

PRUDENTIAL FINANCIAL INC  
Form DEF 14A  
March 22, 2016  
Table of Contents

**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)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**Table of Contents**

**Table of Contents**

**Prudential Financial, Inc.**

751 Broad Street,

Newark, NJ 07102

March 22, 2016

## **Letter from the Board of Directors to Our Shareholders**

As the stewards of your Company, we continuously focus on achieving consistent performance over the long-term and creating value for our shareholders through prudent risk management, talent development, succession planning and a strong ethical culture. We are pleased to share our progress and perspectives regarding actions that we took for our shareholders in 2015.

### **BOARD RISK OVERSIGHT**

The Board sets standards for managing risk and monitoring the management of those risks within the Company. The Risk Committee, which was developed in 2015, oversees the Company's risk profile. The committee is comprised of the chairs of each of the other Board committees, which enables the directors to more closely coordinate the Board's risk oversight function. The Risk Committee has metrics in place to monitor and review market, insurance, investment, and operational risk. Cybersecurity is also a critical priority for the entire Company. The Board routinely receives information regarding Prudential's information technology systems and dedicates time in the board agenda for a discussion of cybersecurity and other important risk issues.

### **TALENT DEVELOPMENT AND SUCCESSION PLANNING**

A diverse and inclusive mindset permeates every aspect of Prudential's culture and way of doing business. We frequently discuss key talent indicators with management, engage in detailed succession planning and meet with potential future leaders within the Company. Our oversight ensures that Prudential fosters an employee community possessing a broad and diverse range of skills and perspectives to meet the needs of a growing multicultural market.

The Board is committed to a rigorous and comprehensive self-evaluation process. As part of this effort, our directors review and measure the Board's performance, including areas where the Board believes it is functioning effectively, and importantly, areas where the Board believes it can improve.

In evaluating potential Board candidates, we highly value integrity, depth and breadth of experience, and diversity. Our directors represent diverse viewpoints, with a wide array of experiences, professions, skills and backgrounds. These qualities enable the Board to best fulfill its responsibilities for the long-term interests of our shareholders.

### **ENGAGEMENT OUTREACH**

Continuous and transparent communication with our shareholders helps the Board and our senior management team gain useful feedback on a wide range of topics, including governance, compensation, Board composition and the Company's operational performance. This information serves as the foundation for our policies and informs our business strategy.

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

Accountability to shareholders is not only a mark of good governance, but an important component of Prudential's success. In 2015, we spent a great deal of time talking with shareholders about an array of issues, including proxy access. In the course of these discussions, we learned that many investors consider proxy access an important shareholder tool that should only be used sparingly in a last-resort situation. Based on this feedback, in March 2015, we adopted a proxy access policy. We believe that it complements our existing practices and further strengthens Prudential's governance standards.

[Notice of Annual Meeting of Shareholders and 2016 Proxy Statement](#) | 1

**Table of Contents**

[Letter from the Board of Directors](#)

**FOSTERING A STRONG ETHICAL CULTURE**

The Board collaborates with management to establish and communicate the right ethical tone which guides our conduct and helps protect the Company's reputation. Our commitment to strong ethical values and doing business the right way is reflected in the naming of Prudential as a 2015 World's Most Ethical Company® by the Ethisphere Institute. This recognition is bestowed only on organizations that demonstrate a culture of ethics and transparency at every level.

**COMMUNITY COMMITMENT**

In July 2015, the opening of Prudential's office tower in Newark was the highlight of our Company's 140<sup>th</sup> anniversary. The tower's grand opening also marked the launch of 20 Stories of Strength, a campaign to celebrate the new building and commemorate the long history that Prudential shares with the city of Newark.

Prudential also invested \$150 million in revitalization projects surrounding the new building as part of our Company's reaffirmation of its commitment to Newark and a symbol of the bright future that lies ahead for the city and our Company.

