

PRUDENTIAL FINANCIAL INC
Form DEF 14A
March 20, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Prudential Financial, Inc.

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(3) Filing Party:

(4) Date Filed:

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Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

March 20, 2009

Dear Fellow Shareholder:

On behalf of your Board of Directors, you are cordially invited to attend the Annual Meeting of Shareholders of Prudential Financial, Inc. Your Company's Annual Meeting will be held on May 12, 2009 at Prudential Financial's Corporate Headquarters, 751 Broad Street, Newark, New Jersey 07102 at 2:00 p.m. The location is accessible to handicapped persons, and, upon request, we will provide wireless headsets for hearing amplification.

The Notice of Meeting and proxy statement describe the matters to be voted on at the meeting.

Your vote is important. We urge you to participate in Prudential Financial's Annual Meeting, whether or not you plan to attend, by promptly voting via the Internet, telephone or completing a proxy card. Regardless of the size of your investment, your vote is important, so please act at your earliest convenience. Finally, if you do plan to attend the meeting, you will need an admission ticket and valid photo identification. Please refer to the instructions set forth in the Notice of Meeting, Notice of Internet Availability or the proxy card.

We appreciate your participation, support and interest in the Company.

Sincerely,

John R. Strangfeld

Chairman and Chief Executive Officer

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Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

Notice of Annual Meeting of Shareholders

of Prudential Financial, Inc.

Date: May 12, 2009

Time: 2:00 p.m.

Place: Prudential Financial's Corporate Headquarters

751 Broad Street

Newark, NJ 07102

At the 2009 Annual Meeting, shareholders will act upon the following matters:

1. Election of 14 directors listed on pages 3-6 of the enclosed proxy statement, for a term of one year;
2. Ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the year ending December 31, 2009;
3. Shareholder proposal regarding a shareholder advisory vote on executive compensation;
4. Shareholder proposal on separating the offices of Chairman and Chief Executive Officer; and
5. Transaction of such other business as may properly come before the meeting.

Information about the matters to be acted upon at the Annual Meeting is contained in the proxy statement.

Shareholders of record at the close of business on March 13, 2009, will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

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Shareholders will need an admission ticket and valid photo identification to attend the Annual Meeting. If your shares are registered in book entry or certificate form through our Transfer Agent, Computershare, an admission ticket is attached to the proxy card or the Notice of Internet Availability. If your shares are not registered through Computershare, you will need to bring proof of your share ownership to the meeting to receive an admission ticket. Please bring either a copy of your account statement or a letter from your broker, bank or other institution reflecting your share ownership as of March 13, 2009. Please note that the use of photographic and recording devices is prohibited in the building. For your safety, we reserve the right to inspect all personal items prior to admission to the Annual Meeting.

By Order of the Board of Directors,

Kathleen M. Gibson

Vice President, Secretary and Corporate Governance Officer

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 12, 2009. The 2008 Annual Report, 2009 Proxy Statement and other proxy materials are available at www.investor.prudential.com.

Your vote is important! Please take a moment to vote by Internet, telephone or completing a proxy card as detailed in the *How Do I Vote* section of this document. Your prompt cooperation will save your Company additional solicitation costs.

March 13, 2009

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2009 PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of Prudential Financial, Inc. (Prudential Financial or the Company) is providing this proxy statement in connection with the Annual Meeting of Shareholders to be held on May 12, 2009 (the Annual Meeting) at 2:00 p.m. at Prudential Financial 's Corporate Headquarters, 751 Broad Street, Newark, New Jersey 07102, and at any adjournment or postponement thereof. Proxy materials or a Notice of Internet Availability were first sent to shareholders on or about March 20, 2009.

VOTING INSTRUCTIONS AND INFORMATION

Who Can Vote?

You are entitled to vote or direct the voting of your Prudential Financial Common Stock if you were a shareholder on March 13, 2009, the record date for the Annual Meeting. Shareholders of our Class B Stock, as of March 13, 2009, are also entitled to vote their shares. On that date, approximately 422,300,000 shares of Common Stock and 2,000,000 shares of Class B Stock were outstanding and the holders thereof entitled to notice of and to vote at the Annual Meeting. Each share of Prudential Financial Common Stock and Class B Stock is entitled to one vote, and the Common Stock and Class B Stock vote together as a single class on the matters submitted for a vote at this Annual Meeting.

Who Is the Holder of Record?

You may own shares of Common Stock either (1) directly registered in your name at our transfer agent, Computershare; or (2) indirectly through a broker, bank or other nominee.

