

Prudential plc

Schedule of Matters Reserved: Board of Directors

The Board is authorised to exercise all the powers of the Company within any applicable legislation and the provisions of the Articles of Association.

Only members of the Board have the right to attend Board meetings. However, a standing invitation will be issued to the following individuals who would be expected to attend all meetings (save for private meetings of the Non-executive Directors):

- the Group Chief Financial Officer; and
- the Group Chief Risk and Compliance Officer.

Other individuals may be invited by the Board Chair to attend for all or part of any meeting, as and when appropriate.

The following matters are reserved for the Board:

1. Purpose, Values, Culture and Strategy

- a. collective responsibility for setting of the Group's strategy, monitoring the implementation of strategy and strategic objectives, capital allocation, annual budgets and business plans and ensuring any corrective action is taken;
- b. responsible for the overall leadership of the Group, establishing the Group's purpose, values and Environmental, Social and Governance policies, and satisfying itself that these and the Group's culture are aligned with strategy;
- c. leading by example to foster and embed the desired culture, setting a strong 'tone from the top', and assessing and monitoring culture, including alignment with policy, practices, behaviours and risk appetite;
- d. oversight of the Group's operations and approving the Group's long-term strategic objectives, annual budgets and business plans as recommended by the Chief Executive Officer and any material changes to them;

2. Structure and Capital

- a. approving material changes to the Group's corporate structure, including decisions to cease operations in parts of the Group or to extend activities into new business or geographic areas;
- b. approving material changes to the Group's capital structure, including:
 - i reduction of capital;
 - ii share issues;
 - iii share repurchase programmes;
 - iv the reorganisation or restructuring of capital; and
 - v the listing or de-listing of any of the Company's shares or debt instruments on any recognised exchange;
- c. approving the raising of or committing to external finance and financing programmes in excess of \$30 million;

- d. approving all matters with a value of or impact on the cash flow, capital requirements or statutory profits of the Group above \$30 million (approval could be provided as part of strategy, long-term objectives, budgets or business plans, or may be captured by specific delegations set out in the Group governance framework);

3. Financial Reporting and Dividends

- a. approving the full-year and half-year results announcements and any other periodic financial reporting;
- b. approving the Group's Annual Report and Accounts, ensuring that the document, taken as a whole, provides to the best of the Board's belief a fair, balanced and understandable representation of the Group's position and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- c. approving the dividend policy, payment of interim dividends and recommendation to shareholders of any final dividend or other capital distribution;
- d. approving the adoption of relevant accounting policies and any material changes to them;
- e. approving the proposed appointment, reappointment or removal of the external auditor, and putting such recommendation to shareholders for approval;
- f. regularly reviewing the overall financial condition of the Group, its leverage, credit ratings, regulatory and economic capital requirements and investment performance;

4. Internal Control and Risk Management

- a. ensuring an effective system of internal control and risk management is in place, maintained and reviewed annually, and that the Group's accounting and financial reporting function is appropriately resourced both in terms of budget and staff experience;
- b. approving the Group's overall risk appetite and tolerance;
- c. approving the Group Internal Economic Capital Assessment, and any major changes proposed to it, and overseeing how the Group Internal Economic Capital Assessment is embedded in the business;
- d. approving the annual Own Risk Solvency Assessment Report and overseeing how the Own Risk Solvency Assessment is embedded in the business;
- e. approving the overall levels of insurance for the Group, including Directors' and Officers' liability insurance;

5. Board and other appointments

- a. approving changes to the structure, size and composition of the Board and its Committees, ensuring an effective process for refreshing Non-executive Board and Committee membership;

- b. approving the appointment, removal and the continuation in office of the Chief Executive Officer and other Executive and Non-executive Directors and recommending their election or re-election to shareholders;
- c. approving the appointment and removal of the of the Group Chief Financial Officer, Group Chief Risk and Compliance Officer and Company Secretary;
- d. approving the delegated levels of authority and the terms of reference for the Chair, Senior Independent Director and Chief Executive Officer;
- e. ensuring an effective system for talent development and succession planning for the Executive Directors and senior management;

6. Remuneration

- a. approving the Directors' Remuneration Policy, applicable to all Directors of the Board, for approval by shareholders;
- b. on recommendation of the Chief Executive Officer, approving the level of fees paid to the Non-executive Directors;
- c. approving the introduction of any new share plan or material amendments to existing plans to be submitted to shareholders for approval;

7. Governance and Stakeholder Management

- a. approving the Group's significant governance policies;
- b. ensuring that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success;
- c. ensuring that an evaluation of the Board's own performance, that of its Committees and of all Directors is undertaken annually and that an appropriate plan of action is adopted to address matters identified in the evaluation;
- d. determining the independence of the Non-executive Directors on an annual basis, where not otherwise carried out by a Committee of the Board;
- e. authorising any actual or potential conflict of interest situation applying to any Director, where not otherwise carried out by a Committee of the Board;
- f. authorising the Company Secretary to arrange for all Directors to obtain, at the Group's expense, appropriate external professional advice;
- g. ensuring that the Board has due regard for the balance of interests between shareholders, employees, customers and community;
- h. ensuring effective engagement with, and encouraging participation from, key stakeholder groups;
- i. establishing and overseeing a workforce engagement method appropriate to the Group;

- j. overseeing the Group's corporate social responsibility programmes;

8. Communication

- a. approving circulars, listing particulars, resolutions and any documents to be put to shareholders at general meetings or to be circulated to shareholders generally (in situations where an offer is received for the share capital of the Company, an Independent Board Committee shall meet specifically for the purposes of the Hong Kong Takeover Code);
- b. approving ex ante any exceptions to the strict Group policy of not making any political donations;
- c. ensuring appropriate dialogue with stakeholders is maintained;

9. Delegation of Authorities

- a. delegating authority to a number of standing and ad hoc committees of the Board and regularly reviewing the terms of reference for and reports from the committees;
- b. delegating its responsibility for the operational management of the Group to the Chief Executive Officer, who may sub-delegate their authority as they determine, and allocating this responsibility in the event of their incapacity.