

PRUDENTIAL PLC

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

**DRAFT RULES OF THE PRUDENTIAL
INTERNATIONAL SAVINGS-RELATED
SHARE OPTION SCHEME
FOR NON-EMPLOYEES**

SUBJECT TO APPROVAL BY SHAREHOLDERS
AT THE ANNUAL GENERAL MEETING TO BE HELD ON
26 MAY 2022

Contents

| Clause | Page |
|--|------|
| Preamble | 1 |
| Definitions | 1 |
| Invitation and Grant of Options | 4 |
| Scheme Limits | 5 |
| Terms of Savings Arrangements and Options..... | 5 |
| Takeover Offers and Liquidation | 8 |
| Replacement Options | 9 |
| Adjustments..... | 9 |
| Notices and Administration | 10 |
| Variations and Termination..... | 10 |
| Rights of Participants | 11 |
| Governing Law | 11 |
| Taxation..... | 12 |
| SCHEDULE I – HONG KONG..... | 12 |
| SCHEDULE II – USA | 13 |
| SCHEDULE III – MALAYSIA..... | 14 |

THE PRUDENTIAL INTERNATIONAL SAVINGS-RELATED SHARE OPTION SCHEME FOR NON-EMPLOYEES

Preamble

The purpose of the Scheme is to incentivise individuals who are, without being employed by Prudential or their subsidiaries, closely connected with the Prudential group and continuously contribute to the growth of the Prudential business. The Scheme can be operated worldwide. It is intended to operate the Scheme in Hong Kong and Malaysia for insurance agents only. An individual's participation will be in the Board's discretion. In making this decision, the Board will apply criteria that are set out in its internal guidelines as applicable from time to time such as exclusivity of services, average number of hours working for Prudential, profits generated and similar criteria.

Exercise of Options granted under the Scheme does not depend on achievement of any performance conditions.

Definitions

- 1.1** In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings, namely:

Acquiring Company means the company mentioned in Rules 6.1(a), (b) and (c);

Any Other Scheme means any scheme (other than the Scheme) which provides for the subscription of Shares by or on behalf of individuals employed or otherwise engaged by the Company or any Subsidiary and which is established or adopted or approved by resolution of the Company in general meeting;

the Auditors means the auditors for the time being of the Company or in the event of their being joint auditors such one of them as the Board shall select;

the Board means the board of directors for the time being of the Company or a duly authorised committee of the directors at which a quorum is present;

the Company means Prudential plc registered in England number 1397169 under such name as is resolved upon by members from time to time;

Control means control within section 995 of the Income Tax Act 2007;

the Date of Grant means the date on which an Option is granted;

Dealing Day means a day on which the London Stock Exchange (or, if the Board so determines, the Hong Kong Stock Exchange) is open for the transaction of business;

Eligible Participant means any individual who, at the Invitation Date, has been either directly or indirectly continuously engaged under a contract for services or a similar arrangement by any Participating Company for at least six months prior to that date, or such other period as the Board may in its discretion specify, and who is nominated by the Board as eligible to participate in the Scheme in respect of any one or more grant of Options subject to and in accordance with the Board's internal guidelines as applicable from time to time;

Exercise Price means the price per Share payable on the exercise of an Option which on the Date of Grant shall be the higher of its nominal value and an amount determined by the Board, being not less than 80 per cent of the Market Value rounded to the nearest penny;

Grant Period means the period of 42 days commencing on (i) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half year or other period or (ii) the date the Board determines that exceptional circumstances exist which justify the grant of Options;

Holding Company means a company falling within the definition in section 1159 of the Companies Act 2006;

Hong Kong Listing Rules means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time;

Hong Kong Stock Exchange means the Stock Exchange of Hong Kong Limited or any successor entity;

Interest means interest payable under the terms of a Savings Arrangement;

the Invitation Date means the date on which an invitation to apply for an Option is issued;

Issue or Reorganisation means any issue of Shares or other securities of the Company by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve) and any issue of Shares or other securities of the Company by way of rights and any consolidation or sub-division or reduction of capital;

London Stock Exchange means the London Stock Exchange or any successor entity;