If your shares are registered directly in your name at Prudential 's transfer agent, Computershare, you are the Holder of Record of these shares, and we are sending these proxy materials or Notice of Internet Availability of these materials directly to you. If you hold shares indirectly through a broker, bank or other nominee, these materials or Notice of Internet Availability of these materials are being sent to you by or on behalf of that entity.

How Many Votes Are Required?

A quorum is required to transact business at the Annual Meeting. We will have a quorum and be able to conduct the business of the Annual Meeting if the holders of 50% of the shares entitled to vote are present at the meeting, either in person or by proxy.

How Do I Vote?

Your vote is important. We encourage you to vote promptly. You may vote in one of the following ways:

Holders of Record

By Telephone. You can vote your shares by telephone, by calling 1-800-652-VOTE (8683). Telephone voting is available 24 hours a day. If you vote by telephone, you do not need to return a proxy card. Your vote by telephone must be received by 11:59 p.m. EDT, May 11, 2009.

By Internet. You can also vote on the Internet. The website address for Internet voting is www.investorvote.com/prudential. Internet voting is available 24 hours a day. If you vote by Internet, you do not need to return a proxy card. Your vote by Internet must be received by 11:59 p.m. EDT, May 11, 2009.

By Mail. If you choose to vote by mail, complete the proxy card, date and sign it, and return it in the postage-paid envelope provided. Your vote by mail must be received by 10:00 a.m. EDT, May 12, 2009, the date of the Annual Meeting. If you received a Notice of Internet Availability and would like to vote by mail, follow the instructions on the Notice to request a paper copy of the proxy materials.

By Attending the Annual Meeting. If you attend the Annual Meeting, you can vote your shares in person. You will need to have an admission ticket or other proof of ownership and valid photo identification with you for admission to the Annual Meeting. Please refer to the instructions noted on the proxy card or Notice of Internet Availability.

Shares Held by Brokers, Banks and Nominees

If your shares of Common Stock are held through a broker, bank or other nominee, you will receive instructions from that entity in connection with the voting of your shares.

If you plan to attend the Annual Meeting and vote in person, you will need to contact your broker, bank or other nominee to obtain a legal proxy to permit you to vote by written ballot at the Annual Meeting.

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PRUDENTIAL FINANCIAL, INC.

Upon the recommendation of our Corporate Governance and Business Ethics Committee, our Board of Directors recently amended our by-laws to provide for majority voting in the case of the election of Directors. Under our new by-law, a Director will be elected only if the votes cast for the Director exceed the votes cast against that Director.

If a quorum is present, an affirmative majority of the votes cast is required to ratify the selection of the independent auditor and adopt any of the shareholder proposals.

How Are Votes Counted?

All shares that have been properly voted, and not revoked, will be voted at the Annual Meeting in accordance with your instructions. If you sign and return the proxy card but do not specify how you wish your shares to be voted, your shares represented by that proxy will be voted as recommended by the Board of Directors: *for* all of the 14 nominees for Director listed in this proxy statement; *for* ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for 2009; *against* the shareholder proposal regarding a shareholder advisory vote on executive compensation; and *against* the shareholder proposal to separate the offices of Chairman and Chief Executive Officer.

A New York Stock Exchange (NYSE) member broker who holds shares in street name for a customer has the authority to vote on certain items if the broker does not receive instructions from the customer. NYSE rules permit member brokers who do not receive instructions to vote on the election of Directors and the proposal to ratify the appointment of our independent auditor. Member brokers may not vote on either shareholder proposal without customer instruction. Proxies that are counted as abstentions and any proxies returned by brokers as broker non-votes on behalf of shares held in street name (because beneficial owners instructions have not been provided) will be treated as present for purposes of determining whether a quorum is present at the Annual Meeting. However, any shares not voted as a result of an abstention or a broker non-vote will not be counted as voting for or against a particular matter. Accordingly, abstentions and broker non-votes will have no effect on the outcome of a vote.

How Can I Revoke My Proxy or Change My Vote?

You can revoke your proxy or change your vote by:

Holders of Record

Sending written notice of revocation to the Secretary of Prudential Financial;

Submitting another timely and later dated proxy by mail or, prior to 11:59 p.m., EDT, on May 11, 2009, by telephone or Internet; or

Attending the 2009 Annual Meeting and voting in person by written ballot.

Stock Held by Brokers, Banks and Nominees

You must contact your broker, bank or other nominee to obtain instructions on how to revoke your proxy or change your vote. You may also obtain a legal proxy from your broker, bank or other nominee to attend the Annual Meeting and vote in person by written ballot.

