Grand View, Burlington Road Limited The Accountancy Foundation Limited The Financial Services Authority
M W O Garrett	Nestlé India Bhd Nestlé (Malaysia) Bhd Nestlé Milkpak Ltd Nestlé Nigeria PLC Osem Investments Limited	
B A Macaskill	J Sainsbury plc MAC (Scotland) Limited TIAA-CREF	Harbourview Asset Management Corp Oppenheimer Acquisition Corp Oppenheimer Funds Legacy Program Oppenheimer Millennium Funds Inc Oppenheimer Partnership Holdings Inc Oppenheimer Real Asset Management Inc Oppenheimer Shareholder Services Inc Oppenheimer Funds Inc Oppenheimer Funds International Limited Shareholder Financial Services Inc

<b>Director</b>	<b>Current directorships/ partnerships</b>	<b>Former directorships/partnerships</b>
C P Manning	Brooke Life Insurance Company Jackson National Life Insurance Company PPM America, Inc. PPM Finance, Inc. PPM Holdings, Inc. Fellow of the Society of Actuaries Member of the American Academy of Actuaries	
M G A McLintock	Charities Investment Managers Limited M&G Group Limited M&G Investment Management Limited M&G Limited PPM Ventures (Holdings) Limited Prudential Property Investment Managers Limited Close Brothers Group plc Investment Management Association	M&G Financial Services Limited M&G Life Assurance Company Limited M&G Pensions and Annuity Company Limited M&G Securities Limited PPM Ventures Limited Prudential MG Limited (Liquidated) The First British Fixed Trust Company Limited CoFunds Holdings Limited
R G Mendoza	Egg Banking plc Egg plc Founder Member of Integrated Finance Limited (formerly Hancock, Mendoza, Dachille & Merton) Manhattan Theatre Club Member of the World Bank-IFC Bank Advisory Group Trustee of the London Symphony Orchestra	ACE Limited J P Morgan & Co Inc Morgan Guaranty Trust Company of New York Repertorio Espanol REUTERS Group PLC The BOC Group PLC Vitro SA
M Norbom	Prudential Holdings Limited Prudential Corporation Asia Limited Prudential ICICI Asset Management Company Limited ICICI Prudential Life Company Limited CITIC Prudential Life Insurance Company Limited	General Electric Japan, Limited GE Plastics Japan Limited GE Toshiba Silicones Co. Limited GE Capital Leasing Co. GE Edison Life Insurance Co. The American School in Japan
K A O'Donovan	EMI Group Plc EMI Group Senior Executive Pension Scheme Trustee Limited Great Portland Estates P.L.C. Invensys Pension Trustee Limited Non-executive director of the Court of the Bank of England	AA Seven Limited BTR International Limited Brook Crompton Limited Brook Hansen (International) Limited Brook Motors Limited BTR Industries Limited Crompton Parkinson International Limited Crompton Parkinson Limited Crompton Parkinson Motors Limited Dunlop Plantations Limited Electrodrives Limited Hawker Siddeley Finance Limited Hawker Siddeley Group Limited Hawker Siddeley Holdings Limited Hawker Siddeley International Limited Hawker Siddeley Management Limited Hawker Siddeley Power (Peterborough) Limited (dissolved 03/04/01)

Director	Current directorships/ partnerships	Former directorships/partnerships
J H Ross	Datacard Inc McGraw Hill Companies Inc National Grid Transco plc Schneider Electric S.A. The Leadership Foundation for Higher Education The Sherborne School Foundation	Hawker Siddeley Power Engineering Limited Hawker Siddeley Power Plant Limited Invensys International Holdings Limited Invensys plc Linkcable Limited (dissolved 12/06/01) Silvertown Rubber Company Limited Sorbo Twenty-Two Limited (dissolved 12/06/01) Westinghouse Brake and Signal Holdings Limited Westinghouse Rail Systems Limited  Littlewoods Limited Liverpool Biennial of Contemporary Art Limited Liverpool Vision National Grid Holdings One plc NGG Telecoms Limited North West Business Leadership Team Limited The Classical Opera Company
R O Rowley	Cable and Wireless Public Limited Company Liberty International Plc Taylor Nelson Sofres Plc TSTT — Telecommunications Services of Trinidad and Tobago Limited	Reuters Business Services Ltd Reuters Funds Investments Limited Reuters Group Overseas Holdings (UK) Limited REUTERS Group PLC Reuters Holdings Limited Reuters Investments Limited Reuters Limited Reuters Nominees Limited Reuters Pension Fund Limited Reuters SPS Trustee Limited Rhinanthus Limited RRP Pension Trustee Limited RVCAPITAL Limited UK eUniversities Worldwide Ltd
G M Wood	Prudential Annuities Limited Prudential Retirement Income Limited The Prudential Assurance Company Limited Scottish Amicable Board Amesbury School Trust Limited Chairman of the Board of Trustees of Amesbury School Association of British Insurers Life Insurance Committee Deputy Chairman of the NSPCC	Prudential (AN) Limited Prudential Corporate Pensions Trustee Limited Prudential Europe Assurance Holdings plc Prudential Europe Management Services Limited Prudential Financial Services Limited Prudential Group Pensions Limited Prudential Holborn Life Limited Prudential International Assurance plc Prudential Nominees Limited Prudential Pensions Administration Limited Prudential Pensions Limited Prudential Pensions Trustees Limited Prudential UK Intermediaries Limited Prudential UK Services Limited SALI Management Services Limited Scottish Amicable Investment Managers Limited

