

Registered Number: 15454

**COMPANIES ACT 1985**

**RECORD OF WRITTEN RESOLUTIONS OF**

**THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

**PASSED ON 8 MAY 2001**

As Ordinary Resolutions:

1. THAT the authorised share capital of the Company be increased to £1,087,500,000 by the creation of 1,000,000,000 preference shares of £1 each (the "Preference Shares") having the rights more particularly described in the proposed amendments to the Articles of Association referred to in Resolution 4;
2. THAT pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "Act") the Board be and is hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Act) up to an aggregate nominal amount of £1,012,902,936.50 provided that this authority shall expire 5 years from the date of this resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot the relevant security in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

As Special Resolutions:

3. THAT, subject to the passing of resolution 2 above, the Directors are hereby empowered pursuant to section 95 of the Companies Act 1985 for a period of 30 days from the passing of this resolution and resolution 4 below to allot 1,000,000 Preference Shares of £1 each in the capital of the Company pursuant to the authority conferred by resolution 2 above as if section 89 of the Companies Act 1985 did not apply to such allotment save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
4. THAT the Articles of Association of the Company shall be amended as follows:  
The following new Article 2 shall be inserted in the Articles of Association of the Company in substitution for and to the exclusion of the Article presently numbered 2, and that Article 3 be amended by the addition of the words "and Article 2" between the words "Article 28" and "each of the said Shares":

"The share capital of the Company as at the date of the latest amendment to these Articles of Association is £1,087,500,000 divided into:

- (i) 350,000,000 shares of £0.25 each, and
- (ii) 1,000,000,000 Preference Shares of £1 each.



The Preference Shares shall confer upon the holders thereof as a separate class the following rights:

**Income**

- (a) As to income, the Preference Shares shall confer upon the holders thereof the right in priority to any payment by way of dividend of the Company to receive (exclusive of any imputed tax credit available to shareholders) a cumulative preferential dividend (the "**Preferential Dividend**").
- (b) The Preferential Dividend shall in respect of each Preference Share from time to time in issue be at the Specified Gilt Rate plus 0.8778% per annum in respect of each year or part year ending on any date for payment of the Preferential Dividend as determined pursuant to article 2(c)(i) (a "**Dividend Period**") increased by the percentage increase in the index of retail prices published by the Office for National Statistics (the "**Retail Prices Index**") from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to the last day of the relevant Dividend Period, and proportionately for any part of a year from the date of issue of the relevant Preference Shares. For the purposes of this article 2(b), the "**Specified Gilt Rate**" shall be the prospective real redemption rate, based on a projected inflation rate of 3%, of 2.5% index linked 2016 UK gilts, based on an RPI base for indexing of 81.6, as quoted in the Financial Times on the day 30 days prior to the last day of the relevant Dividend Period (or if the Financial Times is not published on such day, on the first day prior to that day on which it is published, and if the Financial Times does not contain the relevant information, as determined by the Company's auditors for the time being).
- (c) Subject to Part VIII of the Companies Act 1985 (as amended) (the 1985 Act) the Preferential Dividend shall be:
  - (i) paid (exclusive of any imputed tax credit available to shareholders) on each anniversary of the first issue by the Company of any Preference Shares or on such other date in each year as the directors of the Company shall in their absolute discretion determine (the "**Dividend Payment Date**") provided that the directors of the Company shall have no discretion to determine a Dividend Payment Date such that a period of more than one year shall have elapsed on such Dividend Payment Date since the last payment of the Preferential Dividend; and
  - (ii) without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A of the 1985 Act) accrue from day to day and on each such anniversary (or, as the case may be, on each Dividend Payment Date) become a debt due from and immediately payable by the Company to the holders of the Preference Shares pro rata according to the

number of Preference Shares held by each such shareholder, as the case may be.

### **Redemption**

- (d) Subject to the 1985 Act, all the Preference Shares then in issue shall be redeemed by the Company without notice, on 8 May 2016.
- (e) Where any Preference Shares are to be redeemed in accordance with article 2(d) above, the Company shall be obliged, prior to making any payment to any other shareholder or shareholders of the Company, subject to having sufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption and to pay to the relevant holder of the relevant Preference Shares an amount (the "**Redemption Monies**") equal to £1.2808 increased by the percentage increase in the Retail Prices Index from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to 8 May 2016 for each such Preference Share, and such amounts shall, subject to the Company having available profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Preference Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at an annual rate of 2% above the base rate from time to time of HSBC Bank Plc in respect of the period from and including the due date down to and including the date of actual payment.
- (f) If the Company is unable, because of having insufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed and shall redeem the balance as soon as it is lawfully and properly able to do so.
- (g) On the date fixed for redemption, each of the holders of Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate(s)) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Preference Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the Redemption Monies.

### **Capital**

- (h) On a return of capital on winding-up or capital reduction or otherwise (a "**Return of Capital**"), the holders of the Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to the repayment of a sum calculated in accordance with the following formula:

$$\text{RPI} * \pounds(1.2808^{N/15})$$

where

N is equal to the number of years (including fractions of a year) which have elapsed between the date of issue of the relevant Preference Share and the date of the Return of Capital; and

RPI is equal to the Retail Prices Index on the date of the Return of Capital divided by the Retail Prices Index on the date of issue of the relevant Preference Share.

#### **Further participation**

- (i) The holders of the Preference Shares shall not be entitled to any further right of participation in the profits or other assets of the Company.

#### **General Meeting**

- (j) The holders of the Preference Shares shall, by virtue of and in respect of their holdings of the Preference Shares, have the right to receive notice of, attend, speak and vote at a General Meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares (in which case they shall only be entitled to vote on such resolution).
- (k) Except in the circumstances set out above, the holders of the Preference Shares shall not have the right to receive notice of, attend, speak or vote at any General Meeting of the Company.

#### **Voting**

- (l) Whenever the holders of the Preference Shares are entitled to vote on a resolution at a General Meeting of the Company, on a show of hands, every such holder who is present in person or (being a corporation) by a representative shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have one vote in respect of each fully-paid Preference Share registered in the name of such holder."

Company Secretary