Who Will Count the Vote?

The Board of Directors has appointed IVS Associates, Inc. to act as the Inspector of Election at the 2009 Annual Meeting.

Who Is the Proxy Solicitor?

D.F. King & Co., Inc. has been retained by Prudential Financial to assist with the Annual Meeting, including the distribution of proxy materials and solicitation of votes, for a fee of \$30,000 plus reimbursement of expenses to be paid by the Company. In addition, our Directors, officers or employees, who will receive no additional compensation for soliciting, may solicit proxies for us in person or by telephone, facsimile, Internet or other electronic means.

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2009 PROXY STATEMENT

ITEM 1 ELECTION OF DIRECTORS

At the Annual Meeting, 14 Directors are to be elected to hold office for a one-year term until the Annual Meeting of Shareholders to be held in 2010 and until their successors are duly elected or appointed.

Unless authority is withheld by the shareholder, it is the intention of persons named by Prudential Financial as proxies on its proxy card to vote *for* the nominees listed and, in the event that any nominees are unable or decline to serve (an event not now anticipated), to vote *for* the balance of the nominees and *for* any substitutes selected by the Board of Directors. The name, age, principal occupation and other information concerning each Director is set forth below.

Each of the nominees currently is a Director, and each has been recommended for re-election to the Board of Directors by the Corporate Governance and Business Ethics Committee and approved and nominated for re-election by the Board of Directors.

The Board of Directors recommends that shareholders vote FOR all of the nominees.

Nominees for Director

Thomas J. Baltimore, Jr. was elected as a Director of Prudential Financial, effective October 1, 2008. He has served as President of RLJ Development, LLC (a privately-held real estate investment company) since 2000. He served as Vice

President of Hilton Hotels Corporation from 1997 to 2000. He also served in various management positions with Marriott Corporation from 1994 to 1996. Mr. Baltimore's areas of expertise include real estate and investments. Other Directorships include: Integra Life Sciences Corporation and Duke Realty Corporation. Age 45.

Frederic K. Becker was elected as a Director of Prudential Financial in January 2001 and was appointed by the Chief Justice of the New Jersey Supreme Court as a Director of Prudential Insurance in June 1994. He has served as President of

the law firm of Wilentz Goldman & Spitzer, P.A. since 1989 and has practiced law with the firm since 1960. Mr. Becker's primary expertise is in the area of law. Age 73.

Gordon M. Bethune was elected as a Director of Prudential Financial in February 2005. He served as Chairman and Chief Executive Officer of Continental Airlines, Inc. (international commercial airline company) from 1996

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until his retirement in December 2004. Mr. Bethune was the President and Chief Executive Officer of Continental Airlines from November 1994 to 1996 and served as President and Chief Operating Officer from February 1994 to November 1994. Prior to joining Continental, Mr. Bethune held senior management positions with The Boeing Company, Piedmont Airlines, Western Air Lines, Inc. and Braniff Airlines. Mr. Bethune's primary expertise is in the area of business operations. Other Directorships include: Honeywell International, Inc. and Sprint Nextel Corporation. Age 67.

Gaston Caperton was elected as a Director of Prudential Financial in June 2004. He has served as the President of The College Board (nonprofit membership association of schools, colleges, universities and other educational organizations) since 1999. He was the Founder and Executive Director of Columbia University's Institute on Education & Government at Teachers College from 1997 to 1999 and a fellow at Harvard University's John F. Kennedy Institute of Politics from 1996 to 1997. Mr. Caperton served as the Governor of West Virginia from 1988 to 1996. Prior to his Governorship, he was an entrepreneur in the insurance business and was one of the principal owners of a privately held insurance brokerage firm. Mr. Caperton's areas of expertise include insurance, public policy and education. Other Directorships include: Owens Corning. Age 69.

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Gilbert F. Casellas was elected as a Director of Prudential Financial in January 2001 and has been a Director of Prudential Insurance since April 1998. He has served as Vice President, Corporate Responsibility of Dell Inc. since October

2007. He served as a member of the law firm of Mintz Levin Cohn Ferris Glovsky & Popeo, PC from June 2005 to October 2007. He served as President of Casellas & Associates, LLC, a consulting firm, from 2001 to 2005. During 2001, he served as President and Chief Executive Officer of Q-lix, Inc. (software development). He served as the President and Chief Operating Officer of The Swarthmore Group, Inc. (investment company) from January 1999 to December 2000. Mr. Casellas served as Chairman, U.S. Equal Employment Opportunity Commission from 1994 to 1998, and General Counsel, U.S. Department of the Air Force from 1993 to 1994. Mr. Casellas' areas of expertise include law, public policy, investments and education. Age 56.

