

<b>NYSE Corporate Governance Rules</b>	<b>Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules</b>
<p><b>Director independence</b></p> <p>1 Listed companies must have a majority of independent directors.</p>	<p>Prudential complies with the equivalent domestic requirements contained in the 'Combined Code on Corporate Governance' (the 'Code').</p> <p>The Code requires that the Board should include a balance of executive and non-executive directors (and in particular independent non-executive directors) such that no individual or small group of individuals can dominate the Board's decision taking. At least half the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.</p> <p>The Board considers that Sir Winfried Bischoff, Mr Dadiseth, Mr Garrett, Ms Godbehere, Mrs Macaskill, Ms O'Donovan, Mr Ross and Lord Turnbull are 'independent' under the Code. This satisfies the requirement under the Code that at least half the Board, excluding the Chairman, should be 'independent' non-executive Directors.</p>
<p>2 In order to tighten the definition of 'independent director' for purposes of these standards:</p> <p>a) No director qualifies as 'independent' unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must identify which directors are independent and disclose the basis for that determination.</p> <p>b) In addition, a director is not independent if:</p> <p style="padding-left: 20px;">i) The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer of the listed company.</p> <p style="padding-left: 20px;">ii) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).</p> <p style="padding-left: 20px;">iii) (A) The director is a current partner or employee of a firm that is the company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company's audit within that time.</p> <p style="padding-left: 20px;">iv) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee.</p>	<p>Prudential complies with the corresponding domestic requirements contained in the Code, which sets out the principles for the Company to determine whether a director is 'independent'.</p> <p>The Board is required to determine whether directors are independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could affect, the directors' judgment. If the Board determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination it shall state its reasons. In undertaking this process the Board is required, amongst other factors, to consider if the director:</p> <ul style="list-style-type: none"> <li>• Has been an employee of Prudential within the last five years;</li> <li>• Has, or has had within the last three years, a material business relationship with Prudential either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with Prudential;</li> <li>• Has received or receives additional remuneration from Prudential apart from a director's fee, participates in Prudential's share option or a performance-related pay scheme, or is a member of Prudential's pension scheme;</li> <li>• Has close family ties with any of Prudential's advisers, directors or senior employees;</li> <li>• Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;</li> <li>• Represents a significant shareholder; or</li> <li>• Has served on the Board for more than nine years from the date of their first election.</li> </ul> <p>Keki Dadiseth and Barry Stowe also serve as non-executive directors of ICICI Prudential Life Insurance Company Limited, an Indian company which is owned 26% by Prudential, and in addition Keki serves at</p>

NYSE Corporate Governance Rules	Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules
<p>v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.</p>	<p>Prudential's request as a non-executive director of ICICI Prudential Trust Limited, an Indian company which is owned 49% by Prudential. The Board does not consider that these appointments in any way affect Keki's status as an independent director of Prudential.</p>
<p><b>Executive Sessions</b></p>	<p>Sir Winfried Bischoff has been Chairman of Citi Europe and a Member of The Management, Operating and Business Heads Committees of Citigroup Inc. since May 2000. He is also Chairman of the European Advisory Board of Citigroup Inc. and a member of the Citigroup Inc. International Advisory Board. He was a director of Citigroup Inc. until April 21, 2009 and was the Acting Chief Executive Officer from November 2007 to December 2007, and Chairman from December 2007 until February 23, 2009. Prudential has a number of business relationships with Citi. The Board believes that, in respect of the Combined Code, these business relationships are not sufficiently material to compromise his independence in matters relating to Prudential.</p>
<p>3 To empower non-management directors to serve as a more effective check on management, the non-management directors of each listed company must meet at regularly scheduled executive sessions without management.</p>	<p>The non-executive Directors considered by the Board to be independent are identified in the Company's Annual Reports in accordance with the Code and on Prudential's website.</p>
<p><b>Nominations/Corporate Governance Committee</b></p>	<p>Throughout the year 2008 all non-executive directors were considered by the Board to be independent in character and judgment.</p>
<p>4 a) Listed companies must have a nominating/ corporate governance committee composed entirely of independent directors.</p>	<p>Prudential complies with the equivalent domestic requirements set out in the Code, which requires that the Chairman of Prudential should hold meetings with the non-executive directors without executives present and the non-executive directors led by the Senior Independent Director, should meet at least annually without the Chairman present to appraise the Chairman's performance. The Chairman of Prudential usually meets formally, at least annually, with the non-executive directors without the executive directors being present. During 2008, the Chairman held a number of meetings with non-executives individually or in groups without the executives being present. It was decided in light of these meetings that no additional formal meeting would be required. The Chairman Designate also had a number of meetings with the non-executive directors without the executives being present.</p>
<p>b) The nominating/corporate governance committee must have a written charter that addresses:</p>	<p>Prudential complies with the corresponding domestic requirements set out in the Code, which requires that Prudential has a Nomination Committee which comprises a majority of independent non-executive directors and the Chairman.</p>
<p>i) the committee's purpose and responsibilities—which, at minimum, must be to: identify individuals qualified to become board members, consistent with criteria approved by the board, and to select, or to recommend that the board select, the director nominees for the next annual meeting of shareholders; develop and recommend to the board a set of corporate governance guidelines applicable to the corporation; and oversee the evaluation of the board and management; and</p>	<p>Prudential's Nomination Committee has written terms of reference in accordance with the Code. The terms of reference are available on Prudential's website, and explain the Nomination Committee's role and the authority delegated to it by the Board.</p>
<p>ii) an annual performance evaluation of the committee.</p>	<p>The Board is responsible for regularly reviewing its corporate governance standards and practices. Domestic requirements do not mandate Prudential to establish a corporate governance committee.</p>
<p></p>	<p>Under the Code, the board should state in the annual report how performance evaluation of the board, its</p>

