

Part III

Terms and Conditions of the Rights Issue

1. TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Subject to the fulfilment of the terms and conditions set out below, the New Shares are being offered for subscription by way of rights to Qualifying Shareholders on the following basis and otherwise on the terms and conditions set out in this document (and, in the case of Qualifying non-CREST Shareholders, the Provisional Allotment Letter):

1 New Share at 308 pence per New Share for every 6 Existing Shares

held and registered in their name at the close of business on 15 October 2004 and so in proportion for any other numbers of Existing Shares then held.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Fractions of New Shares will not be allotted and fractional entitlements will be rounded down to the nearest whole number of New Shares. Such fractions will be aggregated and sold in the market as soon as practicable after the commencement of dealings in New Shares, nil paid. The net proceeds of such sales (after deduction of expenses) will be aggregated and retained by the Company for its own benefit. Accordingly, Qualifying Shareholders with fewer than 6 Existing Shares will not be entitled to any New Shares.

The attention of Overseas Shareholders is drawn to sections 7 and 8 of this Part III.

Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective on 20 October 2004 and that dealings in the New Shares will commence, nil paid, at 8.00 a.m. on that date.

The Rights Issue has been underwritten by the Underwriters and is conditional upon:

- (i) Admission becoming effective by not later than 8.00 a.m. on 20 October 2004 (or such later time and/or date as the Company and the Underwriters may agree (being not later than 27 October 2004)); and
- (ii) the Underwriting Agreement otherwise having become unconditional in all respects and not having been terminated in accordance with its terms prior to Admission.

Provisional Allotment Letters in respect of the New Shares are being despatched to Qualifying non-CREST Shareholders (other than, subject to certain exceptions, such Shareholders with registered addresses in the United States or an Excluded Territory) at their own risk. Provisional Allotment Letters constitute temporary documents of title.

The Existing Shares are already admitted to CREST. Applications have been made for the Nil Paid Rights, the Fully Paid Rights and the New Shares to be admitted to CREST. CRESTCo requires Prudential to confirm to it that the New Shares have been admitted to the Official List before CRESTCo will admit the New Shares to CREST. As soon as practicable after Admission, Prudential will confirm this to CRESTCo.

It is expected that:

- (a) Lloyds TSB Registrars will instruct CRESTCo to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Shareholders with registered addresses in the United States or an Excluded Territory) with such Shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 20 October 2004;
- (b) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by CRESTCo on 20 October 2004, as soon as practicable after Prudential has confirmed to CRESTCo that all the conditions for admission of such rights to CREST have been satisfied;
- (c) New Shares will be credited to relevant Qualifying CREST Shareholders by 8.00 a.m. on 11 November 2004; and
- (d) share certificates for the New Shares will be despatched to Qualifying non-CREST Shareholders at their own risk by 22 November 2004.

The offer of New Shares and the Rights Issue are not being made into the United States or the Excluded Territories. Notwithstanding the foregoing, the Nil Paid Rights may be delivered and the New Shares may be offered and sold in the United States only to a limited number of “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act by way of private placement in offerings exempt from registration under the Securities Act in the manner described in section 7(b) below. Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a Many-to-Many (MTM) instruction to CRESTCo will be deemed to have given the representations and warranties set out in section 8 of this Part III below, unless such requirement is waived by Prudential.

The New Shares will, when issued and fully paid, rank equally in all respects with the Existing Shares, including the right to receive all dividends or distributions made, paid or declared after the date of this document except the interim dividend for the year 2004 of 5.4 pence per share due to be paid on 29 October 2004 to Shareholders on the register of members of the Company on 20 August 2004.

The Underwriters have agreed to underwrite the Rights Issue in accordance with the terms and subject to the conditions in the Underwriting Agreement. The Underwriting Agreement is conditional on certain matters being satisfied or not breached prior to Admission and may also be terminated by the Underwriters prior to Admission upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriters may arrange sub-underwriting for some, all or none of the New Shares. A summary of certain terms and conditions of the Underwriting Agreement is set out in section 10 of Part VII of this document.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

2. ACTION TO BE TAKEN

The action to be taken in respect of New Shares depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying non-CREST Shareholder and do not have a registered address in the United States or an Excluded Territory (subject to certain limited exceptions), please refer to section 3, sections 5 to 8 and sections 10 to 12 of this Part III.