James G. Cullen was elected as a Director of Prudential Financial in January 2001 and was appointed by the Chief Justice of the New Jersey Supreme Court as a Director of Prudential Insurance in April 1994. He served as the President and

Chief Operating Officer of Bell Atlantic Corporation (global telecommunications) from December 1998 until his retirement in June 2000. Mr. Cullen was the President and Chief Executive Officer, Telecom Group, Bell Atlantic Corporation from 1997 to 1998 and served as Vice Chairman of Bell Atlantic Corporation from 1995 to 1997. Mr. Cullen's areas of expertise include business operations and sales and marketing. Other Directorships include: Agilent Technologies, Inc., Johnson & Johnson and NeuStar, Inc. Age 66.

William H. Gray III was elected as a Director of Prudential Financial in January 2001 and has been a Director of Prudential Insurance since September 1991. He has served as Chairman of the Amani Group (a business advisory and government

relations firm) since September 2004. He served as President and Chief Executive Officer of The College Fund/UNCF (philanthropic foundation) from 1991 until his retirement in 2004. Mr. Gray was a member of the U.S. House of Representatives from 1979 to 1991. Mr. Gray's areas of expertise include public policy and education. Other Directorships include: Dell Inc., JP Morgan Chase & Co., Pfizer Inc. and Visteon Corporation. Age 67.

Mark B. Grier was elected as a Director of Prudential Financial, effective January 1, 2008. He is Vice Chairman, and together with the Chief Executive Officer, a member of Prudential Financial's Office of the Chairman providing strategic

leadership to the enterprise. From April 2007 through January 18, 2008 he served as Vice Chairman responsible for the International Insurance and Investments and the Global Marketing and Communications divisions. He was initially elected a Vice Chairman of Prudential Financial in August 2002 and served as Executive Vice President from December 2000 to August 2002. He was elected Chief Financial Officer of Prudential Insurance in May 1995. Since May 1995 he has variously served as Executive Vice President, Corporate Governance, Executive Vice President, Financial Management, and Vice Chairman, Financial Management. He is a member of the Board of Managers of Wachovia Securities Financial Holdings, LLC, a joint venture formed in July 2003 as part of the combination of the retail brokerage and securities clearing businesses of Prudential Securities and Wachovia Securities. Prior to joining Prudential, Mr. Grier was an executive with Chase Manhattan Corporation. Age 56.

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Jon F. Hanson was elected as a Director of Prudential Financial in January 2001 and was appointed by the Chief Justice of the New Jersey Supreme Court as a Director of Prudential Insurance in April 1991. He has served as Chairman of The Hampshire

Companies (a real estate investment fund management company) since 1976. Mr. Hanson served as the Chairman and Commissioner of the New Jersey Sports and Exposition Authority from 1982 to 1994. Mr. Hanson's areas of expertise include real estate, investments, government and business operations. Other Directorships include: HealthSouth Corporation and Pascaack Community Bank. Age 72.

Constance J. Horner was elected as a Director of Prudential Financial in January 2001 and has been a Director of Prudential Insurance since April 1994. She served as a Guest Scholar at The Brookings Institution (non-partisan research institute)

from 1993 to 2005, after serving as Assistant to the President of the United States and Director, Presidential Personnel from 1991 to 1993; Deputy Secretary, U.S. Department of Health and Human Services from 1989 to 1991; and Director, U.S. Office of Personnel Management from 1985 to 1989. Mrs. Horner was a Commissioner, U.S. Commission on Civil Rights from 1993 to 1998. Mrs. Horner's areas of expertise include public policy and government. Other Directorships include: Ingersoll-Rand Company Limited and Pfizer Inc. Age 67.

Karl J. Krapek was elected as a Director of Prudential Financial in January 2004. He served as the President and Chief Operating Officer of United Technologies Corporation (global technology) from 1999 until his retirement in January 2002.

Prior to that time, Mr. Krapek held other management positions at United Technologies Corporation, which he joined in 1982. Mr. Krapek's areas of expertise include domestic and international business operations. Other Directorships include: The Connecticut Bank & Trust Company, Visteon Corporation and Northrop Grumman Corporation. Age 60.