NYSE Corporate Governance Rules	Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules
<b>Compensation Committee</b>	committees and its individual directors has been conducted. Prudential includes such description in its Annual Report, which is available on its website.
5 a) Listed companies must have a compensation committee composed entirely of independent directors.	Prudential complies with the equivalent domestic requirements set out in the Code, which requires that Prudential has a Remuneration Committee that is comprised of at least three 'independent' non-executive directors.
b) The compensation committee must have a written charter that addresses:	Prudential's Remuneration Committee has written terms of reference in accordance with the Code. The terms of reference are available on Prudential's website.
i) the committee's purpose and responsibilities—which, at minimum, must be to have direct responsibility to:	Prudential complies with the equivalent domestic requirements set out in the Code, which provides that the Remuneration Committee:
a) review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and	a) should have delegated responsibility for setting remuneration for all executive directors and the chairman, including pension rights and any compensation payments;
b) make recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval; and	b) should recommend and monitor the level and structure of remuneration for senior management;
c) produce a compensation committee report on executive officer compensation as required by the SEC to be included in the listed company's annual proxy statement or annual report on Form 10-K filed with the SEC;	c) should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination; and
ii) an annual performance evaluation of the compensation committee.	d) that the annual report should include a description of the work of the Remuneration Committee.
<b>Audit Committee</b>	Under the Code, the board should state in the annual report how performance evaluation of the board, its committees and its individual directors has been conducted. Prudential includes such description in its Annual Report which is available on its website.
6 Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Securities Exchange Act.	Prudential complies with equivalent domestic requirements set out in the Code, which requires that Prudential has an Audit Committee that is comprised entirely of at least three 'independent' non-executive directors.
	Prudential's Audit Committee has written terms of reference prepared in accordance with the requirements of the Code and the Smith Guidance. The terms of reference are available on Prudential's website and explain the Audit Committee's role and the authority delegated to it by the Board.
	The terms of reference, amongst other items, set out the Committee's role and responsibilities in respect of the external audit business.

NYSE Corporate Governance Rules	Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules
	<p>The Committee reviews management's and the external and internal auditors' reports on the effectiveness of systems for internal control, financial reporting and risk management. It also reviews the effectiveness of the Group Risk Framework and the Group Governance Framework.</p>
	<p>The Audit Committee has established a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.</p>
	<p>The Audit Committee has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.</p>
	<p>Prudential must provide appropriate funding for the Audit Committee.</p>
	<p>The Board of Prudential has designated that Kathleen O'Donovan, Chairman of the Audit Committee, qualifies as an audit committee financial expert.</p>
<p>7 (a) The audit committee must have a minimum of three members.</p>	<p>Prudential complies with equivalent domestic requirements set out in the Code which requires that the Audit Committee should comprise a minimum of three 'independent' non-executive directors.</p>
<p>(b) In addition to any requirement of Rule 10A-3(b)(1), all audit committee members must satisfy the requirements for independence set out in Section 303A.02.</p>	<p>Each member of Prudential's Audit Committee is deemed to be 'independent' in accordance with the Securities Exchange Act and Code criteria. Prudential has determined its Audit Committee members meet the rule 10A-3 independence test.</p>
<p>(c) The audit committee must have a written charter that addresses:</p> <p>(i) the committee's purpose—which, at minimum, must be to:</p> <p>(A) assist board oversight of (1) the integrity of the listed company's financial statements, (2) the listed company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the listed company's internal audit function and independent auditors; and</p>	<p>Prudential complies with equivalent domestic requirements set out in the Code which requires that the Board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.</p> <p>Prudential's Audit Committee has written terms of reference in accordance with the Code. The terms of reference are available on Prudential's website.</p> <p>The Code requires that the main role and responsibilities of the Audit Committee should include:</p> <ul style="list-style-type: none"> <li>• To monitor the integrity of the financial statements of the Company;</li> <li>• To monitor and review the effectiveness of the Company's internal audit function;</li> <li>• To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;</li> <li>• To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; and</li> </ul>

