

Supplementary information

Payments and share releases in 2012 to past executive directors

Nick Prettejohn

The 2009 Directors' remuneration report provided details of the remuneration arrangements that would apply to Nick Prettejohn after he resigned from the position of Chief Executive UK & Europe. These arrangements were implemented as intended by the Committee.

The performance periods of Nick Prettejohn's GPSP and UK BUPP awards for 2009 ended on 31 December 2011. Vesting was prorated based on service (ie 9/36ths). Vesting remained dependent on performance achieved over the performance period and shares were released at the same time as for other participants in these plans.

The performance condition attached to the 2009 GPSP award was met in full and 100 per cent of the proportion of the award which was outstanding was released during 2012. Achievement against the shareholder capital value performance measure attached to the 2009 UK BUPP award was 12.5 per cent per annum (on a compound basis), so 87.5 per cent of the outstanding portion of this award was released during 2012. This award was the last that Nick Prettejohn had outstanding under a Prudential long-term incentive plan.

Clark Manning

Clark Manning stepped down from his role as President and Chief Executive of Jackson and as an executive director on 31 December 2010. Clark Manning remained Chairman of Jackson until 30 April 2011 and acted in an advisory role until 31 December 2011. The 2010 Directors' remuneration report provided details of the remuneration arrangements that would apply to Clark Manning after his resignation. These arrangements were implemented as intended by the Committee.

During 2012, Clark Manning received the following payments:

- Clark Manning had a prorated 2011 annual bonus opportunity (4/12ths) based on his length of service as Chairman of Jackson during 2011. On this basis, a cash payment of £725,389 was made to him in 2012;
- The deferred portion of the bonuses awarded to Clark Manning in respect of performance in 2009 and 2010 were released to Clark Manning in July 2012;
- The performance condition attached to the 2009 GPSP award was met in full and 100 per cent of the award was released in 2012; and
- Achievement against the shareholder capital value performance measure attached to the 2009 JNL BUPP award was 11.5 per cent per annum (on a compound basis) so 93.75 per cent of the outstanding portion of this award was released in 2012.

The performance condition attached to the 2010 GPSP award was met in full and 100 per cent of the award will be released during 2013. Achievement of the SCV performance measure attached to the 2010 Jackson BUPP award was 22.68 per cent per annum (on a compound basis), so 100 per cent of the outstanding portion of this award will be released during 2013.

Outstanding 2010 awards made to Clark Manning under the GPSP and BUPP will vest (subject to the achievement of performance conditions) on the same schedule as awards made to other executive directors. These awards will be prorated to reflect the portion of the performance periods which had elapsed on 31 December 2011 (ie 24/36ths).

No awards were made to Clark Manning under any long-term incentive plan during 2011 or 2012 and none will be made in any subsequent year.

Payments and share releases in 2012 to newly appointed executive directors

Share awards made to Nic Nicandrou and Rob Devey in connection with their appointment were released, as scheduled, during 2012. Details of these awards were originally set out in the Directors' remuneration report for 2009. Please see the Other share awards table for details.

No other amounts were paid during the financial year or were receivable by directors (or past directors) in connection with leaving the organisation.

Directors' outstanding long-term incentive awards**Share-based long-term incentive awards**

The section below sets out the outstanding share awards under the Group Performance Share Plan and the awards made under additional long-term plans (Business Unit Performance Plan and JNL Performance Share Plan) for the executive directors with regional responsibilities.