Christine A. Poon was elected as a Director of Prudential Financial in September 2006. Ms. Poon served as Vice Chairman and a member of the Board of Directors of Johnson & Johnson from 2005 until her retirement on March 1,

2009. She will assume the role of Dean of Fisher College of Business, The Ohio State University in May 2009. Ms. Poon joined Johnson & Johnson in 2000 as Company Group Chair in the Pharmaceuticals Group. She became a member of Johnson & Johnson's Executive Committee and Worldwide Chair, Pharmaceuticals Group, in 2001, and served as Worldwide Chair, Medicines and Nutritionals from 2003 to 2005. Prior to joining Johnson & Johnson, she served in various management positions at Bristol-Myers Squibb for 15 years. Ms. Poon's areas of expertise include domestic and international business operations and sales and marketing. Age 56.

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PRUDENTIAL FINANCIAL, INC.

John R. Strangfeld is Chairman, Chief Executive Officer, and President of Prudential Financial. He was elected Chief Executive Officer, President and Director on January 1, 2008 and Chairman on May 13, 2008. Mr. Strangfeld is a member

of the Office of the Chairman of Prudential Financial, and served as Vice Chairman of Prudential Financial from 2002 through 2007. He was Executive Vice President of Prudential Financial from February 2001 to August 2002. He served as Chief Executive Officer, Prudential Investment Management from October 1998 until April 2002. Mr. Strangfeld was also Chairman of the Board and CEO of Prudential Securities (renamed Prudential Equity Group, LLC) from December 2000 to April 2008. Mr. Strangfeld is a member of the Board of Managers of Wachovia Securities Financial Holdings, LLC, a joint venture formed in July 2003 as part of the combination of the retail brokerage and securities businesses of Prudential Securities and Wachovia Securities. He has been with Prudential since July 1977, serving in various management positions, including Senior Managing Director, The Private Asset Management Group from 1995 to 1998; and Chairman, PRICOA Capital Group (London) Europe from 1989 to 1995. Age 55.

James A. Unruh was elected as a Director of Prudential Financial in January 2001 and has been a Director of Prudential Insurance since April 1996. He became a founding member of Alerion Capital Group, LLC (private equity investment

group) in 1998. Mr. Unruh was with Unisys Corporation (information technology services, hardware and software) from 1987 to 1997, serving as its Chairman and Chief Executive Officer from 1990 to 1997. He also held executive positions with financial management responsibility, including serving as Senior Vice President, Finance, Burroughs Corporation, from 1982 to 1987. Mr. Unruh's areas of expertise include finance, business operations, sales and marketing, technology and investments. Other Directorships include: CSG Systems International, Inc., Qwest Communications International, Inc. and Tenet Healthcare Corporation. Age 67.

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2009 PROXY STATEMENT

ITEM 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP (PricewaterhouseCoopers) as the Company s independent registered public accounting firm (independent auditor) for 2009. We are not required to have the shareholders ratify the selection of PricewaterhouseCoopers as our independent auditor. We nonetheless are doing so because we believe it is a matter of good corporate practice. If the shareholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers, but may retain such independent auditor. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of Prudential Financial and its shareholders. Representatives of PricewaterhouseCoopers are expected to be present at the Annual Meeting with an opportunity to make a statement if they desire to do so and to be available to respond to appropriate questions.

The following is a summary and description of fees for services provided by PricewaterhouseCoopers in 2008 and 2007.

Worldwide Fees (in millions)

<i>Service</i>	<i>2008</i>	<i>2007</i>
Audit (A)	\$ 36	\$ 33
Audit-Related (B)	\$ 4	\$ 4
Tax (C)	\$ 1	\$ 1
All Other		
Total	\$ 41	\$ 38

(A) The aggregate fees for professional services rendered for the integrated audit of the consolidated financial statements of Prudential Financial and, as required, audits of various domestic and international subsidiaries, the issuance of comfort letters, agreed-upon procedures required by regulation, consents and assistance with review of documents filed with the Securities and Exchange Commission (SEC).

(B) The aggregate fees for assurance and related services including internal control and financial compliance reports, agreed-upon procedures not required by regulation, and accounting consultation on acquisitions and International Financial Reporting Standards (IFRS).

(C) The aggregate fees for services rendered by PricewaterhouseCoopers tax department for tax return preparation, tax advice related to mergers and acquisitions and other international, federal and state projects, and requests for rulings. In 2008, tax compliance and preparation fees total \$1.0M and tax advisory fees total \$0.1M and in 2007, tax compliance and preparation fees total \$1.0M and tax advisory fees total \$0.2M.

PricewaterhouseCoopers also provides services to domestic and international mutual funds and limited partnerships not consolidated by Prudential Financial, but which are managed by Prudential Financial. PricewaterhouseCoopers identified fees paid by these entities of \$8M in

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2008 and \$6M in 2007 and that all of these fees relate to audit, audit-related and tax services.

