

PROSPERITY BANCSHARES, INC.

**POLICY PROHIBITING HEDGING ACTIVITIES BY PROSPERITY
DIRECTORS AND EMPLOYEES**

(As Derived From the Prosperity Bancshares, Inc. Inside Information and Insider Trading Policy)

Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a person to continue to own Prosperity Bancshares' securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as our other shareholders. *Therefore, our Board of Directors has, as part of our Inside Information and Insider Trading Policy, prohibited our directors, officers and employees and our subsidiaries' (including Prosperity Bank's) directors, officers and employees from engaging in hedging transactions.*