If you hold your Existing Shares in CREST and do not have a registered address in the United States or an Excluded Territory (subject to certain limited exceptions), please refer to section 4, sections 5 to 8 and sections 10 to 12 of this Part III and to the CREST Manual for further information on the CREST procedures referred to below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

3. ACTION TO BE TAKEN IN RELATION TO NIL PAID RIGHTS REPRESENTED BY PROVISIONAL ALLOTMENT LETTERS

(a) General

The Provisional Allotment Letter (referred to in this section 3 of Part III of this document as a “PAL”) sets out:

- (i) the holding of Existing Shares on which a Qualifying non-CREST Shareholder’s entitlement to New Shares has been based;
- (ii) the aggregate number of New Shares which have been provisionally allotted to such Qualifying non CREST Shareholder;
- (iii) the procedures to be followed if a Qualifying non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form; and
- (iv) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

On the basis that PALs are posted on 19 October 2004, and that dealings commence on 20 October 2004, the latest time and date for acceptance and payment in full and registration of renounced PALs will be 11.00 a.m. on 10 November 2004.

(b) Procedure for acceptance and payment

(i) Qualifying non-CREST Shareholders who wish to accept in full

Holders of PALs who wish to take up all of their Nil Paid Rights must return the PAL, together with a cheque or banker's draft, made payable to "Lloyds TSB Bank plc" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the PAL, by post or by hand only (during normal business hours) to Lloyds TSB Registrars, Princess House, 1 Suffolk Lane, London EC4R 0AX, so as to arrive as soon as possible and in any event so as to be received not later than 11.00 a.m. on 10 November 2004. A reply-paid envelope will be enclosed with the PAL for use within the United Kingdom only. If you are posting your PAL it is recommended that you allow sufficient time for delivery.

(ii) Qualifying non-CREST Shareholders who wish to accept in part

Holders of PALs who wish to take up some but not all of their Nil Paid Rights and wish to sell some or all of those which they do not want to take up, should first apply for split PALs by completing Form X on page 4 of the PAL, and returning it by post or by hand (during normal business hours) only to Lloyds TSB Registrars, Princess House, 1 Suffolk Lane, London, EC4R 0AX by 3.00 p.m. on 8 November 2004, the last date and time for splitting PALs, together with a covering letter stating the number of split PALs required and the number of Nil Paid Rights to be comprised in each split PAL. Once the Qualifying non-CREST Shareholders have received these, they should then deliver the split PAL representing the New Shares they wish to accept together with a cheque or a banker's draft for the appropriate amount, payable to "Lloyds TSB Bank plc" and crossed "A/C payee only" by 11.00 a.m. on 10 November 2004, the last date and time for acceptance. The second PAL (representing the New Shares you do not wish to take up) will be required in order to sell those rights. Qualifying non-CREST Shareholders who wish to take up some of their Nil Paid Rights (but not sell the remainder), should complete Form X on page 4 of the PAL and return it to one of the addresses noted above with a cheque for the appropriate amount, together with an accompanying letter indicating the number of Nil Paid Rights they wish to take up, in accordance with the provisions set out in section 2 on page 3 of the PAL.

(iii) Company's discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 10 November 2004, the provisional allotment will be deemed to have been declined and will lapse. However, the Company may, with the agreement of the Underwriters, but shall not be obliged, to treat as valid (i) PALs and accompanying remittances for the full amount due which are received through the post not later than 11.00 a.m. on 11 November 2004 (the cover bearing a legible postmark dated not later than 11.00 a.m. on 10 November 2004) and (ii) acceptances in respect of which remittances are received prior to 11.00 a.m. on 10 November 2004 from an authorised person (as defined in Section 31(2) Financial Services and Markets Act 2000) specifying the number of New Shares to be acquired and an undertaking by that person to lodge the relevant PAL, duly completed, in due course.

Prudential may also (in its sole discretion) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

(iv) Payments

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Lloyds TSB Bank plc" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the UK or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the Committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Cheques drawn on most major high street banks and building societies in the UK will

be satisfactory. If you are in any doubt, please contact the Shareholder Helpline on Freephone 0800 174350 (or +44 1903 702767 if you are calling from outside the UK). For legal reasons, the Shareholder Helpline will only be able to provide information contained in this document (and in addition information relating to Prudential's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial or investment advice. Cheques or banker's drafts will be presented for payment upon receipt. Prudential reserves the right to instruct Lloyds TSB Registrars to seek special clearance of cheques and banker's drafts to allow Prudential to obtain full value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest on such payments will accrue to the benefit of the Company. It is a term of the Rights Issue that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured.