Plan name	Year of award	Conditional share awards outstanding at 1 January 2012 (Number of shares)	Conditional awards in 2012 (Number of shares)	Market price at date of award (pence)	Dividend equivalents on vested shares (Number of shares released) note(2)	Rights exercised in 2012	Rights lapsed in 2012	Conditional share awards outstanding at 31 December 2012 (Number of shares)	Date of end of performance period
Rob Devey									
GPSP	2009	120,898		639	15,361	136,259		–	31 Dec 11
BUPP	2009	120,897		639	15,361	136,258		–	31 Dec 11
GPSP	2010	104,089		568.5				104,089	31 Dec 12
BUPP	2010	104,089		568.5				104,089	31 Dec 12
GPSP	2011	76,242		733.5				76,242	31 Dec 13
BUPP	2011	76,242		733.5				76,242	31 Dec 13
GPSP	2012		88,273	678				88,273	31 Dec 14
BUPP	2012		88,273	678				88,273	31 Dec 14
		602,457	176,546		30,722	272,517		537,208	
John Foley									
GPSP	2011	152,484		733.5				152,484	31 Dec 13
GPSP	2012		199,433	678				199,433	31 Dec 14
		152,484	199,433					351,917	
Michael McLintock									
GPSP	2009	92,022		455.5	11,691	103,713		–	31 Dec 11
GPSP	2010	66,238		568.5				66,238	31 Dec 12
GPSP	2011	48,517		733.5				48,517	31 Dec 13
GPSP	2012		47,079	678				47,079	31 Dec 14
		206,777	47,079		11,691	103,713		161,834	
Nic Nicandrou									
GPSP	2009	316,328		639	40,197	356,525		–	31 Dec 11
GPSP	2010	208,179		568.5				208,179	31 Dec 12
GPSP	2011	152,484		733.5				152,484	31 Dec 13
GPSP	2012		185,374	678				185,374	31 Dec 14
		676,991	185,374		40,197	356,525		546,037	
Barry Stowe^{note(1)}									
GPSP	2009	196,596		455.5	22,868	219,464		–	31 Dec 11
BUPP	2009	196,596		455.5	19,780	189,834	26,542	–	31 Dec 11
GPSP	2010	129,076		568.5				129,076	31 Dec 12
BUPP	2010	129,076		568.5				129,076	31 Dec 12
GPSP	2011	88,270		733.5				88,270	31 Dec 13
BUPP	2011	88,270		733.5				88,270	31 Dec 13
GPSP	2012		95,642	678				95,642	31 Dec 14
BUPP	2012		95,642	678				95,642	31 Dec 14
		827,884	191,284		42,648	409,298	26,542	625,976	

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Plan name	Year of award	Conditional share awards outstanding at 1 January 2012 (Number of shares)	Conditional awards in 2012 (Number of shares)	Market price at date of award (pence)	Dividend equivalents on vested shares (Number of shares released) note (2)	Rights exercised in 2012	Rights lapsed in 2012	Conditional share awards outstanding at 31 December 2012 (Number of shares)	Date of end of performance period
Tidjane Thiam									
GPSP	2009	299,074		455.5	38,004	337,078		–	31 Dec 11
GPSP	2010	510,986		568.5				510,986	31 Dec 12
GPSP	2011	374,279		733.5				374,279	31 Dec 13
GPSP	2012		523,103	678				523,103	31 Dec 14
		1,184,339	523,103		38,004	337,078		1,408,368	
Mike Wells ^{notes (1 & 5)}									
JNL PSP	2008	84,900		546		84,900		–	31 Dec 11
JNL PSP	2009	218,100		455.5				218,100	31 Dec 12
JNL PSP	2010	141,000		568.5				141,000	31 Dec 13
GPSP	2011	197,648		733.5				197,648	31 Dec 13
BUPP	2011	197,648		733.5				197,648	31 Dec 13
GPSP	2012		199,256	678				199,256	31 Dec 14
BUPP	2012		199,256	678				199,256	31 Dec 14
		839,296	398,512			84,900		1,152,908	

Notes

- The awards for Barry Stowe and Mike Wells were made in ADRs (1 ADR = 2 Prudential plc shares). The figures in the table are represented in terms of Prudential shares.
- In 2009 and 2010, a scrip dividend equivalent and in 2011 and 2012 a DRIP dividend equivalent were accumulated on these awards.
- On 31 December 2012, the performance period of the 2010 GPSP awards came to an end. Prudential's TSR performance was 139.9 per cent of the TSR performance of the peer index. On this basis, it is anticipated that awards granted under this plan in 2010 will vest in full. This will result in 104,089 shares vesting for Rob Devey, 66,238 shares for Michael McLintock, 208,179 shares for Nic Nicandrou, 129,076 shares for Barry Stowe and 510,986 shares for Tidjane Thiam under this plan. Dividend equivalents will be released on these vested shares.
- At 31 December 2012, the performance period of the 2010 BUPP awards came to an end. Over the performance period the new business profit, IFRS profit and cash remittance achieved by the Asia business meant that it is anticipated that 95.2 per cent of the award will vest. This will result in 122,880 shares being released to Barry Stowe under this plan. Since the UK BUPP uses the same TSR performance measure as the GPSP, it is anticipated that 104,089 shares will be released to Rob Devey under this plan. No current executive director participated in the 2010 JNL BUPP. Dividend equivalents will be released on these vested shares.
- The table above reflects the maximum number of shares (150 per cent of the original number awarded) which may be released to Mike Wells under the JNL Performance Share Plan. This maximum number of shares may be released if stretch performance targets are achieved. On 31 December 2012, the performance period of the 2009 JNL Performance Share Plan award came to an end. On the basis of the shareholder value being achieved by the Jackson business over the performance period, it is anticipated that 150 per cent of awards will vest, resulting in 218,100 shares being released to Mike Wells under this plan in 2013.