Market Value means the arithmetic average of the middle-market quotations of a Share (as derived from the Daily Official List of the London Stock Exchange or, if the Board so determines, the daily quotations sheet of the Hong Kong Stock Exchange) for three consecutive Dealing Days determined by the Board which fall within the period of 30 days immediately preceding the day on which the relevant Options are granted;

the Maturity Date means in relation to any Option or application for an Option, such date or dates as are stipulated by the Board in the invitation to apply for the Option or in any explanatory material relating to the Option, such date being no later than the ninth anniversary of the Date of Grant of the Option;

Maximum Monthly Contribution means £250 or such greater amount as the Board shall from time to time determine or (where the Monthly Contribution is expressed in a Nominated Currency) the Nominated Currency equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to Rule 2.2 or such other rate as the Board may from time to time determine pursuant to Rule 4.6;

Minimum Monthly Contribution means £5 (or such other minimum amount as is for the time being permitted under the Prudential Savings Related Share Option Scheme) or (where the Monthly Contribution is expressed in a Nominated Currency) the Nominated Currency

equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to Rule 2.2 or such other rate as the Board may from time to time determine pursuant to Rule 4.6;

Monthly Contribution means the monthly sum which shall not be less than the Minimum Monthly Contribution nor more than the Maximum Monthly Contribution which an Option Holder has elected to save under his Savings Arrangement which may be expressed either in whole sterling pounds or, at the discretion of the Board, in a Nominated Currency the amount of which is equivalent to an amount of whole sterling pounds where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to Rule 2.2 or such other rate as the Board may from time to time determine pursuant to Rule 4.6;

Nominated Currency means any currency nominated by the Board pursuant to Rule 2.2;

Option means a right to acquire Shares pursuant to the Scheme;

Option Holder means an individual who has been granted an Option or, where the context permits, the personal representative(s) of any such person;

Participating Company means the Company or any Subsidiary which is designated by the Board as participating in the Scheme;

Prudential Savings-Related Share Option Scheme means the Inland Revenue approved savings-related share option scheme established by the Company on 3 October 1983 and any scheme replacing it;

Rules means these Rules as amended from time to time and shall include any Schedules thereto from time to time;

Savings Arrangement means such savings arrangement relating to an Option as has been approved by the Board for the purposes of the Scheme;

Schedule I means Schedule I of these Rules;

Schedule II means Schedule II of these Rules;

Schedule III means Schedule III of these Rules;

Schedule 3 means Schedule 3 to the Income Tax (Earnings & Pensions) Act 2003;

the Scheme means the Prudential International Savings-Related Share Option Scheme for Non-Employees constituted for the time being and established by these Rules in their present form or as from time to time amended in accordance with the provisions hereof;

Shares means fully paid ordinary shares of 5p each in the capital of the Company (including stock into which such shares may at any time have been converted) and

Shareholders shall be construed accordingly;

Sharesave Scheme means a savings-related share option scheme established by the Company;

Subsidiary means a company which is controlled by the Company within the meaning of section 995 of the Income Tax Act 2007; and

Taxation means all forms of taxation or social security contributions whether of the United Kingdom or elsewhere whenever imposed and all other statutory, governmental, state,

provincial, local governmental or municipal impositions, duties, rates and levies and all penalties, charges, costs and interest relating to any such matters.

- 1.2** Where the context permits the singular shall include the plural and vice versa and the masculine shall include the feminine.
- 1.3** References to any Act shall include any statutory modification, amendment or re-enactment thereof.

Invitation and Grant of Options

- 2.1** The Board may issue invitations to apply for Options to such Eligible Participants as it may select on one occasion during each Grant Period. Each such invitation shall invite each Eligible Participant to apply for an Option to acquire Shares at the Exercise Price within a stated period of not less than 14 days from the Invitation Date, at the end of which period the invitation shall lapse.
- 2.2** The Board may nominate a currency other than pounds sterling in which Eligible Participants may elect to save pursuant to Rule 4.1, and may determine an exchange rate for pounds sterling and such Nominated Currency which shall be used at the Invitation Date for the purpose of calculating the Nominated Currency equivalent of the Monthly Contribution, the Minimum Monthly Contribution and the Maximum Monthly Contribution. At any time, there may be more than one currency nominated pursuant to this Rule.
- 2.3** Subject to the specific provisions contained in these Rules, the form and manner of invitations to apply for Options, the form of any Savings Arrangement, the Maturity Dates of the Options, and the maximum number of Shares in respect of which invitations are made on any day, may be determined by the Board at its absolute discretion.
- 2.4** If an Eligible Participant wishes to apply for an Option, he must deliver to the Company a form of application as prescribed by the Board together with a duly completed and signed application for a Savings Arrangement.
- 2.5** Following the receipt by the Company of valid applications, the Board shall, subject to Rule 2.6, on a single date within the Grant Period, grant all of the Options for which application has been made on that occasion by Eligible Participants in consideration of such Eligible Participants agreeing to enter into the Savings Arrangements. As soon as practicable thereafter, the Board shall procure the issue of an option certificate to each Eligible Participant who has been granted an Option. No cash payment shall be made for the grant of an Option.
- 2.6** If valid applications are received for Options over a number of Shares in excess of that which the Board has determined to make available on a particular occasion, the Board may scale down applications, in such manner as it may consider appropriate.
- 2.7** Schedule I shall apply to any right granted to a person who is or becomes resident for tax purposes in Hong Kong. Schedule II shall apply to any person who is or becomes a US Taxpayer (as defined in that Schedule II). Schedule III shall apply to Malaysian residents.