The Audit Committee has advised the Board of Directors that in its opinion the non-audit services rendered by PricewaterhouseCoopers during the most recent fiscal year are compatible with maintaining their independence.

The Audit Committee has established a policy requiring its pre-approval of all audit and permissible non-audit services provided by the independent auditor. The policy identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that the independent auditor's independence is not impaired; describes the Audit, Audit-Related, Tax and All Other services that may be provided and the non-audit services that may not be performed; and sets forth the pre-approval requirements for all permitted services. The policy provides for the general pre-approval of specific types of Audit, Audit-Related and Tax services and a limited fee estimate range for such services on an annual basis. The policy requires specific pre-approval of all other permitted services. The independent auditor is required to report periodically to the full Audit Committee regarding the extent of services provided in accordance with their pre-approval and the fees for the services performed to date. The Audit Committee's policy delegates to its Chairman the authority to address requests for pre-approval of services with fees up to a maximum of \$100,000 between Audit Committee meetings if the Chief Auditor deems it reasonably necessary to begin

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the services before the next scheduled meeting of the Audit Committee, and the Chairman must report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee may not delegate to management the Audit Committee's responsibility to pre-approve permitted services of the independent auditor.

All Audit, Audit-Related, Tax and All Other fees disclosed above were approved by the Audit Committee before services were rendered.

The Board of Directors recommends that shareholders vote FOR ratification of the appointment of PricewaterhouseCoopers as the Company's independent auditor for 2009.

REPORT OF THE AUDIT COMMITTEE

In accordance with its written charter, which was approved in its current form by the Board of Directors on November 11, 2008, the Audit Committee assists the Board of Directors in its oversight of the accounting, auditing and financial reporting practices of Prudential Financial. The Audit Committee Charter (Charter) is located on our website at www.investor.prudential.com.

The Audit Committee consists of four members who, in the business judgment of the Board of Directors, are independent within the meaning of the rules of both the NYSE and the SEC and financially literate as defined by the rules of the NYSE. In addition, the Board of Directors has determined that at least one member of the Audit Committee, Mr. Unruh, satisfies the financial expertise requirements of the NYSE and has the requisite experience to be designated an audit committee financial expert as that term is defined by rules of the SEC. Specifically, Mr. Unruh has accounting and financial management expertise, which he gained through his experience as Senior Vice President, Finance, of a NYSE listed company, as well as experience in financial management positions in other organizations and other similar positions.

Management is responsible for the preparation, presentation and integrity of the financial statements of Prudential Financial and for maintaining appropriate accounting and financial reporting policies and practices, and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

PricewaterhouseCoopers is responsible for auditing the consolidated financial statements of Prudential Financial and expressing an opinion as to their conformity with generally accepted accounting principles, as well as expressing an opinion on the effectiveness of internal control over financial reporting in accordance with the requirements of the SEC.

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In performing its oversight function, the Audit Committee reviewed and discussed the audited consolidated financial statements of Prudential Financial as of and for the year ended December 31, 2008 and Management's Annual Report on Internal Control Over Financial Reporting with management and Prudential Financial's independent registered public accounting firm (independent auditor). The Audit Committee also discussed with Prudential Financial's independent auditor the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard AU Section 380, Communication with Audit Committees, and Rule 2-07 of Regulation S-X promulgated by the SEC, as modified or supplemented.

The Audit Committee received from the independent auditor formal written statements pursuant to PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and the NYSE Corporate Governance rules, as currently in effect. The Audit Committee also considered whether the provision to Prudential Financial of non-audit services by PricewaterhouseCoopers is compatible with maintaining the independence of PricewaterhouseCoopers, and has discussed with the independent auditor the independent auditor's independence.

The Audit Committee has discussed with and received regular status reports from Prudential Financial's Chief Auditor and independent auditor on the overall scope and plans for their audits of Prudential Financial, including their scope and plans for evaluating the effectiveness of internal control over financial reporting. The Audit Committee meets with the Chief Auditor and the independent auditor, with and without management present, to discuss the results of their respective examinations. In determining whether to reappoint PricewaterhouseCoopers as Prudential Financial's independent auditor, the Audit Committee took into consideration a number of factors, including the quality of the Audit Committee's ongoing discussions with PricewaterhouseCoopers and an assessment of the

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professional qualifications and past performance of the Lead Audit Partner and PricewaterhouseCoopers.

In addition, the Audit Committee reviewed and amended its Charter; and received reports as required by its policy for the receipt, retention and treatment of financial reporting concerns received from external and internal sources.