**YOUR VIEWPOINT IS IMPORTANT**

We value your support, and we encourage you to share your opinions, suggestions, interests and concerns with us. You can do so by writing to us at the address below. You can also send an email to the independent directors at [independentdirectors@prudential.com](mailto:independentdirectors@prudential.com) or provide feedback on executive compensation via our website at [www.prudential.com/executivecomp](http://www.prudential.com/executivecomp).

If you would like to write to us, you may do so by addressing your correspondence to Prudential Financial, Inc., Board of Directors, c/o Margaret M. Foran, Chief Governance Officer, Senior Vice President and Corporate Secretary, 751 Broad Street, 21st Floor, Newark, NJ 07102.

The Board of Directors of Prudential Financial, Inc.

2 | [Notice of Annual Meeting of Shareholders](#) and 2016 Proxy Statement



**Table of Contents**

## Dear Fellow Shareholders:

You are invited to the Annual Meeting of Shareholders on May 10, 2016, at 751 Broad Street, Newark, NJ, at 2:00 p.m. We hope that you will attend the meeting, but whether or not you attend, please designate the proxies on the proxy card to vote your shares.

We are excited that shareholder voting has increased each year and are again offering a voting incentive to registered shareholders. Because of your active participation, we have planted more than 645,000 trees through the incentive initiative.

Every shareholder's vote is important. Thank you for your commitment to the Company and please vote your shares.

Sincerely,

John R. Strangfeld

Chairman and Chief Executive Officer

**Prudential Financial, Inc.**

751 Broad Street

Newark, NJ 07102

**Table of Contents**

# Notice of Annual Meeting of Shareholders of Prudential Financial, Inc.

**Place:**

Prudential's Corporate  
Headquarters

751 Broad Street Newark, NJ  
07102

**Date:**

May 10, 2016

**Time:**

2:00 p.m.

**AGENDA:**

Election of 13 directors named in the proxy statement;

Ratification of appointment of PricewaterhouseCoopers LLP  
as our independent registered public accounting firm for 2016;

Advisory vote to approve named executive officer compensation;

Approval of the Prudential Financial, Inc. 2016 Omnibus Incentive Plan;

Shareholder proposal regarding an independent Board Chairman,  
if properly presented at the meeting; and

Shareholders also will act on such other business as may  
properly come before the meeting or any adjournment or  
postponement thereof.

**Record date:** You can vote if you were a shareholder of record on March 11, 2016.

**If you are attending the meeting, you will be asked to present your admission ticket and valid, government-issued photo identification, such as a driver's license, as described in the Proxy Statement.**

By Order of the Board of Directors,

Margaret M. Foran

Chief Governance Officer,

Senior Vice President and Corporate Secretary

March 22, 2016

**Prudential Financial, Inc.**

751 Broad Street

Newark, NJ 07102

---

**Table of Contents**

## Summary Information

To assist you in reviewing the proposals to be acted upon at the Annual Meeting, we call your attention to the following information about the Company's 2015 financial performance and key executive compensation actions and decisions, and corporate governance highlights. The following description is only a summary. For more complete information about these topics, please review the Company's Annual Report on Form 10-K and this Proxy Statement.

### **Business<sup>(1)</sup>**

We reported after-tax adjusted operating income of \$4.65 billion and earnings per share of Common Stock of \$10.04 for 2015, compared to \$4.36 billion and \$9.21 per share of Common Stock for 2014. 2014 results were negatively impacted by market related and actuarial assumption updates while these items had a positive impact on 2015 results.<sup>(2)(3)</sup>

We reported book value, excluding accumulated other comprehensive income and the impact of foreign currency exchange rate remeasurement on net income or loss, of \$73.59 per share of Common Stock as of December 31, 2015, compared to \$64.75 per share as of year-end 2014. This increase included \$1.35 from the restructuring of the Company's former Closed Block Business. Based on U.S. generally accepted accounting principles ( GAAP ) as of December 31, 2015, we reported book value of \$92.39 per share of Common Stock, compared to \$88.80 per share as of year-end 2014.

