Plan of Allocation[1]

1. Each Authorized Claimant shall be issued a check for that Authorized Claimant's *pro-rata* share of the Net Settlement Fund. No claim form or claim submission process will be used.

2. Subject to Paragraph 3, below, each Authorized Claimant's *pro-rata* share of the Net Settlement Fund shall be computed as follows:

   a. **Step 1: Calculate Individual Policy Overcharges**
      i. For each Premium Tax Settlement Class Policy, calculate:
         1. "**Address/Rate Overcharge Amount**" as the full premium tax overcharge amount for that policy attributable to the Address Update Issue and/or Rate Update Issue during the Class Period;
         2. "**Retaliatory Overcharge Amount**" as the full alleged premium tax overcharge amount attributable to the Retaliatory Tax Rate Issue and/or the NY Issue for that policy during the Class Period; and
         3. "**Total Overcharge Amount**" as the sum of (a) the Address/Rate Overcharge Amount, and (b) the alleged Retaliatory Overcharge Amount for that policy.

   b. **Step 2: Calculate Aggregate Policy Overcharge Totals**
      i. Calculate:
         1. "**Aggregate Address/Rate Overcharge Amount**" as the sum of the Address/Rate Overcharge Amounts for all Premium Tax Settlement Class Policies;
         2. "**Aggregate Retaliatory Overcharge Amount**" as the sum of the alleged Retaliatory Overcharge Amounts for all Premium Tax Settlement Class Policies; and.
         3. "**Aggregate Total Overcharge Amount**" as the sum of the (a) Aggregate Address/Rate Overcharge Amount, and (b) alleged Aggregate Retaliatory Overcharge Amount.

   c. **Step 3: Calculate Total Expenses**
      i. Calculate "**Total Expenses**" as the sum of the Claims Administration Expenses, Fee and Expense Award, and Incentive Award.

   d. **Step 4: Calculate Address/Rate Overcharge Settlement Payments**
      i. For each Premium Tax Settlement Class Policy that was subject to a premium tax overcharge due to the Address Update Issue and/or Rate Update Issue, calculate:
         1. "**Address/Rate Overcharge Expense Share**" by multiplying Total Expenses by a fraction, the numerator of which is that

[1] Unless otherwise specified, all capitalized terms herein are used as defined in the Stipulation of Settlement and Release, dated April 20, 2026.

policy's Address/Rate Overcharge Amount and the denominator of which is the Aggregate Total Overcharge Amount; and

2. "**Address/Rate Overcharge Settlement Payment**" by deducting the Address/Rate Overcharge Expense Share from that policy's Address/Rate Overcharge Amount.

e. **<u>Step 5: Calculate Retaliatory Overcharge Payments</u>**

i. Calculate the "**Remaining Fund**" as the Net Settlement Fund (*i.e.*, $11 million minus Claims Administration Expenses, any Incentive Award, and any Fee and Expense Award) less all Address/Rate Overcharge Settlement Payments (as calculated in Step 4).

ii. For each Premium Tax Settlement Class Policy that was subject to an alleged premium tax overcharge due to the Retaliatory Tax Rate Issue and/or the NY Issue, calculate:

1. "**Retaliatory Overcharge Settlement Payment**" as the Remaining Fund multiplied by a fraction, the numerator of which is that policy's Retaliatory Overcharge Amount and the denominator of which is the Aggregate Retaliatory Overcharge Amount.

f. **<u>Step 6: Distribution</u>**

i. For each Premium Tax Settlement Class Policy, the *pro-rata* share shall be the sum of the Address/Rate Overcharge Settlement Payment, if applicable, and Retaliatory Overcharge Settlement Payment, if applicable.

3. If, for a particular Premium Tax Settlement Class Policy, there are two or more Persons reflected in Prudential's records as the current or most recent owners of a policy, then the Authorized Claimant's *pro-rata* share of the Net Settlement Fund shall be divided equally among each of those Premium Tax Settlement Class Members for that policy, and a check will be issued for each of those Premium Tax Settlement Class Members.

4. Checks will be mailed to the address of record of each Premium Tax Settlement Class Policy, as reflected in the Notice List, or to such new address as may be identified by the Claims Administrator. If a policy has more than one owner, checks will be mailed to the policy address of record, as reflected on the Notice List, which will have one address per policy.

5. For securities intermediary Authorized Claimants, the following shall apply:

a. Checks will be mailed to the address of record of each Premium Tax Settlement Class Policy, as reflected in the Notice List, or to such new address as may be identified by the Claims Administrator.

b. If a securities intermediary Authorized Claimant (i) informs Class Counsel or the Claims Administrator in writing that it no longer maintains an open customer account for a Premium Tax Settlement Class Policy, and (ii) provides the name and address of the last known entitlement holder for that policy as reflected in its records, then (iii) such entitlement holder will be deemed the Authorized Claimant of the settlement funds for that policy and mailed its *pro-rata* share of the Net Settlement Fund. If there are two or more last known entitlement holders reflected in the securities intermediary's records, then the Authorized Claimant's *pro-rata* share of the Net Settlement Fund shall be divided equally among each of those entitlement holders for that policy.

c. If the identity and contact information of the last known entitlement holder for a Premium Tax Settlement Class Policy has not been provided within one year plus 30 days after the date the Claims Administrator mails the first checks, the *pro-rata* share of the Net Settlement Fund for that policy shall be distributed in accordance with paragraph 6 below.

6. Any Settlement Payment for which the settlement check is not cashed shall be escheated to the appropriate State by the Claims Administrator in accordance with applicable law.

7. The Plan of Allocation may be modified upon further order of the Court or by written agreement of the Parties in accordance with the Settlement Agreement. Any updates to the plan of allocation will be published on the Settlement Class Website.