Business-specific cash-based long-term incentive plans

Details of all outstanding awards under cash-based long-term incentive plans are set out in the table below. The performance period for all M&G Executive LTIP awards is three years while the performance period for all JNL LTIP awards is four years:

	Year of initial award	Face value of conditional share awards outstanding at 1 January 2012 £000	Conditionally awarded in 2012 £000	Payments made in 2012 £000	Face value of conditional share awards outstanding at 31 December 2012 £000	Date of end of performance period
Michael McLintock						
M&G Executive LTIP	2009	1,830		5,417	–	31 Dec 11
M&G Executive LTIP	2010	987			987	31 Dec 12
M&G Executive LTIP	2011	1,318			1,318	31 Dec 13
M&G Executive LTIP	2012		953		953	31 Dec 14
Total cash payments made in 2012				5,417		
Mike Wells						
JNL LTIP	2008	756		827	–	31 Dec 11
JNL LTIP	2009	894			894	31 Dec 12
JNL LTIP	2010	906			906	31 Dec 13
Total cash payments made in 2012				827		

Note

Under the M&G Executive LTIP, the value of each unit at award is £1. The value of units changes based on M&G's profit growth and investment performance over the performance period. For the 2009 award of 1,830,189 units, the unit price at the end of the performance period was £2.96 which resulted in a payment of £5,417,359 to Michael McLintock during 2012. For the 2010 award of 987,179 units, the unit price at the end of the performance period was £2.65. This will result in payment of £2,616,024 to Michael McLintock in 2013.

See page 128 for a description of the JNL LTIP. Performance over the period from 2008 to 2011 resulted in a payment of £826,975 to Mike Wells during 2012. Performance over the period from 2009 to 2012 will result in a payment of £1,117,509 being paid to Mike Wells in 2013. The awards above were made before Mike Wells became an executive director and it is anticipated that no further awards will be made to him under this Plan.

The sterling face value of Mike Wells' JNL LTIP awards have been calculated using the average exchange rate for the year in which the grant was made. The dollar face value of conditional share awards outstanding on 1 January 2012 and 31 December 2012 was US\$4,200,000 and US\$2,800,000 respectively.

Supplementary information continued

Other share awards

The table below sets out the share awards that have been made to executive directors under their appointment terms and those deferred from annual incentive plan payments. The number of shares is calculated using the average share price over the three business days commencing on the day of the announcement of the Group's annual financial results for the relevant year. For the awards from the 2011 annual incentives, made in 2012, the average share price was 776 pence. Please see the table on page 142 for details of shares acquired under the Share Incentive Plan.

	Year of grant	Con- ditional share awards out- standing at 1 January 2012 (Number of shares)	Con- ditionally awarded in 2012 (Number of shares)	Dividends accumu- lated in 2012 (Number of shares) note (2)	Shares released in 2012 (Number of shares)	Con- ditional share awards out- standing at 31 December 2012 (Number of shares)	Date of end of restricted period	Date of release	Market price at date of award (pence)	Market price at date of vesting or release (pence)
Rob Devey										
Awards under appointment terms	2009	50,575			50,575	–	31 Mar 12	29 Mar 12	639	750
Deferred 2009 annual incentive award	2010	28,737		1,018		29,755	31 Dec 12		552.5	
Deferred 2010 annual incentive award	2011	46,694		1,655		48,349	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		41,136	1,457		42,593	31 Dec 14		750	
		126,006	41,136	4,130	50,575	120,697				
John Foley										
Deferred 2009 deferred PruCap award	2010	172,993		6,133	179,126	–	14 Dec 12	14 Dec 12	612	881
Deferred 2011 annual incentive award	2012		44,481	1,576		46,057	31 Dec 14		750	
		172,993	44,481	7,709	179,126	46,057				
Michael McLintock										
Deferred 2008 annual incentive award	2010	137,700			137,700	–	31 Dec 11	15 Mar 12	519.5	780
Deferred 2009 annual incentive award	2010	74,840		2,653		77,493	31 Dec 12		552.5	
Deferred 2010 annual incentive award	2011	77,988		2,765		80,753	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		36,008	1,276		37,284	31 Dec 14		750	
		290,528	36,008	6,694	137,700	195,530				
Nic Nicandrou										
Awards under appointment terms	2009	68,191			68,191	–	31 Mar 12	29 Mar 12	639	750
Deferred 2009 annual incentive award	2010	26,342		934		27,276	31 Dec 12		552.5	
Deferred 2010 annual incentive award	2011	48,155		1,707		49,862	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		43,518	1,542		45,060	31 Dec 14		750	
		142,688	43,518	4,183	68,191	122,198				