We reported operating return on average equity based on after-tax adjusted operating income of 14.5% for 2015 compared to 14.8% for 2014, exceeding our long-term target of 13-14% in each year.<sup>(4)</sup>

(1) Amounts attributable to Prudential Financial, Inc. (PFI); represents results of the Company's former Financial Services Businesses for 2014.

(2) Adjusted Operating Income ( AOI ) and earnings per share ( EPS ) are defined in the Compensation Discussion and Analysis ( CD&A ) section of this Proxy Statement. We use EPS and return on equity ( ROE ), which are based on AOI, and book value excluding accumulated other comprehensive income and the impact of foreign currency exchange rate measurement on net income or loss as performance measures in our incentive compensation programs.

(3) AOI is a non-GAAP measure of performance. For a description of how we calculate pre-tax AOI and for a reconciliation of pre-tax AOI to the nearest comparable GAAP measure, see the notes to the consolidated financial statements included in the Annual Report to Shareholders, which can be found on our website at [www.prudential.com/governance](http://www.prudential.com/governance). After-tax AOI is adjusted operating income before taxes, less the income tax effect applicable to pre-tax AOI, as publicly disclosed in our Quarterly Financial Supplements, also available on our website.

(4) Excludes impact on attributed equity of accumulated other comprehensive income and foreign currency exchange rate remeasurement included in net income or loss.

**Table of Contents**

Assets under management reached \$1.184 trillion at December 31, 2015, an increase from \$1.176 trillion a year earlier.

We paid quarterly Common Stock dividends totaling \$2.44 per share during 2015, with our fourth quarter dividend representing a 21% increase from prior quarters and total dividends per share for the year increased 12% from 2014.

**COMPENSATION HIGHLIGHTS**

**The Compensation Committee has instituted a number of changes to our executive compensation program over the last five years to align with evolving competitive and governance practices and to strengthen the link to performance and rigor of our program. Our program highlights include:**

We establish target and maximum award levels under our annual incentive award program, and require achievement of the midpoint of EPS guidance to earn target award funding.

Over 90% of our named executive officers (NEOs) total direct compensation is performance based.

Our NEOs are required to defer 30% of their annual incentive awards into the Book Value Performance Program.

Our annual incentive program and performance shares program include a relative performance modifier based on the Company's performance against certain quantitative measures relative to peer life insurance companies.

We have a clawback policy for executive officers covering all incentive-based awards, material financial restatements, and misconduct (including failure to report), which includes a robust disclosure policy if such events occur.

The Compensation Committee closely monitors the risks associated with our executive compensation program and individual compensation decisions to ensure they do not encourage excessive risk taking.

We have increased the stock ownership guideline for the CEO from 500% to 700% of base salary.

In addition to stock ownership guidelines, we have stock retention requirements covering shares acquired upon the exercise of stock options or the payment or vesting of any performance shares and restricted stock units.

For additional information, see the CD&A Section in this Proxy Statement.

The compensation of our NEOs reflects both our 2015 performance and the rigor of our executive compensation program.

<b>Named Executive Officer</b>	<b>2015 Base Salary</b>	<b>2015 Annual Incentive</b>	<b>2015 Long-Term</b>	<b>2015 Total</b>
--------------------------------	-------------------------	------------------------------	-----------------------	-------------------

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

	(\$)	Award (as adjusted for mandatory deferrals) <sup>(1)</sup>	Incentive Award Value <sup>(2)</sup>	Direct Compensation
			(\$)	(\$)
John R. Strangfeld	\$ 1,400,000	\$ 4,140,500	\$ 11,774,500	\$ 17,315,000
Robert M. Falzon	\$ 700,000	\$ 1,820,000	\$ 4,780,000	\$ 7,300,000
Mark B. Grier	\$ 1,190,000	\$ 3,570,000	\$ 9,530,000	\$ 14,290,000
Charles F. Lowrey	\$ 770,000	\$ 2,975,000	\$ 6,025,000	\$ 9,770,000
Stephen Pelletier	\$ 770,000	\$ 2,240,000	\$ 5,460,000	\$ 8,470,000

(1) The following amounts are not included in the 2015 Annual Incentive Award column because they have been mandatorily deferred into the Book Value Performance Program: \$1,774,500 for Mr. Strangfeld, \$780,000 for Mr. Falzon, \$1,530,000 for Mr. Grier, \$1,275,000 for Mr. Lowrey, and \$960,000 for Mr. Pelletier.