NYSE Corporate Governance Rules	Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules
	<ul style="list-style-type: none"> <li>To make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.</li> </ul>
<p>(B) prepare an audit committee report as required by the SEC to be included in the listed company's annual proxy statement;</p>	<p>The Code requires that there is a separate section in a Company's Annual Report which describes the work of the Committee in discharging its duties.</p>
<p>(ii) an annual performance evaluation of the audit committee; and</p>	<p>An evaluation is included in the Annual Report &amp; Accounts.</p>
<p>(iii) the duties and responsibilities of the audit committee—which, at a minimum, must include those set out in Rule 10A-3(b)(2), (3), (4) and (5) of the Exchange Act, as well as to:</p>	
<p>(A) at least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the listed company;</p>	<p>Prudential's Audit Committee also monitors and reviews the effectiveness of the Company's internal audit function.</p>
<p>(B) Meet to review and discuss the listed company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing the company's specific disclosures under 'Management's Discussion and Analysis of Financial Condition and Results of Operations';</p>	<p>Prudential's Audit Committee also monitors the integrity of the financial statements of the Company, and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them.</p>
<p>(C) Discuss the listed company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;</p>	
<p>(D) Discuss policies with respect to risk assessment and risk management;</p>	<p>Prudential's Audit Committee also reviews the Company's internal financial controls and, unless expressly addressed by a separate risk committee, or by the Board itself, reviews the Company's internal control and risk management systems.</p>
<p>(E) Meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors;</p>	<p>Committee members meet separately with management throughout the year and at least annually meet alone with the internal and external auditors.</p>
<p>(F) review with the independent auditor any audit problems or difficulties and management's response;</p>	<p>The terms of reference of Prudential's Audit Committee require it to consider management's responses to any major external audit recommendations, and to resolve disagreements between management and the external auditor regarding financial reporting.</p>
<p>(G) set clear hiring policies for employees or former employees of the independent auditors; and</p>	<p>The terms of reference of Prudential's Audit Committee require it to set clear hiring policies for employees or former employees of the external auditor.</p>
<p>(H) report regularly to the board of directors.</p>	<p>Prudential's Audit Committee reports regularly to the board of directors.</p>
<p>(d) Each listed company must have an internal audit function.</p>	<p>Where there is no internal audit function, the audit committee should consider annually, under the</p>

NYSE Corporate Governance Rules	Description of differences between Prudential's governance practice and the NYSE Corporate Governance Rules
	requirements of the Code, whether there is a need for an internal audit function and make a recommendation to the board, and the reasons for the absence of such a function should be explained in the relevant section of the annual report.
<p><b>Shareholder Approval of Equity Compensation Plans</b></p> <p>8 Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, except for employment inducement awards, certain grants, plans and amendments in the context of mergers and acquisitions, and certain specific types of plans.</p>	Prudential complies with corresponding domestic requirements in the Listing Rules issued by the Financial Services Authority which mandate that the Company must seek shareholder approval for employee share schemes.
<p><b>Corporate Governance Guidelines</b></p> <p>9 Listed companies must adopt and disclose corporate governance guidelines.</p>	Prudential complies with corresponding domestic requirements set out in the Listing Rules issued by the Financial Services Authority and the Code, which require that Prudential include an explanation in its Annual Report of how it complies with the principles of the Code and require confirmation that it complies with the Code's provisions or, where it does not, to provide an explanation of why it does not comply.
<p><b>Code of Business Conduct and Ethics</b></p> <p>10 Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.</p>	Prudential's Code of Business Conduct is available on Prudential's website. Although not required by the Sarbanes- Oxley Act, Prudential has extended the applicability of its Code of Business Conduct to all employees.
<p><b>Description of Significant Differences</b></p> <p>11 Listed foreign private issuers must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards.</p>	Prudential conforms by publishing this document to fulfill this requirement.
<p>12 Listed foreign private issuers may provide this disclosure either on their web site (provided it is in the English language and accessible from the United States) and/or in their annual report as distributed to shareholders in the United States in accordance with Sections 103.00 and 203.01 of the Listed Company Manual (again, in the English language). If the disclosure is only made available on the web site, the annual report shall so state and provide the web address at which the information may be obtained.</p>	Prudential conforms by publishing this document in this annual report on Form 20-F and on its website to fulfill this requirement. The address of the website is also published in Prudential's Form 20-F.
<p>13 Listed companies must have and maintain a publicly accessible website.</p>	Prudential conforms by maintaining a publicly accessible website, on which a printable version of the terms of reference of its Remuneration Committee, Nomination Committee and Audit Committee, its corporate governance guidelines, its Code of Business Conduct and document disclosing any significant ways in which its corporate governance practices differ from those followed by domestic companies under NYSE listing standards are posted in the English language.