Scheme Limits

- 3.1** No individual may be invited to apply for, or may be granted, an Option over such number of Shares that the granting of such Option and the entry into the related Savings Arrangement would result in the infringement of Rule 3.2 or 3.3.
- 3.2** No Eligible Participant may be granted an Option if his monthly contributions under the related Savings Arrangement, when added to the sum of his monthly contributions under this Scheme and any other subsisting Sharesave Scheme, would exceed £250 or such greater amount as is for the time being permitted by the Board under the Prudential Savings Related Share Option Scheme or (at the discretion of the Board) the Nominated Currency equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to Rule 2.2 or such other rate as the Board may from time to time determine pursuant to Rule 4.6.
- 3.3** No Option to subscribe for Shares shall be granted under the Scheme if the result of that grant would be that the aggregate number of Shares that could be issued on the exercise of that Option and any other Options granted at the same time, when added to the number of Shares that:
- a) could be issued on the exercise of any other subsisting share options granted during the preceding ten years under the Scheme or Any Other Scheme; and
 - b) have been issued on the exercise of any share options granted during the preceding ten years under the Scheme or Any Other Scheme; and
 - c) have been issued during the preceding ten years under any profit sharing or other employee share incentive scheme (not falling within the definition of Any Other Scheme)

which would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue. Any Shares which may be issued to any trustee to satisfy the exercise of an Option shall be included for the purposes of this limit.

- 3.4** No Option to subscribe for Shares shall be granted under the Scheme to an Eligible Participant if the result of that grant would be that the aggregate number of Shares that have been or could be issued on the exercise of that Option and any other Options (or any other options over, or awards of, Shares made by the Company or any Subsidiary) granted to that Eligible Participant within the period of 12 months prior to the Date of Grant of that Option would exceed one per cent of the ordinary share capital of the Company for the time being in issue. Any Shares which may be issued to any trustee to satisfy the exercise of an Option shall be included for the purposes of this limit.
- 3.5** No Option shall be granted under the Scheme more than 10 years after the date on which the Scheme is last approved by the Company in general meeting.

Terms of Savings Arrangements and Options

- 4.1** The Monthly Contribution under an Eligible Participants Savings Arrangement shall be subject to the limits in Rule 3.2 and to the provisions of Rule 4.4. An Eligible Participant may

elect to save in either whole sterling pounds, or (at the discretion of the Board) in an equivalent amount in a Nominated Currency. The equivalent amount of the Nominated Currency shall be calculated by reference to the rate of exchange fixed at the Invitation Date pursuant to Rule 2.2 or such other rate as the Board may determine from time to time pursuant to Rule 4.6.