	Year of grant	Con- ditional share awards out- standing at 1 January 2012 (Number of shares)	Con- ditionally awarded in 2012 (Number of shares)	Dividends accumu- lated in 2012 (Number of shares) note (2)	Shares released in 2012 (Number of shares)	Con- ditional share awards out- standing at 31 December 2012 (Number of shares)	Date of end of restricted period	Date of release	Market price at date of award (pence)	Market price at date of vesting or release (pence)
Barry Stowe ^{note (1)}										
Deferred 2008 annual incentive award	2009	22,643			22,643	–	31 Dec 11	15 Mar 12	349.5	780
Deferred 2009 annual incentive award	2010	39,088		1,386		40,474	31 Dec 12		552.5	
Deferred 2010 annual incentive award	2011	56,316		1,998		58,314	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		50,648	1,798		52,446	31 Dec 14		750	
		118,047	50,648	5,182	22,643	151,234				
Tidjane Thiam										
Deferred 2008 annual incentive award	2010	69,924			69,924	–	31 Dec 11	15 Mar 12	552.5	780
Deferred 2009 annual incentive award	2010	63,240		2,242		65,482	31 Dec 12		552.5	
Deferred 2010 annual incentive award	2011	221,657		7,858		229,515	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		101,134	3,585		104,719	31 Dec 14		750	
		354,821	101,134	13,685	69,924	399,716				
Mike Wells ^{note (1)}										
2009 After Tax Deferral Program award ^{note (3)}	2010	32,250				32,250	15 Mar 13		520	
Deferred 2010 Group Deferred Bonus Plan award	2011	90,854		3,226		94,080	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012		93,034	3,302		96,336	31 Dec 14		750	
		123,104	93,034	6,528		222,666				

Notes

1 The Deferred Share Awards in 2010, 2011 and 2012 for Barry Stowe and Mike Wells were made in ADRs (1 ADR = 2 Prudential plc shares). The figures in the table are represented in terms of Prudential shares.

2 In 2009 and 2010 a scrip dividend equivalent and in 2011 and 2012 a DRIP dividend equivalent were accumulated on these awards.

3 This award attracts dividends in the form of cash rather than shares.

Supplementary information continued

Shares acquired under the Share Incentive Plan

	Year of initial grant	Share incentive plan awards held in Trust at 1 January 2012 (Number of shares)	Partnership shares accumulated in 2012 (Number of shares)	Matching shares accumulated in 2012 (Number of shares)	Dividend shares accumulated in 2012 (Number of shares)	Share Incentive Plan awards held in Trust at 31 December 2012 (Number of shares)
Nic Nicandrou						
Shares held in Trust	2010	596	199	50	24	869

Note

The table above provides information about shares purchased under the SIP together with Matching shares (awarded on a 1:4 basis) and Dividend shares. The total number of shares will only be released if Nic Nicandrou remains in employment for five years.

Outstanding share options

The following table sets out the share options held by the directors in the UK Savings-Related Share Option Scheme (SAYE) as at the end of the period. No other directors held shares in any other option scheme.