**Director****Current directorships/ partnerships****Former directorships/partnerships**

Scottish Amicable ISA Managers Limited  
Scottish Amicable Life plc  
Scottish Amicable Unit Trust Managers Limited  
The Standard Trust Limited  
Association of British Insurers  
Atlas Assurance Company Limited  
AXA (Cardiff) Limited  
AXA Direct Insurance Limited  
AXA Direct Limited  
AXA General Insurance Limited  
AXA Insurance plc  
AXA Insurance UK plc  
AXA Investment Managers UK Holdings Limited  
AXA Ireland Limited  
AXA Nordstern Art Insurance Limited (now called AXA Art Insurance Limited)  
AXA Online Limited  
AXA PPP healthcare group plc  
AXA PPP healthcare limited  
AXA Services Limited  
AXA Shared Services Limited (now called AXA Technology Services UK Ltd)  
AXA Sun Life Holdings Public Limited Company  
AXA Sun Life plc  
AXA Sun Life Services plc  
AXA Technology Services UK Limited  
AXA UK plc  
AXA-GRE Europe Investments Limited  
British Equitable Assurance Company Limited  
Caledonian Insurance Company Limited  
Denplan Bournemouth Limited  
Denplan Limited  
Guardian Assurance plc  
Guardian Health Limited  
Guardian Investment Holdings Limited  
Guardian Linked Life Assurance Limited  
Guardian Royal Exchange plc  
Lost Wax Media Limited  
Orion Personal Insurances Limited  
PPP lifetime care plc  
Sun Life and Provincial Quest Trustee Company Limited  
Sun Life Assurance Society plc  
Sun Life Corporation plc  
Sun Life Pensions Management Limited  
Sun Life Unit Assurance Limited  
The Royal Exchange Assurance  
Property Crime Reduction Action Team

9.2 At the date of this document, no Director:

- (i) has any unspent convictions in relation to any indictable offences;
- (ii) has been bankrupt or entered into an individual voluntary arrangement;

- (iii) save as disclosed in this section 9.2 was a director with an executive function of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (iv) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (v) has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
- (vi) has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

Mr Mendoza was a director of Banco Español de Credito ("Banesto") from 25 June 1993 to December 1993. This appointment was at the nomination of Corsair Partnership, L.P., a private investment partnership of which a wholly-owned subsidiary of J.P. Morgan is the general partner. In December 1993 the Bank of Spain removed the board of directors and certain senior officers of Banesto and subsequently initiated an administrative proceeding alleging mismanagement and violations of law. These allegations relate to conduct and actions that occurred prior to 30 June 1993 or to financial information that was submitted to the Bank of Spain by Banesto without Mr Mendoza's knowledge. The Spanish Minister of Finance has approved the imposition of fines of E85,000 on, amongst others, Mr Mendoza. Mr Mendoza has appealed to the Spanish courts and Spanish counsel to Mr Mendoza believe his appeal has a strong likelihood of success.

Mark Wood was appointed managing director of Atlantic Computers plc (ACP) on 28 March 1990. The appointment was made to enable an objective assessment of ACP and an appropriate strategy to be implemented as soon as possible. Following the report from Mr Wood, it was clear that ACP could no longer be supported and it was placed into administration under the Insolvency Act on 16 April 1990. An investigation into the affairs of ACP and its principal UK subsidiary, Atlantic Computer Systems plc under section 432(2) of the Companies Act 1985 was commenced on 15 June 1990. The DTI report was published on 22 April 1994 and mentions Mark Wood.

## 10. Underwriting Arrangements

Pursuant to the underwriting agreement dated 19 October 2004 between the Company and the Underwriters (the "Underwriting Agreement") the Underwriters have agreed, subject to the terms and conditions set out in the Underwriting Agreement, severally to procure subscribers for, or failing which themselves to subscribe, New Shares not taken up under the Rights Issue, in each case at the Issue Price.

In consideration of their services under the Underwriting Agreement each of the Underwriters will be paid (together with any applicable value added tax) (i) a commitment commission of 0.20% of the value at the Issue Price of its proportionate share of the number of New Shares (the "Relevant Value"); (ii) a commission of 0.125% of the Relevant Value for each period of seven days (or part of seven days) after the first thirty days of the Underwriters' commitment from (and including) the date of the Underwriting Agreement to (and including) the third Dealing Day after the Acceptance Date or, if earlier, the date on which the Underwriters' obligations under the Underwriting Agreement cease; and (iii) if the Underwriting Agreement becomes unconditional and is not terminated in accordance with its terms prior to Admission, a further commission of 1.5% of the Relevant Value.

Out of such commissions the Underwriters will pay any sub-underwriting commissions (to the extent that sub-underwriters are or have been procured).

The Company will pay all costs and expenses of, or in connection with, the Rights Issue, the allotment and issue of the New Shares and the Underwriting Agreement including, but not limited to, the UK Listing Authority's and the London Stock Exchange's listing and trading fees, printing and advertising costs, the Receiving Agent's charges, the Company's legal and other out-of-pocket expenses, the Underwriters' out-of-pocket expenses (other than legal expenses), all accountancy and other professional fees and all related value added tax, if applicable.