(2) Represents long-term incentive awards granted in 2016 for 2015 performance. Amounts include portions of Annual Incentive Awards mandatorily deferred into the Book Value Performance Program.

### **Response to advisory vote and shareholder feedback**

Approximately 82% of the votes cast at the 2015 Annual Meeting of Shareholders on the non-binding advisory vote on the compensation of our named executive officers were voted in support of our executive compensation program. Consistent with its strong commitment to engagement, communication, and transparency, the Compensation Committee continues to regularly receive feedback from investors and review our executive compensation program to ensure alignment between the interests of our senior executives and shareholders.

**Table of Contents****Corporate Governance Highlights**

In 2015, we met with shareholders who hold a majority of our shares. During these meetings, shareholders were encouraged to identify potential Board candidates and share feedback on the Company, its governance practices and policies.

2015. Based on shareholder feedback, we adopted proxy access in March

In February 2015, we strengthened our clawback policy and adopted a resignation notice period requirement for all long-term incentive awards as described in more detail in the Compensation Discussion and Analysis below.

Established a new Risk Committee comprised of the chairs of each of the other Board committees to enhance the Board's oversight of significant risks and risk oversight functions across the enterprise.

In 2015, the Company met with shareholders who hold a majority of our shares.

**Boards of Directors and Committees**

<b>Name/Age</b>	<b>Independent</b>	<b>Director Since</b>	<b>Committee Membership</b>	<b>Other Public Boards</b>
Thomas J. Baltimore Jr., 52	Yes	Oct. 2008	Executive	Investment (Chair) 2
Gilbert F. Casellas, 63	Yes	Jan. 2001	Finance Audit	Risk Executive 0
James G. Cullen, 73	Yes	Jan. 2001	Corporate Governance & Business Ethics (Chair) Finance	Risk Investment 4
Mark B. Grier, 63	No	Jan. 2008		0
Martina Hund-Mejean, 55	Yes	Oct. 2010	Audit	0
Karl J. Krapek, 67	Yes	Jan. 2004	Lead Independent Director (Since May 2014)	Executive (Chair) Risk (Chair) 1
Peter R. Lighte, 67	Yes	Mar. 2016	Compensation (Chair) Corporate Governance & Business Ethics	Investment 0
George Paz, 60	Yes	Mar. 2016	Audit	2
Sandra Pianalto, 61	Yes	Jul. 2015	Corporate Governance & Business Ethics	Finance 2
Christine A. Poon, 63	Yes	Sep. 2006	Executive	Investment 3
Douglas A. Scovanner, 60	Yes	Nov. 2013	Finance (Chair) Audit (Chair) Executive	Risk Risk 0

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

John R. Strangfeld, 62	No	Jan. 2008	Executive		0
Michael A. Todman, 58	Yes	Mar. 2016	Compensation	Finance	2

**Annual Meeting Proposals**

### Proposal

Election of Directors  
Ratification of Auditors  
Advisory vote to approve named executive officer compensation  
Approval of the Prudential Financial, Inc. 2016 Omnibus Incentive Plan  
Shareholder proposal regarding an independent Board Chairman

### Recommendation of Board

FOR each of the nominees  
FOR  
FOR  
FOR  
AGAINST

[Notice of Annual Meeting of Shareholders and 2016 Proxy Statement](#) | 7



**Table of Contents**

**ELECTION OF DIRECTORS**

Page

9	<u>Item 1 Election of Directors</u>
10	<u>Director Nominees</u>
15	<u>Summary of Director Qualifications and Experience</u>
16	<u>Corporate Governance</u>
17	<u>Comprehensive Steps To Achieve Board Effectiveness Annual Board Evaluation</u>
18	<u>Letter from the Lead Independent Director (www.prudential.com/leadindependentdirector)</u>
19	<u>Board Risk Oversight</u>
20	<u>Communication with Directors</u>
21	<u>Committees of the Board of Directors</u>
22	<u>Certain Relationships and Related Party Transactions</u>
41	<u>Compensation of Directors</u>