- 4.2** The Monthly Contribution shall, unless the Board agrees to a different method for collection, be deducted from fees monthly.
- 4.3** If an Option Holder misses more than six Monthly Contributions under the Savings Arrangement, the Option shall lapse. If an Option Holder withdraws monies from his Savings Arrangement other than with a view to exercise of a related Option, that Option shall lapse.
- 4.4** If applications are scaled down under Rule 2.6 on any occasion, the monthly contributions under Savings Arrangements which Eligible Participants have specified in their applications shall, where necessary, be scaled down to such sums in whole pounds sterling (or whole units of an equivalent amount in a Nominated Currency, as the case may be where the equivalent amount of the Nominated Currency has been calculated by reference to the exchange rate determined at the Invitation Date pursuant to Rule 2.2). The resulting Monthly Contribution shall not be less than the Minimum Monthly Contribution.
- 4.5** The Savings Arrangement shall be personal to the Eligible Participant and, regardless of the terms of the Option, any savings arising under it shall be the property of the Eligible Participant concerned.
- 4.6** Where the Monthly Contribution is paid in a Nominated Currency and the amount is equivalent to a sterling amount calculated on the basis of the exchange rate determined at the Invitation Date pursuant to Rule 2.2 (the **Original Sterling Amount**) the Board may, on one or more occasions during the course of the Savings Arrangement, alter the exchange rate fixed at the Invitation Date to take account of general currency movements and may permit the Nominated Currency amount of the Monthly Contribution to be altered so that, calculated by reference to such new exchange rate, it is equivalent to the Original Sterling Amount.
- 4.7** Unless the provisions in Rule 2.6 apply, an Option shall be granted to an Eligible Participant over such number of Shares (**N**) as is calculated according to the following formula and any fraction of a Share shall be rounded down to the nearest whole Share:

$$N = \frac{(MC \times Y) + I}{EP}$$

Where:

MC represents the Monthly Contribution which the Eligible Participant has elected to save under his Savings Arrangement;

Y represents such number of months as the Board may determine prior to the relevant Invitation Date (the **Option Period**);

EP represents the Exercise Price;

I represents the Interest (if any) payable under the terms of the Option Holder's Savings Arrangement prior to the date the Option is exercised.

4.8 Time for Exercise of Options and Lapse of Options

- (a) Save as otherwise provided in these Rules, an Option may only be exercised within 6 months (or such shorter period as the Board may specify) after the Maturity Date relating to it (the **Exercise Period**).
- (b) Upon exercise, unless alternative arrangements are agreed by the Board, the Option Holder shall pay the aggregate Exercise Price for the number of Shares subject to the exercise to the Company from the Savings Arrangements.
- (c) Subject to Rule 4.9 below, an Option shall lapse automatically upon the Option Holder ceasing to be an Eligible Participant subject to and in accordance with the Board's internal guidelines as applicable from time to time, unless the Board in its absolute discretion decides otherwise in which case an Option shall be exercisable from such date and for such period and on such terms (not being inconsistent with these Rules) as the Board may determine.
- (d) If pursuant to any exercise by the Board of its discretion under Rule 4.8(c) an Option becomes exercisable before the Maturity Date it shall be exercisable only over such number of Shares (**S**) as is calculated according to the following formula and any fraction of a Share shall be rounded down to the nearest whole Share:

$$S = \frac{MC+I}{EP}$$

Where:

MC represents the Monthly Contributions which can be accepted under the terms of the Option Holder's Savings Arrangement prior to the date the Option is exercised;

I represents the Interest (if any) payable under the terms of the Option Holder's Savings Arrangement prior to the date the Option is exercised.

EP represents the Exercise Price;

- (e) An Option shall lapse immediately after it is first exercised notwithstanding that it shall not have been exercised in respect of the maximum number of Shares over which the Option was granted.
- 4.9** If the Option Holder dies, an Option may be exercised by the Option Holder's personal representatives at any time in the period starting immediately after the date of death and ending on the date falling 12 months after the date of death and the Option shall lapse automatically at the end of that period, unless the Board in its absolute discretion determines that any Option shall remain exercisable for a longer period of time.
- 4.10** Each Option shall be personal to the Option Holder to whom it is granted and shall not be capable of being transferred and any purported transfer, assignment, charge, disposal or dealing with the rights and interests of an Option Holder under the Scheme shall entitle the Board to cancel that Option. This Rule 4.10 does not apply to the transmission of an Option on the death of a Participant to the Participant's personal representatives.

- 4.11** The Board may determine to satisfy all or part of an Option by paying a cash amount, subject to Rule 12. The cash amount must be equal to the market value (as determined by the Board) of the Shares in respect of which the Option is exercised on the date the Option is exercised less the Exercise Price payable in respect of such Shares. The Company may determine that an Option will be satisfied in cash on the Date of Grant or at any time subsequently.