The Company has given certain customary representations and warranties to the Underwriters and, in addition, has given the Underwriters certain customary indemnities in relation to certain liabilities they may incur in respect of the Rights Issue. In addition, the obligations of the parties to the Underwriting



Agreement are subject to certain conditions that are typical for an agreement of this nature. These conditions include, amongst others:

- (a) Admission taking place not later than 8.00 a.m. on 20 October 2004 or such later time and/or date (not later than 27 October 2004) as the Company may agree with the Underwriters;
- (b) each condition to enable the admission of both the Nil Paid Rights and the Fully Paid Rights to CREST (other than Admission) being satisfied on or before 20 October 2004.

The Underwriters have the right to terminate the Underwriting Agreement prior to Admission in certain specified circumstances that are typical for an agreement of this nature. These include, amongst others:

- (a) if any of the representations, warranties and undertakings in the Underwriting Agreement is not or has ceased to be true and accurate by reference to the facts and circumstances subsisting at that time;
- (b) if there has been a breach by the Company of any of its other obligations contained in the Underwriting Agreement, which an Underwriter, acting in good faith, considers to be material in the context of the Rights Issue or Admission, or if it comes to the notice of an Underwriter that any statement in this document or in certain other documents relating to the Rights Issue is or has become untrue, incorrect or misleading in any material respect or any matter has arisen, which would, if the Rights Issue was made at that time, constitute a material omission from this document or certain other documents relating to the Rights Issue and in each case such Underwriter, acting in good faith, considers this to be material and adverse in the context of the Rights Issue or Admission; or
- (c) upon the occurrence of, amongst other things, any changes in shareholders' equity or shareholders' funds (achieved profits basis) of the Company or any member of the Group or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), prospects, earnings, solvency, credit ratings, business affairs, management or operations of the Group taken as a whole, whether or not arising in the ordinary course of business, the effect of which is, in the judgement of the Underwriters, so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Issue; or
- (d) upon the occurrence of any of the following: (i) a suspension or material limitation in trading in securities generally on the London Stock Exchange or the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the London Stock Exchange or the New York Stock Exchange; (iii) a general moratorium on commercial banking activities in London or New York declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in the United Kingdom or the United States; (iv) the outbreak or escalation of hostilities involving the United Kingdom or the United States or the declaration by the United Kingdom or the United States of a national emergency or war; or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls in the United Kingdom, the United States or elsewhere, if the effect of any such event specified in sub-clauses (iv) or (v) in the judgment of any of the Underwriters or any of the Joint Sponsors makes it impracticable or inadvisable to proceed with the Rights Issue or will be to prejudice dealings in the Nil Paid Rights or in the Ordinary Shares.

The Directors are mindful of the Competition Commission's recommendations with regard to competitive tendering of sub-underwriting commissions. However, the Directors believe that by virtue of the size of the fund raising such a process would be unlikely to result in any significant benefit to the Company and that the commissions being offered to sub-underwriters under the Rights Issue are competitive and, as such, have not sought to offer the sub-underwriting for tender as to commissions payable.

## **11. Material Contracts**

Save as set out below, no contracts (being contracts entered into in the ordinary course of business) (i) have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this document and are, or may be, material or (ii) contain a provision

under which the Company or another member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

- 11.1 the Underwriting Agreement described in section 10 above;
- 11.2 an agreement entered into between Prudential Assurance Company and Winterthur Swiss Insurance Company ("Winterthur") on 2 November 2001 to transfer the UK general insurance business of Prudential Assurance Company Limited to Winterthur and Churchill Management Limited. The consideration was approximately £353 million, and there was also a release of the capital employed to support the general insurance business and through certain commission and profit share arrangements. The agreement contains warranties and limitations on liability which are usual for an agreement of this type. Prudential Assurance Company Limited's liability under this agreement was capped at £25 million. The time limit for making a claim in respect of a breach of warranty has expired in respect of all warranties other than those which relate to tax (the time limit for which expires in 2009);
- 11.3 Pursuant to an Underwriting Agreement dated 30 July 2004 and a Pricing Agreement of even date made between the Company and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Inc. the Company issued US \$250,000,000 6.75% Perpetual Subordinated Capital Securities. The Capital Securities were issued at a 100 per cent. of their principal amount. The Company paid to the Underwriters commission in respect of their underwriting services of 3.15 per cent. of the principal amount of the Capital Securities and also agreed to reimburse the underwriters for certain of their expenses. The Underwriting Agreement contained representations and warranties given by the Company (and indemnities in respect of breaches thereof); and
- 11.4 Pursuant to a Subscription Agreement dated 18 June 2003 made between the Company and Citigroup Global Markets Limited, Goldman Sachs International, UBS Limited, BNP Paribas, HSBC Bank Plc, The Royal Bank of Scotland plc, Bank of China (Hong Kong), Cazenove & Co. Ltd and Standard Chartered Bank the Company issued US\$1,000,000,000 6.50 per cent. Perpetual Subordinated Capital Securities at a subscription price of 100 per cent. of their principal amount in return for a commission of 2 per cent. of the principal amount of the Capital Securities in respect of underwriting services and an amount on account of the costs and expenses of the Issue. The Agreement contained representations and warranties on the part of the Company (together with indemnities in respect of breaches thereof).