**APPOINTMENT OF THE INDEPENDENT**

**AUDITORS FOR 2016 RATIFICATION**

Page

25	<u>Item 2 Ratification of the Appointment of the Independent Registered Public Accounting Firm</u>
26	<u>Audit Committee Pre-Approval Policies and Procedures</u>
27	<u>Report of the Audit Committee</u>

<b><u>Voting Securities and Principal Holders</u></b>	<b>39</b>
<b><u>General Information About the Meeting</u></b>	<b>76</b>
<u>Voting Instructions and Information</u>	76
<u>Board Recommendations</u>	77
<u>Attending the Annual Meeting</u>	77
<u>Submission of Shareholder Proposals and Director Nominations</u>	78
<b><u>Proxy Statement</u></b>	

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 10, 2016, at 2:00 p.m., at Prudential Financial s Corporate Headquarters, 751 Broad Street, Newark, NJ 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 22, 2016.

**ADVISORY VOTE TO APPROVE NAMED**

**EXECUTIVE OFFICER COMPENSATION**

**AND CD&A**

Page

28	<u>Item 3 Advisory Vote to Approve Named Executive Officer Compensation</u>
43	<u>Compensation Discussion and Analysis ( CD&amp;A ) Executive Summary</u>
47	<u>Philosophy and Objectives of Our Executive Compensation Program</u>
47	<u>How We Make Compensation Decisions</u>
48	<u>Role of the Compensation Consultant</u>
50	<u>Components of Our Executive Compensation Program</u>
57	<u>Supplemental Compensation Analysis</u>
59	<u>Clawback Policy</u>
61	<u>Compensation Committee Report</u>
62	<u>2015 Summary Compensation Table</u>
66	<u>Grants of Plan-Based Awards</u>
68	<u>Pension Benefits</u>
71	<u>Nonqualified Deferred Compensation</u>

**APPROVAL OF THE PRUDENTIAL FINANCIAL, INC. 2016 OMNIBUS INCENTIVE PLAN**

Page

29	<u>Item 4 Approval of the Prudential Financial, Inc. 2016 Omnibus Incentive Plan</u>
80	<u>Appendix A Prudential Financial, Inc. 2016 Omnibus Incentive Plan</u>

**SHAREHOLDER PROPOSAL REGARDING AN INDEPENDENT BOARD CHAIRMAN**

Page

37	<u>Item 5 Shareholder Proposal Regarding an Independent Board Chairman</u>
----	----------------------------------------------------------------------------

**Table of Contents**

## **Item 1 Election of Directors**

Our Board of Directors has nominated 13 directors for election at this Annual Meeting to hold office until the next annual meeting and the election of their successors. All of the nominees are currently directors. Each agreed to be named in this Proxy Statement and to serve if elected. All of the nominees are expected to attend the 2016 Annual Meeting. All 11 directors, then serving on the Board, attended the 2015 Annual Meeting.

Gordon Bethune and Constance Horner, both members of the Board, will have attained the age of 74 and will not stand for re-election. As a result, the Board will be reduced to 13 members immediately prior to the Annual Meeting.

We have no reason to believe that any of the nominees will be unable or unwilling for good cause to serve if elected. However, if any nominee should become unable for any reason or unwilling for good cause to serve, proxies may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of directors.

### **Director Criteria, Qualifications, Experience and Tenure**

Prudential Financial is a financial services company that offers a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, and investment management. The Corporate Governance and Business Ethics Committee performs an assessment of the skills and the experience needed to properly oversee the interests of the Company. Generally, the Committee reviews both the short- and long-term strategies of the Company to determine what current and future skills and experience are required of the Board in exercising its oversight function. The Committee then compares those skills to the skills of the current directors and potential director candidates. The Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process, keeping in mind its commitment to diversity.