(c) Money Laundering Regulations

If the value of your application exceeds €15,000 (approximately £10,370) (or is one of a series of linked applications, the aggregate value of which exceeds that amount) and either you do not pay by a cheque drawn on an account in your own name and/or the account from which payment is to be made is not held within an institution that is authorised in the UK by the Financial Services Authority under the Financial Services and Markets Act 2000 or that is an EU authorised credit institution, as defined in Article 1 of the Banking Consolidation Directive (2000/12/EC) as referred to in the verification of identity requirements of the Money Laundering Regulations 2003, the Money Laundering Regulations 2003 will apply. Lloyds TSB Registrars is entitled to require, at its absolute discretion, verification of identity from any person lodging a PAL (the "applicant") including, without limitation, any person who appears to Lloyds TSB Registrars to be acting on behalf of some other person. Submission of a PAL will constitute a warranty and undertaking by the applicant to provide promptly to Lloyds TSB Registrars such information as may be specified by Lloyds TSB Registrars as being required for the purpose of the Money Laundering Regulations 2003. Pending the provision of evidence satisfactory to Lloyds TSB Registrars as to identity, Lloyds TSB Registrars may, after consultation with the Company and the Underwriters and having taken into account their representations, retain a PAL lodged by an applicant for New Shares and/or the cheque or banker's draft relating to it and/or not enter the New Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid (without prejudice to the right of Prudential to take proceedings to recover any loss suffered by it as a result of the failure of the applicant to provide satisfactory evidence). In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of Lloyds TSB Registrars to require verification of identity as stated above).

- (i) Applicants are urged, if possible, to make their payment by their own cheque. If this is not practicable and an applicant uses a cheque drawn by a building society or other third party or a banker's draft, the applicant should:
 - (a) write the applicant's name and address on the back of the building society cheque, banker's draft or third party cheque and, in the case of an individual, record his date of birth against his name; and
 - (b) if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add their stamp.
- (ii) If an application is delivered by hand, the applicant should ensure that he has with him evidence of identity bearing his photograph, for example, a valid full passport.

If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, Lloyds TSB Registrars is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. Applicants making an application as agent should specify on the PAL if they are a UK or EU regulated person or institution.

All enquiries in relation to PALs should be addressed to the Shareholder Helpline on Freephone 0800 174350 (or +44 1903 702767 if you are calling from outside the UK). For legal reasons, the Shareholder Helpline will only be able to provide information contained in this document (and in addition information relating to Prudential's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial or investment advice.

(d) Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 20 October 2004. A transfer of Nil Paid Rights can be made by renunciation of the PAL in accordance with the instructions printed on it and delivery of the PAL to the transferee.

(e) Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and (where appropriate) the PAL, the Fully Paid Rights may be transferred by renunciation of the relevant PAL and lodging of the same by post or by hand only (during normal business hours) with Lloyds TSB Registrars, Princess House, 1 Suffolk Lane, London, EC4R 0AX, by not later than 11.00 a.m. on 10 November 2004. To do this, a Qualifying non-CREST Shareholder will need to have their fully paid PAL returned to them after the acceptance has been effected by Lloyds TSB Registrars. Fully paid PALs will not be returned to Shareholders unless their return is requested by ticking Box 4 on page 1 of the PAL.

After 10 November 2004, the New Shares will be in registered form and transferable in the usual way (see section 3(i) of this Part III).

(f) Renunciation and splitting of PALs

Qualifying non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a PAL may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on page 4 of the PAL (if it is not already marked "Original Duly Renounced") and passing the entire PAL to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a PAL has been renounced, the PAL will become a negotiable instrument in bearer form. The latest time and date for registration of renunciation of PALs is 11.00 a.m. on 10 November 2004.

If a holder of a PAL wishes to have only some of the New Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights, or (if appropriate) Fully Paid Rights but to different persons, he may have the PAL split, for which purpose he must complete and sign Form X on page 4 of the PAL. The PAL must then be delivered by post or by hand (during normal business hours) only to Lloyds TSB Registrars, Princess House, 1 Suffolk Lane, London EC4R 0AX by not later than 3.00 p.m. on 8 November 2004, to be cancelled and exchanged for the split PALs required. The number of split PALs required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split PAL should be stated in an accompanying letter. Form X on page 4 of split PALs will be marked "Original Duly Renounced" before issue.

(g) Registration in names of persons other than Qualifying Shareholders originally entitled

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renounee or his agent(s) must complete Form Y on page 4 of the PAL (unless the renounee is a CREST member who wishes to hold such New Shares in uncertificated form, in which case Form X and the CREST Deposit Form (both on page 4 of the PAL) must be completed — see section 3(h) of this Part III) and send the entire PAL, when fully paid, by post or by hand only (during normal business hours) to Lloyds TSB Registrars, Princess House, 1 Suffolk Lane, London EC4R 0AX by not later than 11.00 a.m. on 10 November 2004.