Based on the reports and discussions described in this report and subject to the limitations on the roles and responsibilities of the Audit Committee referred to above and in its Charter, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements of Prudential Financial and Management's Annual Report on Internal Control Over Financial Reporting be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2008 for filing with the SEC.

THE AUDIT COMMITTEE

Frederic K. Becker (Chairman)

Gilbert F. Casellas

James G. Cullen

James A. Unruh

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PRUDENTIAL FINANCIAL, INC.

ITEM 3 SHAREHOLDER PROPOSAL ON A SHAREHOLDER ADVISORY VOTE ON EXECUTIVE COMPENSATION

Mr. William Creighton, 74 Bow Street, Freeport, ME 04032, holder of 300 shares of Common Stock, has advised us that he intends to introduce the following resolution:

Resolved, that shareholders of Prudential Financial, Inc. request the board of directors to adopt a policy that provides shareholders the opportunity at each annual shareholder meeting to vote on an advisory resolution, proposed by management, to ratify the compensation of the named executive officers (NEOs) set forth in the proxy statement's Summary Compensation Table (the SCT) and the accompanying narrative disclosure of material factors provided to understand the SCT (but not the Compensation Discussion and Analysis). The proposal submitted to shareholders should make clear that the vote is non-binding and would not affect any compensation paid or awarded to any NEO.

Supporting Statement

Investors are increasingly concerned about mushrooming executive compensation, especially when insufficiently linked to performance. In 2007, then-CEO Arthur Ryan took home a total pay package worth over \$22 million dollars, which was more than 500 times the average pay of production workers in the insurance industry. In 2008, shareholders filed close to 100 Say on Pay resolutions. Votes on these resolutions have averaged over 43% in favor, with ten votes over 50%, demonstrating strong shareholder support for this reform.

An Advisory Vote establishes an annual referendum process for shareholders about senior executive compensation. We believe the results of this vote, combined with dialogue with investors, would provide the board and management useful information about shareholder views on the company's senior executive compensation.

In its 2008 proxy, Aflac submitted an advisory vote resulting in a 93% vote in favor, indicating strong investor support for good disclosure and a reasonable compensation package. Daniel Amos, Chairman and CEO said, "An advisory vote on our compensation report is a helpful avenue for our shareholders to provide feedback on our pay-for-performance compensation philosophy and pay package."

To date, ten other companies have also agreed to an advisory vote, including Verizon, MBIA, H&R Block, Ingersoll Rand, Blockbuster, and Tech Data. TIAA-CREF, the country's largest pension fund, has successfully utilized the advisory vote twice.

Influential proxy voting service RiskMetrics Group recommends votes in favor, noting: RiskMetrics encourages companies to allow shareholders to express their opinions of executive compensation practices by establishing an annual referendum process. An advisory vote on executive compensation is another step forward in enhancing board accountability.

The Council of Institutional Investors endorsed advisory votes, and a bill to allow annual advisory votes passed the U.S. House of Representatives by a 2-to-1 margin. We believe the statesmanlike approach for company leaders is to adopt an advisory vote voluntarily before being required to do so by law.

We believe that existing U.S. Securities and Exchange Commission rules and stock exchange listing standards do not provide shareholders with sufficient mechanisms for providing input to boards on senior executive compensation. In contrast, in the United Kingdom, public companies allow shareholders to cast a vote on the directors remuneration report, which discloses executive compensation. Such a vote is not binding, but gives shareholders a clear voice that could help shape senior executive compensation.

Board of Directors Statement in Opposition to the Proposal

The Board of Directors recommends that shareholders vote AGAINST this proposal for the following reasons:

The Board of Directors agrees that it is desirable to provide our shareholders with an appropriate forum to express their views on the Company's executive compensation practices. Accordingly, the Board has implemented a convenient and effective mechanism to communicate with the Board regarding executive compensation. On the new Executive Compensation section of our website, shareholders can conveniently access the compensation section of our 2009 proxy statement and provide us with feedback; thus, having a say on pay www.prudential.com/Executivecomp.

In addition, shareholders may provide feedback to the independent Directors on any issues of corporate

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governance or executive compensation by writing to the address provided on page 16 of this proxy statement or sending an email to IndependentDirectors@prudential.com.

In contrast to a yes or no annual advisory vote on the Board's specific compensation decisions as called for in the proposal, we believe that direct and ongoing communication with the Board will provide more useful feedback by allowing shareholders to present specific comments or views regarding the Company's compensation practices. This feedback can then be considered by the Directors in formulating future decisions.