Takeover Offers and Liquidation

- 5.1** If any person obtains Control of the Company as a result of making a general offer to acquire the whole of the Shares (other than those already owned or controlled by that person) which is either unconditional or is made on a condition such that if it is satisfied the offeror will have Control of the Company, notice in writing thereof shall be given by the Company to all Option Holders and an Option Holder shall, subject to Rule 6, at any time within six months after the offeror has obtained Control of the Company and any conditions subject to which the offer was made have been satisfied be entitled to exercise his or her Option provided that the Option Holder does so before the expiry of the Exercise Period. Provided also that if, during such period of six months, (i) the offeror gives notice to dissenting Shareholders pursuant either to Section 979(2) or to Section 979(4) of the Companies Act 2006 that the offeror desires to acquire their Shares the Company shall forthwith inform all Option Holders in writing and Options not exercised by the date on which such notice expires shall thereupon lapse, or (ii) the offeror gives notice to other Shareholders in accordance with Section 984(3) of the Companies Act 2006 that they may require the offeror to acquire their Shares, the Company shall forthwith inform all Option Holders in writing, and Options not exercised within one month of the date of the said notice to other Shareholders shall thereupon lapse. For the purposes of this sub-paragraph **Control** shall be construed as if the offeror owned the Shares of any persons acting in concert with the offeror within the meaning of the City Code on Takeovers and Mergers.
- 5.2** If under Section 899 or 901F of the Companies Act 2006 the Court sanctions a compromise or arrangement applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a savings-related share option plan registered under Part 8 of Schedule 3, notice in writing thereof shall be given by the Company to all Option Holders and an Option Holder shall, subject to Rule 6, at any time after such compromise or arrangement has been sanctioned by the Court be entitled to exercise his or her Option (provided the Option Holder does so before the expiry of the Exercise Period) but to the extent that the Option has not been exercised when such compromise or arrangement becomes effective, it shall lapse.
- 5.3** If a general meeting of the Company passes a resolution for the voluntary winding up of the Company, an Option Holder shall be entitled to exercise his or her Option within two months after such resolution has been passed (provided that the Option Holder does so before the expiry of the Exercise Period). Any Options not so exercised shall lapse, but Option Holders who have exercised their Options shall be entitled to share in the assets of the Company with existing Shareholders in the same manner as they would have been entitled had they actually held the Shares before the resolution was passed.
- 5.4** An Option shall lapse in the event of the Company being wound up otherwise than on a voluntary winding up.

Replacement Options

6.1 This Rule shall apply where any of the following events occur:

- (a) a company obtains Control of the Company as a result of making either a general offer to acquire the whole of the Company's issued share capital other than that which is already owned by it and by its Holding Company (if any) and by any subsidiaries of its Holding Company and which is made on a condition that if it is satisfied the offeror will have such Control, or a general offer to acquire all shares in the Company which are of the same class as the Shares; or
- (b) a company obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the Court under Section 899 or 901F of the Companies Act 2006; or
- (c) a company becomes bound or entitled to acquire shares in the Company under Sections 979 to 989 of the Companies Act 2006.

6.2 Notwithstanding anything to the contrary in these Rules an Option Holder may:

- (i) in a case falling within paragraph 6.1(a) within the period of six months beginning with the time when the person making the offer has obtained Control and any other condition subject to which the offer is made is satisfied;
- (ii) in a case falling within paragraph 6.1(b) within the period of six months beginning with the time when the Court sanctions the compromise or arrangement; and
- (iii) in a case falling within paragraph 6.1(c) within the period during which the person remains bound or entitled as mentioned in that paragraph;

by agreement with the Acquiring Company, release his or her Option under the Scheme in consideration of the grant to the Option Holder of new rights **new Option** which, by reference to the provisions of paragraph 39 of Schedule 3, are equivalent to the rights granted by the Option but relate to shares in a different company (whether the Acquiring Company or some other company falling within paragraph (b) or (c) of paragraph 18 of Schedule 3). The Board may deem such agreement to take effect unless the Option Holder objects to this by notifying the Board in such form and by such date as they may prescribe. With effect from the date of release references in Rules 5 to 11 to **the Company** and **Shares** shall, in relation to the new Option, be construed as references to the Acquiring Company and shares in the Acquiring Company or that other company as the case may be.

6.3 An Option Holder will be deemed to have agreed to the release of his or her Option in accordance with Rule 6.2 if substantially all the shares in the Acquiring Company are expected to be held by the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company.

