

Related Party Transaction Approval Policy

1. Policy

Under the Company's Code of Business Conduct and Ethics, all directors and executive officers of the Company have a duty to report to the Corporate Secretary, the Corporate Governance and Business Ethics Committee and/or the Enterprise Business Ethics Officer any activity that would create, or appear to create, a potential or actual conflict of interest with respect to their ability to make decisions and/or act regarding Prudential's business. Accordingly, it shall be the policy of the Board of Directors that all Related Party Transactions (as that term is defined in this Policy) shall be subject to approval or ratification in accordance with the procedures set forth below. Nothing in this Policy shall be deemed to supersede the requirements of the Company's Code of Business Conduct and Ethics. To the extent applicable, each Related Party subject to this Policy shall also comply with the Company's Code of Business Conduct and Ethics.

2. Definitions

A "Related Party Transaction" is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness), or any series of similar transactions, arrangements or relationships, in which (a) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, (b) the Company or a subsidiary is a participant, and (c) any Related Person has or will have a direct or indirect material interest (other than solely as a result of being a director or trustee or any similar position or a less than 10 percent beneficial owner of another entity).

A "Related Party" is any director or executive officer of the Company, any nominee for director, any shareholder owning an excess of 5% of the total equity of the Company and any "Immediate Family Member" of any such person.

An "Immediate Family Member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a person, and any person (other than a tenant or an employee) sharing the household of such person.

3. Procedures

It is the responsibility of the Corporate Governance and Business Ethics Committee to administer this Policy.

Company management will be responsible for determining whether a transaction meets the requirements of a Related Party Transaction requiring review under this Policy, including whether the Related Party has a material interest, based on their review of all facts and circumstances. Upon determination by management that a transaction is a Related Party Transaction requiring

review under this Policy, the material facts regarding the transaction and the Related Party's interest in such transaction shall be disclosed to the Corporate Governance and Ethics Committee.

All Related Party Transactions subject to this Policy must be approved or ratified by the Corporate Governance and Business Ethics Committee. In approving or ratifying any Related Party Transaction, the Committee shall consider all of the relevant facts and circumstances, and approve or ratify those Related Party Transactions that are, in the Committee's judgment, appropriate or desirable under the circumstances.

If the Related Party Transaction involves a Related Party who is a Director or an Immediate Family Member of a Director, such Director may not participate in the deliberations or vote respecting such approval or ratification, provided, however, that such Director may be counted in determining the presence of a quorum at a meeting of the Corporate Governance and Business Ethics Committee which considers such transaction.

4. Authority to Pre-approve and Ratify

In the event Company management determines it is impractical or undesirable to wait until a meeting of the Corporate Governance and Business Ethics Committee to consummate a Related Party Transaction, the Chair of the Corporate Governance and Business Ethics Committee may review and approve the Related Party Transaction in accordance with the criteria set forth herein. Any such approval must be reported to the Corporate Governance and Business Ethics Committee at the next regularly scheduled Committee meeting. In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the matter shall be reviewed by the Corporate Governance and Business Ethics Committee. The Corporate Governance and Business Ethics Committee shall consider all of the relevant facts and circumstances respecting such transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of such transaction, and shall take such course of action as the Corporate Governance and Business Ethics Committee deems appropriate under the circumstances.

5. Standing Pre-Approval for Certain Transactions

The Corporate Governance and Business Ethics Committee has reviewed the types of Related Party Transactions described below and determined that each of the following Related Party Transactions does not create or involve a direct or indirect material interest on the part of the Related Party and therefore does not require review or approval under this Policy, even if the aggregate amount involved will exceed \$120,000. Company management may submit any such transactions to the Corporate Governance and Business Ethics Committee where management deems appropriate.

- a. Employment or compensation of executive officers. Any employment, promotion or compensation with respect to an executive officer, so long as the Compensation Committee

has approved (or recommended that the Board approve) such employment, promotion or compensation;

- b. Director compensation. Any compensation paid to a director for services as a director;
- c. Certain transactions with other companies. Any transaction in the ordinary course of business with another company, with which a Related Party's only relationship is as an employee, if the aggregate amount involved does not exceed the greater of 1,00,00,000 or 2 percent of that company's total annual revenues;
- d. Certain Company charitable contributions. Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university, at which a Related Party's only relationship is as an employee, if the aggregate amount involved does not exceed the lesser of 100,00,000 or 2 percent of the charitable organization's total annual receipts;
- e. Transactions where all shareholders receive proportional benefits. Any transaction where the Related Party's interest arises solely from the ownership of the Company's securities and all holders of the Company's securities receive the same benefit on a pro rata basis (e.g., dividends and interest payments);
- f. Transactions involving competitive bids. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids.
- g. Ordinary course transactions.
 - Any sales of financial services or products to a Related Party in the ordinary course of business on terms and conditions generally available in the market place (or at ordinary employee discounts, if applicable) and in accordance with applicable law.
 - All business relationships between the Company and a 5% shareholder or a business affiliated with a director, director nominee or Immediate Family Member of a director or director nominee made in the ordinary course of business on terms and conditions generally available in the market place and in accordance with applicable law.