(h) Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by a PAL may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of

those rights or otherwise). Subject as provided in the next following section or in the PAL, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights represented by a PAL into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear on page 1 of the PAL or in the name of a person or persons to whom the PAL has been renounced, is as follows. Form X and the CREST Deposit Form (both on page 4 of the PAL) will need to be completed and the PAL deposited with the CCSS; in addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the PAL may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or Fully Paid Rights represented by the PAL into CREST, you must first apply for split PALs. If the rights represented by more than one PAL are to be deposited, the CREST Deposit Form on each PAL must be completed and deposited. The Consolidation Listing Form must not be used.

A holder of the Nil Paid Rights represented by a PAL who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 November 2004. In particular, having regard to processing times in CREST and on the part of Lloyds TSB Registrars, the latest recommended time for depositing a renounced PAL (with Form X and the CREST Deposit Form on page 4 of the PAL duly completed), with the CCSS (in order to enable the person acquiring the Nil Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 November 2004) is 3.00 p.m. on 5 November 2004.

CREST sponsored members should contact their CREST sponsor.

(i) Issue of New Shares in definitive form

Definitive share certificates in respect of the New Shares to be held in certificated form are expected to be despatched by post by 22 November 2004 to persons entitled thereto at their registered address (unless lodging agent details have been completed on page 1 of the PAL). After despatch of definitive share certificates, PALs will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Shares will be certified by Lloyds TSB Registrars against the register.

4. ACTION TO BE TAKEN IN RELATION TO NIL PAID RIGHTS OR FULLY PAID RIGHTS IN CREST

(a) General

Subject as provided in section 7 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his entitlement to Nil Paid Rights on 20 October 2004. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The Nil Paid Rights will constitute a separate security and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit to the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights, Provisional Allotment Letters shall, unless the Underwriters agree otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may, with the consent of the Underwriters, be adjusted as appropriate. **References to dates and times in this document should be read as subject to any such adjustment.** Prudential will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer all or part of their Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

(b) Procedure for acceptance and payment

(i) Many-to-Many instructions

CREST members who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a Many-To-Many (“MTM”) instruction to CRESTCo which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of Lloyds TSB Registrars under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- (b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of Lloyds TSB Registrars in pounds sterling in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in sub-section (a) above; and
- (c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in sub-section (a) above.

(ii) Contents of Many-to-Many instructions

The MTM instruction must be properly authenticated in accordance with CRESTCo’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the participant ID of Lloyds TSB Registrars, in its capacity as a CREST receiving agent. This is 2RA59;
- the member account ID of Lloyds TSB Registrars, in its capacity as a CREST receiving agent. This is RA945401;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- the intended settlement date. This must be on or before 11.00 a.m. on 10 November 2004; and
- the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST.

(iii) Valid acceptance

An MTM instruction complying with each of the requirements as to authentication and contents set out in sub-section (ii) of this section 4(b) will constitute a valid acceptance where either:

- (a) the MTM instruction settles by not later than 11.00 a.m. on 10 November 2004; or

- (b) (i) the MTM instruction is received by CRESTCo by not later than 11.00 am. on 10 November 2004; and
- (ii) the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 10 November 2004.

An MTM instruction will be treated as having been received by CRESTCo for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host (as this term is defined in the CREST Manual) at CRESTCo of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Providers' Communications Host.

(iv) Representations, warranties and undertakings of CREST members

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this section 4(b) of Part III represents, warrants and undertakes to Prudential that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11.00 a.m. on 10 November 2004 and remains capable of settlement at all times after that until 2.00 p.m. on 10 November 2004 (or until such later time and date as Prudential may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that at 11.00 a.m. on 10 November 2004 and at all times thereafter until 2.00 p.m. on 10 November 2004 (or until such later time and date as Prudential may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt.

(v) CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that CRESTCo does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 10 November 2004. In this connection CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vi) CREST member's undertaking to pay

A CREST member or CREST sponsored member, who makes a valid acceptance in accordance with the procedures set out in section 4(b) of this Part III, (a) undertakes to pay to Prudential, or procure the payment to Prudential of, the amount payable in pounds sterling on acceptance in accordance with the above procedures or in such other manner as Prudential may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of an RTGS settlement bank payment obligation in pounds sterling in favour of Lloyds TSB Registrars, the RTGS settlement bank (as defined in the CREST manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to Prudential the amount payable on acceptance) and (b) requests that the Fully Paid Rights and/or New Shares, to which they will become entitled, be issued to them on the terms set out in this document and subject to the memorandum and articles of association of Prudential.