## 12. Taxation

### 12.1 UK taxation

**The following comments are intended as a general guide only to the UK tax position as at the date of this document and are based on the Company's understanding of current United Kingdom legislation and published Inland Revenue practice, both of which are subject to change at any time, possibly with retrospective effect. These comments deal only with the position of Qualifying Shareholders who are resident or ordinarily resident in the United Kingdom (for UK tax purposes), who are the beneficial owners of their New Shares and who hold their New Shares as an investment (and not as securities to be realised in the course of a trade). They do not deal with the position of certain classes of shareholders, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes.**

#### *Dividends*

No amounts in respect of tax will be withheld at source from dividend payments made by the Company.

Where the Company pays a dividend, a holder of a New Share who is an individual and who receives that dividend will be entitled to a tax credit equal to one-ninth of the dividend. The individual will be taxable on the total of the dividend and the related tax credit, which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to income tax in respect of the dividend, unless and except to the extent that the dividend and the related tax credit fall above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the dividend and the related tax credit calculated as 32.5 per cent. of the aggregate of the dividend and tax credit, less the related tax credit. So, for example, a dividend of £80 will carry a tax credit of £8.89 (one-ninth of £80) and to the extent that the dividend and the related tax

credit fall above the threshold for the higher rate of income tax, a taxpayer would be taxable on £88.89 (£80 plus £8.89) at 32.5 per cent. i.e. £28.89 less a credit of £8.89, leaving a tax charge of £20. There will be no entitlement to claim payment of the tax credit or any part of it to an individual whose liability to income tax on the dividend and the related tax credit is less than the tax credit.

A holder of New Shares who is a trustee of a discretionary or accumulation trust, who is resident (for tax purposes) in the United Kingdom and who receives a dividend paid by the Company will be taxable on the total of the dividend and the related tax credit at the "Schedule F trust rate", which is currently 32.5 per cent. of the aggregate of the dividend and the tax credit, less the related tax credit.

A holder of New Shares which is a company resident for UK tax purposes in the UK and which receives a dividend paid by the Company will not generally be taxable on the dividend but will not be entitled to the payment of any tax credit with respect to the dividend.

#### *Taxation of chargeable gains*

For the purpose of UK taxation of chargeable gains, the issue of the New Shares will be regarded as a reorganisation of the share capital of the Company.

Accordingly, a Qualifying Shareholder will not be treated as making a disposal of his corresponding holding of Existing Shares to the extent he takes up his rights to New Shares. No immediate liability to UK taxation of chargeable gains in respect of the New Shares should arise if he takes up his entitlement to New Shares in full.

The New Shares will be treated as the same asset as, and as having been acquired at the same time as, the Existing Shares. The subscription money for the New Shares will be added to the base cost for a Qualifying Shareholder's existing holding.

In the case of a Qualifying Shareholder within the charge to corporation tax, indexation allowance will apply to the amount paid for the New Shares only from, generally, the date the money for the New Shares is paid or is liable to be paid, not from the time the original holding was acquired.

In the case of other Qualifying Shareholders, indexation allowance will not be given for any month after April 1998. Accordingly, for such a Qualifying Shareholder, indexation allowance on his original holding of Shares will be given for months up to April 1998, but not after that, and indexation allowance will not be given in respect of amounts paid for the New Shares. Instead, indexation allowance has been replaced by a taper relief which will reduce the amount of any chargeable gain realised on a subsequent disposal of an individual's shareholding according to how long the shares have been held since 6 April 1998 or since the shares were acquired, whichever is the later.

If a Qualifying Shareholder sells or otherwise disposes of all or part of the New Shares allotted to him, or of his rights to subscribe for New Shares or if he allows or is deemed to allow his rights to lapse in return for a cash payment, he may, depending on his circumstances, incur a liability to UK taxation on chargeable gains. If the proceeds resulting from the disposal or lapse of rights are "small" compared with the value of the Shares in respect of which the rights arose, a Qualifying Shareholder should not normally be treated as making a disposal for the purposes of UK taxation of chargeable gains, no immediate liability to chargeable gains will arise and the proceeds will be deducted from the base cost of his existing holding for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal. The Inland Revenue currently regard a receipt as "small" if its amount or value is 5 per cent. or less of the market value (on the date of disposal or lapse) of the Shares in respect of which the entitlement to the receipt arose, or if its amount or value is £3,000 or less, regardless of whether or not it is more than 5 per cent. of the market value (on the date of disposal or lapse) of the Shares in respect of which the rights arose.

#### *Stamp duty and stamp duty reserve tax ("SDRT")*

Subject to the points in the following sections, no stamp duty or SDRT will generally be payable on the issue of PALs or split letters of allotment or on the issue of definitive share certificates in respect of the New Shares or the crediting of Nil Paid Rights to accounts in CREST. Where New Shares represented by such documents or rights are registered in the name of the original shareholder entitled to such shares or New Shares are credited in uncertificated form to CREST accounts, no liability to stamp duty or SDRT will arise.