Adjustments

7 Following any Issue or Reorganisation, the number or nominal amount of Shares comprised in each Option and/or the Exercise Price payable therefore may be adjusted by the Board in such manner as they may determine provided always that

- (a) the Auditors have, or an independent financial adviser has, first confirmed in writing to the Board that any such adjustment is in their opinion fair and reasonable and is in compliance with the note to rule 17.03(13) of the Hong Kong Listing Rules;
- (b) the aggregate Exercise Price payable on the exercise of any Option shall not be increased thereby;
- (c) any adjustment to the nominal amount of Shares must give the Option Holder the same proportion of the equity capital of the Company as that to which that person was entitled before the adjustment; and
- (d) no such adjustment shall be made to the extent that it would result in a Share being issued at less than its nominal value.

Notice of any such adjustments shall be given to the Option Holders by the Board who may call in Option certificates for endorsement or replacement.

Notices and Administration

- 8.1** Save as otherwise provided herein, notices or documents required to be given to an Eligible Participant or an Option Holder shall either be delivered to the relevant person by hand at his or her normal place of work or sent to the relevant person by post at his or her last known address and where a notice is sent by post it shall be deemed to have been given 48 hours after it was put into the post properly addressed and stamped.
- 8.2** Save as otherwise provided herein, notices or documents required to be given to the Company by an Eligible Participant or Option Holder shall be properly given if delivered by hand to the Secretary of the Company at its registered office or sent to the Secretary by post at that office and where a notice is sent by post it shall be deemed to have been given 48 hours after it was put into the post properly addressed and stamped.
- 8.3** The Company shall keep available sufficient of its authorised but unissued share capital or otherwise procure that sufficient Shares are or will be available to satisfy all outstanding Options and, subject to Rule 2.6 and Rule 3, all outstanding invitations to apply for Options.
- 8.4** The Company shall not allot or procure the transfer of Shares pursuant to the Scheme if doing so would contravene the securities law of the country in which the Option Holder is resident.
- 8.5** The decision of the Board in any dispute or question relating to an Option or the due exercise thereof for which specific provision is not made in the Rules shall be final and conclusive subject to the advice of the Auditors having been obtained when so required under the provisions of the Scheme.

Variations and Termination

- 9.1** The Board may at any time and from time to time by resolution make any modification or alteration to the Scheme provided that no modification or alteration shall:
 - (a) be made which would adversely affect any of the subsisting rights of Option Holders except with the consent of Option Holders who, if they exercised their Options in

full, would become entitled to not less than 75% of all Shares which fall to be allotted upon the exercise in full of all outstanding Options; or

- (b) be made except with the prior approval of the Company in general meeting if they are of a material nature or purport to change the authority of the Board in relation to any alteration to the terms of the Scheme or purport to change the terms of Options already granted (except where the alterations take effect automatically under the rules) or if any of the following provisions of the Scheme are being modified or altered to the advantage of existing or future Option Holders; (save as regards adjustments made pursuant to Rule 7) the definitions of **Eligible Participant**, **Market Value** or **Exercise Price**, Rules 2 to 7 (inclusive) and this Rule 9 unless it is made by the Board and the Board consider it to be (a) minor and (b) necessary or desirable in order to benefit the administration of the Plan or to comply with or take account of the provisions of any proposed or existing legislation, or to take advantage of any changes to the legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment of the Company and any Subsidiary or any Option Holder **PROVIDED THAT** such amendments or additions do not affect the basic principles of the Scheme; and
- (c) cause the Scheme to cease to comply with Chapter 17 of the Hong Kong Listing Rules (in so far as they are applicable).

9.2 The Company in general meeting or the Board may at any time resolve to terminate the Scheme in which event no further Options shall be granted but the provisions of the Scheme shall in relation to Options then subsisting continue in full force and effect.

9.3 Written notice of any alteration made in accordance with paragraph 9.1 above shall be given to all Option Holders.

Rights of Participants

10 Participation in the Scheme by an Eligible Participant is a matter entirely separate from any right or entitlement the Eligible Participant may have and from his or her terms or conditions of engagement and participation in this Scheme shall in no respects whatever affect in any way an Eligible Participant's rights or entitlements or terms or conditions of engagement and in particular (while not limiting the generality of the foregoing words) any Eligible Participant whose contract for service with a Participating Company ceases shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed for any reason whatsoever.

Governing Law

11 These Rules shall be governed by and construed in accordance with the laws of England. The English Courts have exclusive jurisdiction in respect of disputes arising under or in connection with this Scheme or any Option.