(vii) Company's discretion as to rejection and validity of acceptances

The Company may:

- (a) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in section 4(b) of this Part III. Where an acceptance is made as described in section 4(b) of Part III which is

otherwise valid, and the MTM instruction concerned fails to settle by 2.00 p.m. on 10 November 2004 (or by such later time and date as Prudential may determine), Prudential shall be entitled to assume, for the purposes of its right to reject an acceptance as described in section 4(b) of this Part III, that there has been a breach of the representations, warranties and undertakings set out or referred to in section 4(b) of this Part III;

- (b) with the agreement of the Underwriters, treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in section 4(b) of this Part III;
- (c) with the agreement of the Underwriters, accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as Prudential may determine;
- (d) treat a properly authenticated dematerialised instruction (in this sub-section the “first instruction”) as not constituting a valid acceptance if, at the time at which Lloyds TSB Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction, either Prudential or Lloyds TSB Registrars has received actual notice from CRESTCo of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (e) with the agreement of the Underwriters, accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification, if, for reasons, or due to circumstances, outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by Lloyds TSB Registrars in connection with CREST.

(c) Money Laundering Regulations

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Lloyds TSB Registrars is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Lloyds TSB Registrars before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to Lloyds TSB Registrars any information Lloyds TSB Registrars may specify as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Lloyds TSB Registrars as to identity, Lloyds TSB Registrars, having consulted with the Company and the Underwriters, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then Lloyds TSB Registrars will not permit the MTM instruction concerned to proceed to settlement but without prejudice to the right of Prudential to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide satisfactory evidence.

(d) Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 20 October 2004. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 10 November 2004.

(e) Dealings in Fully Paid Rights

After acceptance and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 9.30 a.m. on 10 November 2004. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 10 November 2004.

After 10 November 2004, the New Shares will be registered in the name(s) of the person(s) entitled to them in Prudential's register of members and will be transferable in the usual way (see section 4(g) of this Part III).

(f) Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by CRESTCo of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights from CREST is 4.30 p.m. on 4 November 2004, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 November 2004. You are recommended to refer to the CREST Manual for details of such procedures.

(g) Issue of New Shares in CREST

New Shares will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. Lloyds TSB Registrars will instruct CRESTCo to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Shares with effect from the next business day (expected to be 11 November 2004).

(h) Right to allot/issue in certificated form

Despite any other provision of this document, Prudential reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by Lloyds TSB Registrars in connection with CREST.

5. PROCEDURE IN RESPECT OF NEW SHARES NOT TAKEN UP

If an entitlement to New Shares is not validly taken up in accordance with the procedure laid down for acceptance and payment, then that provisional allotment will be deemed to have been declined and will lapse. The Underwriters will endeavour to procure, by not later than close of business on 15 November 2004, subscribers for all (or as many as possible) of those New Shares not taken up at a price per Share which is at least equal to the aggregate of the Issue Price (at which price the New Shares shall be subscribed) and the expenses of procuring such subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax).

Notwithstanding the above, the Underwriters may cease to endeavour to procure any such subscribers if, in the opinion of the Underwriters, it is unlikely that any such subscribers can be so procured at such a price by such time. If and to the extent that subscribers cannot be procured on the basis outlined above, the relevant New Shares will be subscribed for by the Underwriters pursuant to the Underwriting Agreement or by sub-underwriters procured by the Underwriters, in each case, at the Issue Price.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax) shall be paid (subject as provided in this section 5):

- (i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter;

- (ii) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- (iii) where an entitlement to New Shares was not taken up by an Overseas Shareholder, to that Overseas Shareholder.

New Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and the aggregate of any premiums (being the amount paid by such subscribers after deducting the Issue Price and the expenses of procuring such subscribers including any applicable brokerage and commissions and amounts in respect of value added tax), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments, save that no payment will be made of amounts of less than £3.00, which amounts will be aggregated and retained by the Company for its own benefit.

Any transactions undertaken pursuant to section 5 of this Part III shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and none of Prudential, the Underwriters or any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis described above. Cheques for the amounts due will be sent by post, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first named in the case of joint holders), provided that where any entitlement concerned was held in CREST, the amount due will, unless Prudential (in its absolute discretion) otherwise determines, be satisfied by Prudential procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

6. TAXATION

Information on taxation in the UK, Ireland, the Netherlands, the United States and Australia with regard to the Rights Issue is set out in section 12 of Part VII of this document. The information contained in section 12 of Part VII is intended only as a general guide to the current tax position in each of these jurisdictions and Qualifying Shareholders in these jurisdictions should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.