The Compensation Committee and the Board keep abreast of shareholder views on executive compensation and have modified policies in response to specific feedback. In 2006, the Board reduced benefits for senior executives under its change of control program and eliminated the use of excise tax gross ups in response to feedback from investors. The Board believes that specific compensation decisions are best made with a full contextual understanding of our Company's strategy, goals and business environment, as well as in-depth knowledge of our executives' leadership capabilities, individual performance and potential for greater responsibilities. The Compensation Committee and the Board obtain this contextual understanding through ongoing discussions and oversight of these issues. Specific input from our investors on our compensation strategies and programs can further enhance the decision-making process.

We also note that there are a number of proposed legislative and regulatory proposals that would require some form of advisory vote on executive compensation. If adopted, those requirements may be inconsistent with the proposal and possibly subject the Company to conflicting standards.

In summary, the Board believes that specific and ongoing communication with investors is preferable to an annual yes or no vote on executive compensation decisions. Therefore we encourage our shareholders to provide feedback on our executive compensation program by using any of the communication tools described above and recommend a vote **against** the proposal.

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PRUDENTIAL FINANCIAL, INC.

ITEM 4 SHAREHOLDER PROPOSAL ON SEPARATING THE OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Michael Hirsch, on behalf of the UNITE HERE Staff Retirement PLAN, 333 Westchester Avenue, White Plains, NY 10604, holder of 2,451 shares of Common Stock, has advised us that he intends to introduce the following resolution:

Resolved: Shareholders request that our Board establish a rule separating the roles of Chief Executive Officer and Board Chairperson so that an independent director who has not served as an executive officer of our Company serve as Chair whenever possible.

Supporting Statement

This proposal shall not apply to the extent that compliance would necessarily breach any contractual obligations in effect at the time of the 2009 shareholder meeting.

Given the extraordinary challenges currently facing the life insurance industry, the unprecedented public interest in our company's risk profile, capital adequacy and regulatory oversight, and the fact that our company lacks a stand-alone risk committee, there is a pressing need to reassure investors, policyholders and the public of the viability of our business model and the integrity of our risk management systems and procedures. Establishing an independent Board Chairperson can help accomplish these goals.

Since the credit market disruptions and failures of several large financial companies in 2008, life insurers generally and our company in particular have faced unprecedented challenges. In the fourth quarter of 2008, our company:

Suspended its share buyback program;

Declined to report an estimate of its excess capital reserves;

Reported total third quarter 2008 unrealized losses of \$5.9 billion; and

Cut its annual dividend by nearly 50%.

According to a *New York Times* article on November 11, 2008, a Goldman Sachs analyst predicted that the major life insurers, including our company, would need to raise additional capital and would suffer additional asset deterioration, particularly in their commercial mortgage portfolios.

We believe an Independent Board Chairperson could help restore confidence in our company. It is the role of our CEO and management to run the business, but it is the role of the Board of Directors to provide independent oversight of our CEO and management. Under the leadership of an independent Chairperson the board should give strategic direction and guidance and represent the best interests of shareholders in maximizing value, managing risk, and restoring public trust in our long run viability.

More companies are recognizing the separation of Chairperson and CEO to be a sound corporate governance practice. In addition, several respected institutions recommend separation. The Council of Institutional Investors adopted a Corporate Governance Policy which recommends, The Board should be chaired by an independent director.

The Conference Board's Commission on Public Trust and Private Enterprise 2003 report recommended as Best Practice that Each corporation should give careful consideration to separating the offices of Chairman of the Board and CEO, with those two roles being performed by separate individuals. The Chairman would be one of the independent directors.

In order to ensure that our Board can provide the proper strategic direction for our Company with independence and accountability, we urge a vote FOR this resolution.

Board of Directors Statement in Opposition to the Proposal

The Board of Directors recommends that shareholders vote AGAINST this proposal for the following reasons:

The Board agrees that strong, independent Board leadership is a critical aspect of effective corporate governance. Based on its experience, the Board also believes that there is no one size fits all approach to assuring independent leadership. After careful consideration, the independent Directors believe that its current governance structure is appropriate for the Company at this time.

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The Board's current governance structure is characterized by:

a strong, independent lead director with well-defined responsibilities that support the Board's oversight responsibilities (Jon F. Hanson, who also serves as Chairman of the Executive, Investment and Finance Committees, currently serves as Lead Director.);

a robust Committee structure with shared oversight of various types of risks; and

an engaged and independent Board.

Our Corporate Governance Principles and Practices were amended in February 2009 to require that the independent