Taxation

12 The Eligible Participant will be responsible for all Taxation arising in connection with the grant, vesting, exercise, surrender or transfer of any Option and the issue or transfer of Shares or payment of cash to the Eligible Participant in connection with the Option. Notwithstanding anything else in these Rules, where the Company, any engaging company or the trustee of any agent share trust from which Shares may be provided must account for any Taxation for which an Eligible Participant is liable, it may make such arrangements as it considers necessary to recover the amount of any such liability from the Eligible Participant. These arrangements may include, but are not limited to:

- (i) selling sufficient Shares on behalf of the Eligible Participant and retaining the proceeds; or
- (ii) reducing the number of Shares to be issued or transferred to the Eligible Participant under the Scheme; or
- (iii) deducting any amount from any cash payment due to the Eligible Participant under the Scheme or otherwise.

SCHEDULE I – HONG KONG

This Schedule I is supplemental to the Prudential International Savings Related Share Option Scheme for Non-Employees (the **Scheme**).

This Schedule I sets out the rules of the Scheme in its application to any right granted to a person who is resident for tax purposes in Hong Kong and words or phrases defined in the Scheme shall bear the same meaning in this Schedule I except as otherwise provided. The said rules shall be the Rules as modified or varied as set out below:

The definition of "Subsidiary" shall be replaced with:

Subsidiary means a company which is under the Control of the Company and is a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006 and is deemed to be related to the Company by virtue of Section 3 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

SCHEDULE II – USA

This Schedule II is supplemental to the Prudential International Savings Related Share Option Scheme for Non-Employees (the **Scheme**)

This Schedule II sets out the rules of the Scheme in its application to any right granted to a person who is or becomes subject to taxation under the tax rules of USA and words or phrases defined in the Scheme shall bear the same meaning in this Schedule II except as otherwise provided. The said rules shall be the rules as modified or varied as set out below:

A definition for “Section 409A”, “Taxable Year”, “US Tax” and “US Taxpayer” shall be added to the DEFINITIONS:

Section 409A means Section 409A of the U.S. Internal Revenue Code, as amended from time to time and including regulations and other guidance that is issued with respect thereto.

Taxable Year means the calendar year, or if it would result in a longer period for the exercise of an Option, the 12 month period in respect of which the Option Holder’s employing company is obliged to pay tax.

US Tax means the taxation under the tax rules of the United States of America.

US Taxpayer means a person who is subject to US Tax.

The following new paragraph shall be added numbered as 4.8(e): “A US Taxpayer may only exercise an Option within the shorter of any exercise period specified in these Rules and the expiry of 2.5 calendar months after the end of the Taxable Year in which the earlier occurs of the Option first becoming exercisable or no longer subject to a “substantial risk of forfeiture” within the meaning of Section 409A.”

Options granted to US Taxpayers are intended to be exempt from Section 409A pursuant to the “short term deferral” exception that is set forth in US Treasury Regulation Section 1.409A-1(b)(4). The Scheme and the terms of such Options shall be interpreted and administered in a manner that ensures that they are exempt from Section 409A.

SCHEDULE III – MALAYSIA

This Schedule III is supplemental to the Prudential International Savings Related Share Option Scheme for Non-Employees (the ***Scheme***).

This Schedule III sets out the rules of the Scheme in its application to any right granted to a person who is resident in Malaysia and words or phrases defined in the Scheme shall bear the same meaning in this Schedule III except as otherwise provided. The said rules shall be the Rules as modified or varied as set out below:

Definitions

The definition of "Subsidiary" shall be replaced with:

Subsidiary means:

- (a) where the other company:
 - (i) controls the composition of the board of directors of the company;
 - (ii) controls more than half of the voting power of the company; or
 - (iii) holds more than half of the total number of issued shares of the company, excluding any part of the share capital which consists of preference shares; or
- (b) where a company is a subsidiary of any company which is the other company's subsidiary,

as defined under the Malaysian Companies Act 2016.

Application

These additional terms shall apply:

1. Prudential Assurance Malaysia Berhad (PAMB)'s agents are entitled to participate in the Scheme if they meet the eligibility criteria determined by PAMB;
2. Eligible agents of PAMB are not required to pay or otherwise provide any consideration for the grant of the Options; and
3. Eligible agents of PAMB are required to participate in the Savings Arrangement as a condition for participation in the Scheme.