7. OVERSEAS SHAREHOLDERS

(a) General

The offer of New Shares to persons resident in, or who are citizens of, or who have a registered address in countries other than the UK may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

Provisional Allotment Letters have not been sent to, and Nil Paid Rights will not be credited to, CREST accounts of Overseas Shareholders with registered addresses in the United States or the Excluded Territories or to their agent or intermediary except where the Company is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or a Provisional Allotment Letter and/or receiving a credit of Nil Paid Rights to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST unless, in the relevant territory, such an invitation or offer

could lawfully be made to him or the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons receiving a copy of this document and/or a Provisional Allotment Letter or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into the United States, the Excluded Territories or any other jurisdiction in each case where to do so would or might contravene local securities laws or regulations. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory, or by their agent or nominee, he must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this document or a Provisional Allotment Letter in or into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section 7.

Subject to section 7(d) of this Part III, any person (including, without limitation, agents, nominees and trustees) outside the UK wishing to take up their rights under the Rights Issue must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents; observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. **The comments set out in this section 7 are intended as a general guide only and any shareholder who is in any doubt as to their position should consult their professional adviser without delay.**

The Company may, in consultation with the Underwriters, treat as invalid any acceptance or purported acceptance of the offer of New Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if in the case of a Provisional Allotment Letter, it provides for an address for delivery of the share certificates in or, in the case of a credit of New Shares in CREST, the CREST member or CREST sponsored member whose registered address would be in, the United States or an Excluded Territory or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or if it believes or its agents believe that the same may violate applicable legal or regulatory requirements. The attention of Qualifying Shareholders with registered addresses in the United States or an Excluded Territory or holding Shares on behalf of persons with such addresses is drawn to the section titled "Notice to US Investors" (as applicable) and to sections 7(b), (c), (d) and (e) of this Part III below.

Despite any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Qualifying Shareholder to take up his rights if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Those Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in sections 3 (Qualifying non-CREST Shareholders) and 4 (Qualifying CREST Shareholders) of this Part III above.

The provisions of section 5 of this Part III will apply to Overseas Shareholders who do not or are unable to take up New Shares provisionally allotted to them. None of the Company, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the subscription or the procuring of it or any failure to procure subscribers.

(b) Selling restrictions relating to the United States

The New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States. Accordingly, subject to certain exceptions, the New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters may not be

offered, sold, taken up, resold, renounced, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to the terms of an applicable exemption under the Securities Act and applicable state and other securities laws of the United States.

Accordingly, the offer by way of rights is not being made in the United States and neither this document nor the Provisional Allotment Letter constitutes an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any New Shares, Nil Paid Rights or Fully Paid Rights in the United States. Subject to certain limited exceptions, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to the CREST account of, any Shareholder with a registered address in the United States.

Subject to certain limited exceptions, envelopes containing Provisional Allotment Letters should not be postmarked in the United States or otherwise dispatched from the United States, and all persons subscribing for New Shares and wishing to hold such shares in registered form must provide an address for registration of the New Shares issued upon exercise thereof outside the United States.

Subject to certain limited exceptions, any person who acquires New Shares, Nil Paid Rights or Fully Paid Rights will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Provisional Allotment Letter and delivery of the New Shares, Nil Paid Rights or Fully Paid Rights, that it is not, and that at the time of subscribing for the New Shares, Nil Paid Rights or Fully Paid Rights it will not be, in the United States.

The Company reserves the right to treat as invalid any Provisional Allotment Letter which: (i) appears to the Company or its agents to have been executed in or despatched from the United States; (ii) does not include the relevant warranty set out in the Provisional Allotment Letter headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Provisional Allotment Letter does not have a registered address (and is not otherwise located) in the United States; or (iii) where the Company believes acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements; and the Company shall not be bound to allot or issue any New Shares, Nil Paid Rights or Fully Paid Rights in respect of any such Provisional Allotment Letter. In addition, the Company reserves the right to reject any MTM instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of Nil Paid Rights.

Notwithstanding the foregoing, the Nil Paid Rights may be offered and delivered and the New Shares offered and sold in the United States to a limited number of persons reasonably believed to be "qualified institutional buyers" or "QIBs" by way of private placement in offerings exempt from registration under the Securities Act. Any person reasonably believed to be a QIB to whom New Shares are offered and sold will be required to execute and deliver an investor letter substantially in the form described under "Transfer Restrictions" in section 7(e) of this Part III below and may be required to make certain certifications in the exercise form for the Nil Paid Rights and the Fully Paid Rights.

Any person in the United States who obtains a copy of this document or a Provisional Allotment Letter and who is not a QIB is required to disregard them.