	Date of grant	Exercise price	Market price at 31 December 2012	Exercise period		Beginning of period	Number of options					End of period
				Beginning	End		Granted	Exercised	Cancelled	Forfeited	Lapsed	
John Foley	25 Apr 08	551	865.5	01 Jun 13	29 Nov 13	2,953	–	–	–	–	–	2,953
Tidjane Thiam	16 Sep 11	465.8666	865.5	01 Dec 14	29 May 15	965	–	–	–	–	–	965
Nic Nicandrou	16 Sep 11	465.8666	865.5	01 Dec 16	31 May 17	3,268	–	–	–	–	–	3,268
Rob Devey	16 Sep 11	465.8666	865.5	01 Dec 16	31 May 17	3,268	–	–	–	–	–	3,268

Notes

1 No gains were made by directors in 2012 on the exercise of SAYE options (2011: £665).

2 No price was paid for the award of any option.

3 The highest and lowest closing share prices during 2012 were 911.5 pence and 633.5 pence respectively.

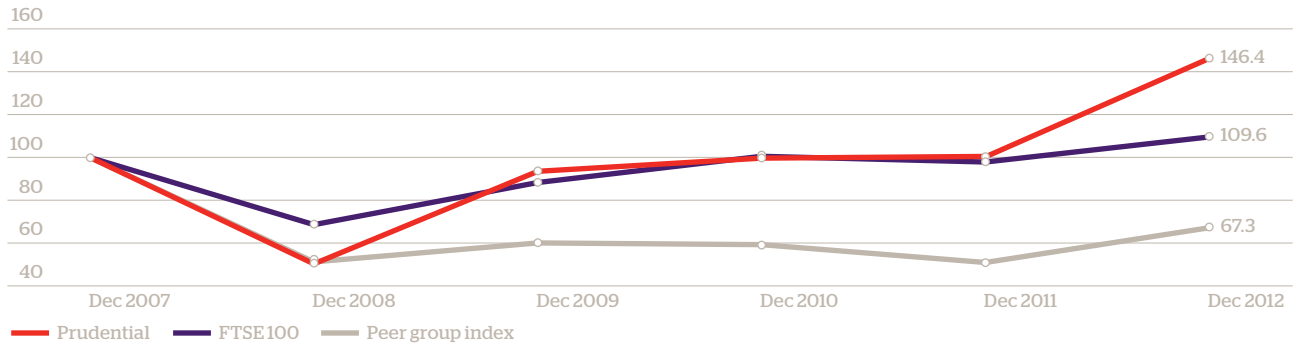
Dilution

Releases from Prudential's GPSP and BUPP are satisfied using new issue shares rather than by purchasing shares in the open market. Shares relating to options granted under all-employee share plans are also satisfied by new issue shares. The combined dilution from all outstanding shares and options at 31 December 2012 was 0.1 per cent of the total share capital at the time. Deferred shares will continue to be satisfied by the purchase of shares in the open market.

Company TSR performance (unaudited information)

As required by the Companies Act, the line chart below compares Prudential's Total Shareholder Return (TSR) during the five years from 1 January 2008 to 31 December 2012, with that of the peer group against which TSR is measured for the purposes of the Group Performance Share Plan. Our performance is also shown relative to the FTSE 100 since Prudential is a major company within this index. This chart is prepared using the methodology stipulated in the current remuneration regulations:

Prudential TSR v FTSE 100 and peer group index - total returns % over five years to December 2012



Five highest paid individuals (unaudited information)

Of the five individuals with the highest emoluments in 2012, three were directors whose emoluments are disclosed in this report (2011: two; 2010: one). The aggregate of the emoluments of the other two individuals for 2012 (2011: three; 2010: four) were as follows:

£000,000	2010	2011	2012
Base salaries, allowances and benefits in kind ^(note 1)	1	1	-
Pension contributions ^(note 2)	-	-	-
Bonuses paid or receivable	18	23	15
Share-based payments and other cash payments	6	2	1
Total	25	26	16

Notes

- 1 Base salaries, allowances and benefits in kind in 2012 were less than £400,000.
- 2 Pension contributions payable were less than £150,000 in each period.

Their emoluments were within the following bands:

	2010	2011	2012
£5,000,001 – £5,100,000	1		
£5,300,001 – £5,400,000	1		
£5,700,001 – £5,800,000			1
£6,000,001 – £6,100,000	1		
£8,200,001 – £8,300,000		1	
£8,300,001 – £8,400,000	1		
£8,400,001 – £8,500,000		2	
£10,000,001 – £10,100,000			1

Signed on behalf of the Board of directors

Lord Turnbull
Chairman of the Remuneration Committee
 12 March 2013

Paul Manduca
Chairman
 12 March 2013