The purchaser of rights to New Shares represented by PALs or split letters of allotment (whether nil paid or fully paid) or Nil Paid Rights or Fully Paid Rights held in CREST on or before the latest time for registration of renunciation will not generally be liable to pay stamp duty, but the purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the actual consideration paid. Where such a purchase is effected through a stockbroker or other financial intermediary that person will normally account to the Inland Revenue for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Shares represented by PALs or a split letter of allotment or Nil Paid Rights or Fully Paid Rights is liable to pay the SDRT and must account for it to the Inland Revenue, except that CRESTCo will collect and account to the Inland Revenue for any SDRT payable in respect of the transfer of Nil Paid Rights or Fully Paid Rights held in CREST. No stamp duty or SDRT will be payable on the registration or renunciation of PALs or split letters of allotment or Nil Paid Rights, whether by the original holder or his renounee.

Any dealings in New Shares after the latest time for registration of renunciation of PALs fully paid will be subject to stamp duty or SDRT in the normal way. An instrument effecting the conveyance or transfer on sale of New Shares will usually be subject to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up if necessary to the nearest multiple of £5) of the amount or value of the consideration paid. Stamp duty is normally paid by the purchaser. A charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid for the New Shares will arise in relation to an unconditional agreement to transfer New Shares. However, if within six years of the date of the agreement (or, if the agreement was conditional, of the date the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and stamp duty is duly paid on that instrument, the stamp duty will normally cancel, or give rise to a right to a repayment in respect of, the SDRT liability. SDRT is normally the liability of the purchaser.

A charge to stamp duty or SDRT at a higher rate of 1.5 per cent. of the consideration payable, or in some circumstances, the value of the New Shares, (rounded up in the case of stamp duty to the nearest £5) may arise on a transfer or issue of New Shares to, or to a nominee for, certain persons providing clearance services or to, or to a nominee or agent for, certain persons whose business is, or includes, issuing depository receipts.

There will be no stamp duty or SDRT on a transfer of New Shares into CREST where such a transfer is made for no consideration. A transfer of New Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the system.

The above statements are intended as a general guide to the current stamp duty and stamp duty reserve tax position. Certain categories of person, including market makers, brokers, dealers and persons connected with depository arrangements and clearance services, are not liable to stamp duty or stamp duty reserve tax and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

For the avoidance of doubt, neither Prudential nor the Underwriters will be liable to Shareholders or their successors, renounees or assignees for any stamp duty or SDRT arising pursuant to the Rights Issue or otherwise.

## 12.2 *United States Taxation*

The following is a general summary of the material US federal income tax effects of the Rights Issue for a Shareholder that is a citizen or resident of the United States or a domestic corporation or otherwise subject to US federal income tax on a net income basis in respect of the shares and receives rights pursuant to the Rights Issue. You should review the tax section of our Annual Report on Form 20-F if you have questions about the tax treatment of an investment in our shares generally.

Your tax treatment can be affected by your individual circumstances. For example, special rules may apply if you are resident or engaged in business in another country, if you maintain a functional currency other than the US dollar, if you are subject to the alternative minimum tax, if you hold shares in connection with a conversion transaction, or if you are an insurance company, a tax-exempt organization, a financial institution, a securities dealer or a trader that marks securities to market. This

summary does not discuss these special rules. The summary is based on the US federal income tax rules in force on the date of this document, all of which are subject to change, possibly with retroactive effect. The summary does not discuss any state, local or non-US tax rules. **You should consult your own tax advisers regarding the tax treatment of the Rights Issue in light of your particular circumstances.**

#### *Allocation of Rights*

You will not be subject to US federal income taxation when you receive rights pursuant to the Rights Issue.

#### *Basis in the Rights*

Your basis in the rights normally will be zero.

You may elect to allocate your basis in the Shares between those Shares and the rights based on their fair market values on the date of the Rights Issue. You will be required to make such an allocation if the rights are worth more than 15% of the fair market value of the Shares on that date. If you make such an allocation, it will affect the tax treatment of your exercise or sale of rights. The allocation will be disregarded if you allow a right to expire. You will not recognise loss, and your basis in your Shares will not change, when a right expires unexercised.

#### *Holding Period for the Rights*

Your holding period with respect to the rights will be the same as your holding period for the Shares with respect to which the rights were allocated.

#### *Adjustments to Subscription Price or Conversion Ratio*

Adjustments to the subscription price or the conversion ratio of the rights, or the failure to make such adjustments, may result under certain circumstances in the receipt of taxable constructive dividends by holders of the rights.

#### *Exercise of Rights*

The exercise of a right will not be a taxable transaction for US federal income tax purposes.

The basis of New Shares acquired by exercising rights will equal the sum of the US dollar equivalent of the subscription price and your basis, if any, in the rights. The holding period of the New Shares so acquired will begin on the date you exercise the rights.

#### *Sale of Rights*

If you sell your rights or if your rights are sold on your behalf, you will recognise gain or loss in the same manner as you would if you were to sell any other asset. If you are an individual, you may qualify for the preferential rates applicable to capital gains if your holding period for the rights is more than one year.

#### *Information Reporting and Backup Withholding*

Proceeds from the sale of rights may be subject to information reporting to the Internal Revenue Service. In addition, a US backup withholding tax may be imposed on specified payments to persons that fail to furnish required information. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. Any US persons required to establish their exempt status generally may do so by filing Internal Revenue Service Form W-9, entitled Request for Taxpayer Identification Number and Certification.