Until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the New Shares, Nil Paid Rights or Fully Paid Rights within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

(c) Excluded Territories

Due to restrictions under relevant securities laws, except as set out below, Provisional Allotment Letters in relation to the New Shares will not be sent to, and no Nil Paid Rights or Fully Paid Rights will be credited to a stock account in CREST of, Qualifying Shareholders with registered addresses in, and the Nil Paid Rights, Fully Paid Rights and New Shares may not be transferred or sold to or renounced or delivered in, any Excluded Territory. Subject to certain limited exceptions, no offer of New Shares is being made by virtue of this document or the Provisional Allotment Letters into the Excluded Territories. In the case of Overseas Shareholders who do not or are unable to take up New Shares provisionally allotted to them, the provisions of section 5 of this Part III will apply.

(d) Overseas territories other than the United States and the Excluded Territories

Provisional Allotment Letters will be posted to Qualifying non-CREST Shareholders other than, subject to certain limited exceptions, those Qualifying non-CREST Shareholders who have registered addresses in the United States or the Excluded Territories and Nil Paid Rights will be credited to the CREST stock accounts of Qualifying CREST Shareholders other than, subject to certain limited exceptions, those Qualifying CREST Shareholders who have registered addresses in the United States or the Excluded Territories. Such Qualifying Shareholders may, subject to the laws of their relevant jurisdiction, accept their rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letter. In cases where Overseas Shareholders do not take up or are unable to take up the Nil Paid Rights provisionally allotted to them, the provisions of section 5 of this Part III will apply.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights.

If you are in any doubt as to your eligibility to accept the offer of New Shares or to deal with Nil Paid Rights or Fully Paid Rights, you should contact your professional adviser immediately.

(e) Transfer Restrictions

The offering and delivery of the Nil Paid Rights, and the offering and sale of the New Shares in the United States to a limited number of persons reasonably believed to be QIBs is being made in reliance on an exemption from the registration requirements of the Securities Act. Any Nil Paid Rights, or New Shares offered hereby in the United States to persons reasonably believed to be QIBs and the Provisional Allotment Letters or Fully Paid Rights have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction and, accordingly, may not be offered, sold, pledged, or otherwise transferred or delivered except pursuant to an exemption from registration under the Securities Act or pursuant to an effective registration statement under the Securities Act.

Each purchaser of New Shares in the United States will be required to execute and deliver to the Company and/or one or more of its designees an investor letter in the appropriate form set forth in the Underwriting Agreement hereto, setting forth certain restrictions and procedures regarding the New Shares, which will contain the following representations:

- (i) It is an institution which (i) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the New Shares and (ii) it and any accounts for which it is acting is each able to bear the economic risk of such investment, and is able to sustain a complete loss of its investment in the New Shares;
- (ii) Prior to taking up the Nil Paid Rights or the Fully Paid Rights, it received and read a copy of this document and will have had access to financial and any other information regarding the Company and the Nil Paid Rights, Fully Paid Rights and the New Shares as it has requested in connection with its investment decision to purchase the New Shares. If the purchaser has had any queries regarding this purchase of New Shares or the Company and its affairs or the terms of the Nil Paid or the Fully Paid Rights, it has had the opportunity to and has asked these questions of and received answers satisfactory to it from the representatives of the Company. In making any purchase of the New Shares, it is relying on this document and not any other information or representation concerning the Company. It agrees that it has held and will hold this document in confidence, it being understood that this document was received by the purchaser solely for its use and that it has not duplicated, distributed, forwarded, transferred or otherwise transmitted this document, any Provisional Allotment Letter or any other presentational or other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the United States, and agree that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by it. It has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to its investment in the New Shares;
- (iii) It acknowledges that the Company's ordinary shares are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange and registered under the

Exchange Act and traded on the New York Stock Exchange in the form of ADSs and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the UK Listing Authority and the London Stock Exchange (the "Exchange Information") and the US securities laws and the New York Stock Exchange and that the purchaser is able to obtain or access such information without undue difficulty. It acknowledges that neither the Company nor any of its affiliates has made any representation to the purchaser with respect to the Company, other than the information contained in this document. It acknowledges that neither the underwriters of the Rights Issue nor any of their affiliates have made any representation with respect to the Company, the Nil Paid Rights, the Fully Paid Rights or the New Shares. It understands that the Exchange Information has been prepared in accordance with UK format, style and content, which differs from US format, style and content;

