

PGIM Private Capital Limited (formerly known as Pricoa Capital Group Limited)
Section 172(1) Statement for the Year Ended 31 December 2019

The Strategic Report must include a statement describing how the Directors have a regard to the matters as set out in section 172(1) of the Companies Act 2016 (CA 2016) as detailed below. Sections 465 to 467 of CA 2016 do allow for certain exemptions from this disclosure on the basis of size or materiality, however the Company is excluded from benefiting from these exemptions on the basis that it forms part of an ineligible group, that is a group which, amongst other criteria, contains a MiFID investment Firm or UCITS management company.

(a) The likely consequences of any decision in the long term

The Company regularly assess its strategy from both a commercial and risk perspective to ensure the long term consequences of any strategic decision are understood and taken into account as detailed in the decision to transfer the activities of the Company's branches above.

During 2019 the strategic decision was taken to terminate the Deed of Guarantee for insurance mediation activities carried out by PGIM Limited from PPC, with a new Deed of Guarantee underwritten by PGIM Real Estate UK Limited (formerly known as PGIM Fund Management Limited) instead. In order to be able to make this Deed of Guarantee, the Company was required to have net assets of at least £10 million. Following the decision to terminate the Deed of Guarantee, the Company bought back 5,751,000 £1 Ordinary shares at par from PGIM Financial Limited in line with the Company's Capital Management policy of ensuring surplus capital is deployed efficiently and in addition returned £12.0 million of surplus capital to its sole shareholder, PGIM Financial Limited, by way of an interim dividend.

(b) The interests of the Company's employees

The Company seeks to promote the interests of its employees by ensuring that they are skilled to undertake the role they perform, receiving regular training to maintain their competencies, and that all employees are fairly and appropriately remunerated. The Company also engages with its employees at least annually via an anonymous questionnaire, the results of which are summarised and shared with its employees to identify key areas of development.

(c) The need to foster the Company's business relationships with suppliers, customers and others

The Company works to foster positive business relationships with suppliers, customers and other stakeholders. Relationships with customers are governed by written contracts to ensure transparency and clarity of expectation of performance.

The Company has established good working relationships with its suppliers and seeks to ensure a responsible payment culture, with the publishing for the Group of its Business Payment practices and Performance reporting on the Companies' House website. Following a review of the Modern Slavery Act, the Company has engaged with its suppliers to ensure mutual compliance.

The Company seeks to establish positive relationships with the local regulatory authorities.

(d) The impact of the Company's operations on the community and the environment

The Company encourages its employees to contribute to the community in which the Company operates by offering the opportunity to take part in local charity and volunteering initiatives. The Company seeks where possible to minimize its impact on the environment and has developed in-house initiatives, such as an internal recycling scheme and the provision of employee cycle racks, to this aim.

(e) Maintaining high standards of business conduct

There is worldwide engagement with employees regarding individual conduct and the high standards of ethics and integrity expected of employees is outlined in Prudential's Code of Conduct "Making the Right Choices". The Code of Conduct is supported by ongoing training and annual re-certification.

(f) The need to act fairly between members of the Company

The Company is a Private Limited Company with a sole shareholder.