### *12.3 Irish Taxation*

#### *Taxation of Resident or Ordinarily Resident Irish Shareholders*

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of shares. This summary deals only with shares held as capital assets by Qualifying

Shareholders who are resident or ordinarily resident in Ireland for Irish tax purposes, and does not address specific classes of shareholders such as dealers in securities. This summary is not exhaustive and Shareholders are advised to consult their own tax advisers with respect to the taxation consequences of their ownership or disposition of Shares. The summary is based on current Irish taxation legislation and published practices of the Revenue Commissioners in Ireland, both of which are subject to change at any time.

#### *Taxation of Dividends*

Unless exempted, an Irish resident or ordinarily resident Shareholder will be liable to Irish tax on the amount of any dividend received. Whether any credit will be available against Irish tax on the dividend received in respect of United Kingdom taxation will depend on the terms of both Irish tax law and the Ireland/United Kingdom Double Tax Treaty and the particular circumstances of the Shareholder. No such credit is currently available. A charge to Irish social security taxes/levies can also arise for individual Shareholders on the amount of any dividend received from the Company.

#### *Capital Gains Tax/Corporation Tax on Chargeable Gains*

Irish resident or ordinarily resident Shareholders will be liable to Irish tax on capital gains arising on the disposal of Shares in the Company. The capital gain will generally be calculated by reference to the difference between the purchase price and sale price. The usual indexation relief and other reliefs and allowances may be available in computing the liability of the Shareholder.

The disposal of all or part of an entitlement under the Rights Issue by an Irish resident or ordinarily resident Shareholder may give rise to a charge to Irish tax in respect of any capital gain arising on the disposal.

Any New Shares allotted to a Shareholder under the Rights Issue will be added to its/his/her Existing Shares in the Company to form a single holding of shares. The new holding of Shares will, for the purpose of Irish taxation on capital gains, be treated as the same asset as the existing holding and acquired at the same time as the existing holding. The base cost of the existing holding will be deemed to have been increased by the amount paid for the New Shares. However, indexation relief will not be available for the amount paid for the New Shares as it will be regarded for those purposes as having been incurred on the date on which it is paid, and indexation relief was abolished for expenditure incurred on or after 1 January 2003.

#### *Stamp Duty*

Transfers for cash of Shares will not be subject to Irish stamp duty.

#### *Capital Acquisitions Tax*

A gift or inheritance comprising of Shares in the Company will be within the charge to capital acquisition tax if either the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor).

#### *12.4 Australian Taxation*

The following comments are provided only as a general guide to the Australian income tax consequences for Australian resident Qualifying Shareholders who participate in the Rights Issue.

As the circumstances of Australian resident Qualifying Shareholders will vary, the Australian income tax consequences of exercising or selling the Nil Paid or Fully Paid Rights offered in this document may also vary. Accordingly, Australian resident Qualifying Shareholders should seek independent taxation advice in relation to their individual tax position.

The following comments deal only with the position of Qualifying Shareholders who will hold their Nil Paid or Fully Paid Rights or New Shares as capital assets. The commentary does not deal with the position of Qualifying Shareholders who will hold their Nil Paid or Fully Paid Rights or New Shares as

part of a share trading business, for some other routine commercial operation or who will acquire their Nil Paid or Fully Paid Rights or New Shares with the dominant purpose of reselling them at a profit. The discussion is also only applicable to Qualifying Shareholders who acquired their Existing Shares on or after 20 September 1985.

The following is intended only as a general summary and does not purport to be a complete statement of all the Australian income tax consequences which may be relevant to the exercise or disposal of the Nil Paid or Fully Paid Rights or to the disposal of New Shares. Except as otherwise noted, the statements of Australian tax laws set out below are based on the laws in force as of the date of this document and are subject to any changes in Australian law, and in any double taxation agreement between the United Kingdom and Australia.

#### *Grant of Rights*

There should be no Australian income tax consequences for a Qualifying Shareholder on grant of the rights to acquire New Shares (the "Rights"). Nil Paid Rights and Fully Paid Rights constitute one security. They are called Nil Paid Rights prior to the payment of the amount to acquire the New Shares and are called Fully Paid Rights after the payment of the amount to acquire the New Shares.

#### *Exercise of Rights and disposal of Rights*

The exercise of the Rights should be disregarded for Australian capital gains tax purposes.

A Qualifying Shareholder may be assessed in respect of any capital gains that arise on the disposal of the Rights (other than by way of exercise).

A right to acquire New Shares will be deemed to have been acquired by a Shareholder, for Australian capital gains tax purposes, at the time when the Shareholder acquired the Existing Shares.

Generally, for Australian capital gains tax purposes, the capital gain would be determined by reference to the consideration received on the disposal of the Rights less the cost base of the Rights.

#### *Disposal of New Shares*

If the Rights are exercised and the New Shares which are acquired as a result of the exercise of the Rights are disposed of, a Qualifying Shareholder may be assessed in respect of a capital gain on the disposal of the New Shares.

The New Shares will be deemed to have been acquired, for Australian capital gains tax purposes, when the Right is exercised.