- (iv) It is a QIB within the meaning of Rule 144A under the Securities Act. Further, if it is acquiring the New Shares as a fiduciary or agent for one or more investor accounts, each such account is a QIB, it has investment discretion with respect to each such account, and has full power and authority to make the acknowledgements, representations and agreements herein on behalf of each such account;
- (v) It is acquiring the New Shares for its own account (or the account of a QIB as to which it has full investment discretion) for investment purposes, and not with a view to distribution within the meaning of the US securities laws;
- (vi) It understands and acknowledges that the Nil Paid Rights, and the New Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that the Nil Paid Rights the Fully Paid Rights and the New Shares have not been and will not be registered under the Securities Act or any state securities laws. It agrees that the Nil Paid Rights the Fully Paid Rights and the New Shares may not be reoffered, resold, pledged or otherwise transferred, and that it will not directly or indirectly reoffer, resell, pledge or otherwise transfer the New Shares, the Nil Paid Rights or the Fully Paid Rights except (i) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act or (ii) with respect to the New Shares only pursuant to Rule 144 under the Securities Act (if available) and that, in each case, such offer, pledge on transfer must, and will, be made in accordance with any applicable securities laws of any state of the United States;
- (vii) It understands that no representation has been made as to the availability of Rule 144 under the Securities Act or any other exemption under the Securities Act or any state securities laws for the reoffer, pledge or transfer of the New Shares;
- (viii) It understands that the New Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that, for so long as they remain "restricted securities", they may not be deposited into any unrestricted depository facility established or maintained by a depository bank, including the current depository facility maintained by JPMorgan Chase Bank as depository, which is the only depository facility for the Shares of which the Company is aware;
- (ix) It acknowledges and agrees that if the New Shares are in certificated form, the certificates representing the New Shares will contain substantially the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR IN COMPLIANCE WITH, AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT AND ANY SUCH APPLICABLE LAWS";
- (x) Any information that it has hereto furnished to the Company with respect to its financial position is correct and complete in all material respects as of the date of this letter, and if there should be any material change in such information prior to the consummation of the transactions contemplated hereby, it will promptly furnish such revised or corrected information to the Company; and that
- (xi) It has not taken up the New Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or as a result of any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(f) Procedures for Exercising the Nil Paid Rights and Fully Paid Rights for Qualifying United States Shareholders

Direct Holders of Shares

The Nil Paid Rights and the Fully Paid Rights can be exercised by delivering a properly completed Provisional Allotment Letter to Lloyds TSB Registrars in accordance with the procedures set out in Part III(3)(b)(i) of this document.

If you hold your Shares through a bank, a broker or another financial intermediary, your financial intermediary should submit the Provisional Allotment Letter on your behalf.

If you are in the United States and hold Shares directly, your attention is drawn to the restrictions described above in “Notice to US Investors”. If you are in the United States you must also complete, and return to the Company, an investor letter in the appropriate form as described above in section 7(e) of this Part III, with a copy to the Underwriters. If you hold your Shares through a bank, a broker or another financial intermediary, your financial intermediary should submit your investor letter on your behalf.

We and Lloyds TSB Registrars, as rights agent, have the discretion to refuse to accept any Provisional Allotment Letter that is incomplete, unexecuted or not accompanied by an executed investor letter or any other required additional documentation.

8. REPRESENTATIONS AND WARRANTIES RELATING TO OVERSEAS SHAREHOLDERS

(a) Qualifying non-CREST Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction, (a) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Shares, from within the United States or any of the Excluded Territories, (b) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it, (c) such person is not acting on a non-discretionary basis for a person located within the United States or any Excluded Territory or any territory referred to in (b) above at the time the instruction to accept or renounce was given, and (d) such person is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into the United States or any Excluded Territory or any territory referred to in (b) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it (a) appears to the Company to have been executed in or despatched from the United States or any Excluded Territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement, (b) provides an address in the United States or any Excluded Territory for delivery of definitive share certificates for New Shares (or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates), or (c) purports to exclude the warranty required by this section.

(b) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in section 4 of this Part III represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction, (a) he is not within the United States or any of the Excluded Territories, (b) he is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Shares, (c) he is not accepting on a non-discretionary basis for a person located within the United States or any Excluded Territory or any territory referred to in (b) above at the time the instruction to accept was given, and (d) he is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into the United States or any Excluded Territory or any territory referred to in (b) above.

9. ADR HOLDERS

Holders of ADRs will not be eligible to participate in the Rights Issue.

10. TIMES AND DATES

The Company shall in its discretion and after consultation with its financial and legal advisers (and with the agreement of the Underwriters) be entitled to amend the dates that Provisional Allotment Letters are despatched or dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority and a Regulatory Information Service and, if appropriate, Shareholders but Qualifying Shareholders may not receive any further written communication.

11. GOVERNING LAW

The terms and conditions of the Rights Issue as set out in this document and, where appropriate, in the Provisional Allotment Letter shall be governed by, and construed in accordance with, the laws of England and Wales.

12. JURISDICTION

The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.