Generally, the capital gain would be determined by reference to the excess (if any) of the consideration received for the New Shares over the cost base of the New Shares for capital gains tax purposes.

For capital gains tax purposes, a Qualifying Shareholder's cost base in a New Share should generally be the amount the Qualifying Shareholder paid up on the Right to which the New Share relates.

Some Qualifying Shareholders may be eligible for the discount capital gain concession if the New Shares are held for 12 months or more. Eligibility for the discount capital gain concession depends on various factors. In broad terms, the discount capital gain concession operates to include only one-half (for an individual or trust) or two-thirds (for a complying superannuation fund) of the nominal capital gain in a Qualifying Shareholder's assessable income. The nominal capital gain should first be reduced by any available capital losses. Qualifying Shareholders that are Australian resident companies will not be entitled to the discount capital gain concession.

#### *Foreign Investment Fund Provisions*

Qualifying Shareholders may in certain circumstances be subject to Australia's Foreign Investment Fund ("FIF") provisions in respect of their holdings of New Shares acquired on exercise of the Rights. In the event that the FIF provisions apply, the Australian taxation consequences of disposing of a New Share by a Qualifying Shareholder may be significantly different to that discussed above.

The FIF provisions are generally only relevant to institutional investors as there is an exemption from these rules for individual (non-trustee) investors who, together with their associates, hold A\$50,000 or less in value of total FIF and foreign life assurance policy interests in an income year.

The FIF rules are complicated and Qualifying Shareholders should seek their own tax advice in respect of the potential application of those rules.

### *12.5 Dutch Taxation*

The following is a summary of the Dutch tax consequences of the acquisition, ownership and disposal of New Shares and of the right to subscribe for New Shares. This summary is only intended for individuals and entities, resident in the Netherlands, (which do not have an actual or deemed substantial interest (statutorily defined term) in Prudential and does not purport to describe all possible tax consequences that may be relevant to a Shareholder. In view of the general nature of this summary, it should be treated with corresponding caution. Shareholders should consult with their tax advisors with regard to the tax consequences of the acquisition, ownership, disposition and disposal of New Shares and of the right to subscribe for New Shares.

Except as otherwise indicated, this summary only addresses the Dutch tax legislation, as in force and in effect as of the date hereof and as interpreted in published case law at the date hereof and is subject to change after such date, including changes that could have retro-active effect.

#### *Dutch income tax and corporate income tax: Dutch resident individuals*

As a general rule, individuals who are resident or deemed to be resident in the Netherlands or have opted to be taxed as a resident of the Netherlands for Dutch tax purposes (“Dutch resident individual”) will be taxed annually on a deemed income of 4 per cent. of their net investment assets at an income tax rate of 30 per cent. The net investment assets for the year are the average of the investment assets less the attributable liabilities at the beginning and at the end of the relevant year. The value of the New Shares and of the right to subscribe for New Shares is included in the calculation of the net investment assets. A tax-free allowance for the first EUR 19,252 (EUR 38,504 for partners (statutorily defined term)) of the net investment assets may be available. Actual benefits derived from the New Shares and of the right to subscribe for New Shares, including any capital gains, are not as such subject to Netherlands income tax.

However, if the New Shares or the right to subscribe for New Shares are attributable to an enterprise from which a Dutch resident individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder, any benefit derived or deemed to be derived from the New Shares or of the right to subscribe for New Shares, including any capital gain realised on the disposal thereof, are generally subject to income tax at a progressive rate with a maximum of 52 per cent. Subject to the same progressive rate are benefits derived from the New Shares or from the right to subscribe for New Shares in case a Netherlands resident individual carries out activities that exceed regular portfolio asset management in relation to those New Shares or rights to subscribe for New Shares.

#### *Dutch income tax and corporate income tax: Dutch resident entities*

Any benefit derived or deemed to be derived from the New Shares or the right to subscribe for further New Shares held by entities, resident in the Netherlands for Dutch tax purposes (“Dutch resident entities”), including any capital gains realised on the disposal thereof, is generally subject to corporate income tax at a rate of 34.5 per cent (29 per cent, over the first EUR 22,689), unless the participation exemption is applicable with respect to the New Shares. Under the participation exemption Dutch resident entities are exempt from corporate income tax with respect to dividends and capital gains (and losses), including currency exchange results, derived from or realised on the disposal of a qualifying shareholding. Generally, the participation exemption applies if a Netherlands resident entity holds an interest of at least 5 per cent, of the nominal value in the issued and paid-up share capital of a company.

A Dutch qualifying pension fund is exempt from corporate income tax and a qualifying Dutch resident investment fund (“fiscale beleggingsinstelling”) is subject to corporate income tax at a special rate of 0 per cent.



### *Netherlands gift, estate and inheritance tax*

Gift, estate and inheritance taxes are payable in the Netherlands in respect of any gift by, or inheritance on the death of, a holder of New Shares who is a resident or deemed to be a resident of the Netherlands at the time of the gift or his death. Furthermore, Dutch estate and inheritance taxes are payable in the case of an acquisition of New Shares or the right to subscribe for New Shares by way of a gift by an individual who dies within 180 days after the date of the gift, and who is not at the time of the gift, but is at the time of the death a resident or a deemed resident of the Netherlands.

For the purposes of Dutch gift, estate and inheritance taxes, an individual who holds the Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. Additionally, for the purposes of Dutch gift tax, an individual not holding Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Furthermore, in certain specific circumstances, the donor or the deceased will be deemed to be resident in the Netherlands for the purposes of Dutch gift, estate and inheritance taxes if the beneficiary of the gift or the beneficiaries under the estate jointly, as the case may be, make an election to that effect. Applicable tax treaties may override deemed residency.

### *Other taxes*

No Netherlands registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty will be payable in the Netherlands in respect of or in connection with the subscription, issue, placement, allotment or delivery of New Shares or of the right to subscribe for New Shares.

### *Dividend stripping*

On 26 July 2002, but with retroactive effect from 27 April 2001, new legislation entered into force in order to counteract “dividend stripping”. Pursuant to this legislation, a reduction, credit or refund of dividend tax is denied if the recipient of the dividend is not considered to be the beneficial owner of such dividend. This legislation generally targets situations, commonly referred to as “dividend stripping”, in which a shareholder retains its economic interest in shares, but reduces the withholding tax cost on dividends by a transaction with another party. It is not required for these rules to apply that the recipient of the dividends is aware that a dividend stripping transaction took place. However, the Dutch state secretary of Finance published its view that the rules should not be applicable to an unsuspecting recipient who purchased the shares on the stock exchange. Furthermore, the state secretary of Finance takes the position that the definition of beneficial ownership introduced by this legislation will also be applied in the context of a double taxation convention.

## **13. Litigation and Contingent Liabilities**

Neither Prudential nor any member of the Group is, or has been, involved in any legal or arbitration proceedings nor, as far as the Directors are aware, are any such proceedings pending or threatened by or against any member of the Group which may have, or have had within the previous 12 months, a significant effect on the Group’s financial position.

## **14. Significant Changes**

Save as disclosed in sections 5 and 7 of Part I and Part VI of this document, there has been no significant change in the financial or trading position of the Group since 30 June 2004, the date to which the unaudited interim results of the Group for the six months ended on such date were drawn up.

## **15. General**

15.1 No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised. The New Shares are not being marketed or made available to the public in whole or in part other than in connection with the Rights Issue. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. The delivery of this document and the Provisional Allotment Letters shall not under any circumstances imply or

constitute a representation that the information contained in this document is correct as at any time subsequent to the date hereof or that there has not been any change in the affairs of the Group since the date hereof.

- 15.2 The accounts of the Group for the three years ended 31 December 2003 have been audited by KPMG Audit plc, Chartered Accountants and Registered Auditors in accordance with Auditing Standards issued by the Auditing Practices Board, and have been reported upon without qualification. The business address of KPMG Audit plc is 8 Salisbury Square, London, EC4Y 8BB.
- 15.3 UBS, Cazenove and Goldman Sachs have given and not withdrawn their written consent to the inclusion of their name and references to them in the form and context in which they are included in this document.
- 15.4 The Issue Price of 308 pence per Share represents a premium of 303 pence per Share over the nominal value of 5 pence per Share on 13 October 2004, the latest practicable date prior to the publication of this document.
- 15.5 The total costs and expenses of, or incidental to, the Rights Issue are estimated to be approximately £25 million.
- 15.6 The following information (together with the information set out in section 12.3 in this Part VII) is provided in compliance with the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 of Ireland in connection with the Rights Issue in Ireland:
- (a) Capita Corporate Registrars Plc will act as paying agent in Ireland in respect of any payments which are due to Irish Shareholders;
  - (b) Prudential will send any notices of meetings and other notices from Prudential to Shareholders with registered addresses in Ireland and/or will, as applicable, place a notice of meetings in an Irish daily national newspaper so long as the Shares are listed on the Official List and traded on the London Stock Exchange's market for listed securities.
- 15.7 On 23 April 2004 a bankruptcy petition was filed in the Jakarta Commercial Court against PT Prudential Life Assurance as a result of the termination of a consultancy contract for agency sales force management. PT Prudential Life Assurance decided to terminate this consultancy contract on the basis of legal advice. The Jakarta Commercial Court held that PT Prudential Life Assurance owed its consultant approximately US\$165,000 and as a consequence placed PT Prudential Life Assurance into bankruptcy. PT Prudential Life Assurance considers, on the basis of its legal advice, that the bankruptcy petition is misconceived and will appeal the Jakarta Commercial Court's decision to the Indonesian Supreme Court. It should be noted that under Indonesian bankruptcy law, a company may be made bankrupt even when it is solvent. PT Prudential Life Assurance remains financially strong. Its risk-based capital ratio of 255% (as at 31 December, 2003) compares favourably with the 100% requirement dictated by the Indonesian Ministry of Finance.

## **16. Documents Available for Inspection**

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including 11 November 2004:

- (1) the memorandum and articles of association of the Company;
- (2) the unaudited interim results of the Company for the six months ended 30 June 2004;
- (3) the audited consolidated accounts of the Company for the years ended 31 December 2002 and 31 December 2003;
- (4) the material contracts referred to in section 11 of this Part VII above;
- (5) the written consents referred to in section 15.3 above;
- (6) the service contracts and letters of appointment referred to in section 8 of Part VII above; and
- (7) this document.