### **BOARD HIGHLIGHTS**

**Added four directors** since last annual meeting, with each adding skills and experience that we identified as optimal for the Board.

**Committee rotation and appointment of new Chairs** occurred in May 2015, which included new Audit and Corporate Governance Committee Chairs.

### **BOARD DIVERSITY**

While the Company does not have a formal policy on Board diversity, our Corporate Governance Principles and Practices place great emphasis on diversity, and the Committee actively considers diversity in recruitment and nominations of directors. The current composition of our Board reflects those efforts and the importance of diversity to the Board:

**Over 60% of our Board is diverse**

<b>4</b>	director nominees have <b>worked outside the United States</b>
<b>2</b>	director nominees are <b>African-American</b>
<b>1</b>	director nominee is <b>Asian-American</b>
<b>2</b>	director nominees are <b>Hispanic</b>
<b>3</b>	director nominees are <b>Women</b>
<b>1</b>	director nominee is <b>LGBT</b>
<b>13</b>	<b>Total number of director nominees</b>

**Table of Contents**

**Item 1 Election of Directors** Director Nominees

**BOARD TENURE FOR 2016 NOMINEES**

**Our directors' expertise combines to provide a broad mix of skills, qualifications and proven leadership abilities.**

The Corporate Governance and Business Ethics Committee practices a long-term approach to board refreshment. With the assistance of an independent search firm, the Committee regularly identifies individuals who have expertise that would complement and enhance the current board's skills and experience. In addition, as part of our shareholder engagement dialogue, we routinely ask our investors for input regarding director recommendations.

It is of critical importance to the Company that the Committee recruit directors who help achieve the goal of a well-rounded, diverse Board that functions collegially as a unit.

The Committee expects each of the Company's directors to have proven leadership skills, sound judgment, integrity and a commitment to the success of the Company. In evaluating director candidates and considering incumbent directors for nomination to the Board, the Committee considers each nominee's independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors, the factors also include attendance, past performance on the Board and contributions to the Board and their respective committees.

**Below each nominee's biography, we have included an assessment of the skills and experience of such nominee. We have also included a chart that covers the assessment for the full Board.**

**Director Nominees**

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

<b>Thomas J. Baltimore, Jr.</b>	<b>Prudential Committees:</b>	<b>Public Directorships:</b>
Age: 52	Executive	RLJ Lodging Trust

**Director Since:** October 2008

Finance

Duke Realty Corporation

Investment (Chair)

Risk

**Former Directorships Held During the Past Five Years:**

Integra Life Sciences Corporation (August 2012)

**Mr. Baltimore** has been the President and Chief Executive Officer (CEO) of RLJ Lodging Trust (a NYSE-listed real estate investment company) since May 2011. Previously, he served as Co-Founder and President of RLJ Development, LLC (RLJ Lodging's predecessor company) from 2000 to May 2011. He served as VP, Gaming Acquisitions, of Hilton Hotels Corporation from 1997 to 1998 and later as VP, Development and Finance, from 1999 to 2000. He also served in various management positions with Host Marriott Services, including VP, Business Development, from 1994 to 1996.

**Skills & Qualifications**

Business Head/Administration  
Business Operations  
Corporate Governance  
Investments  
Real Estate  
Talent Management

**Table of Contents**

**Item 1 Election of Directors** Director Nominees

<p><b>Gilbert F. Casellas</b></p> <p><b>Age:</b> 63</p> <p><b>Director Since:</b> January 2001</p> <p>(Director of Prudential Insurance since April 1998)</p>	<p><b>Prudential Committees:</b></p> <p>Audit</p> <p>Corporate Governance and Business Ethics (Chair)</p> <p>Executive</p> <p>Risk</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------

**Mr. Casellas** has been Chairman of OMNITRU (a consulting and investment firm) since 2011. He was the VP, Corporate Responsibility of Dell Inc. (a global computer manufacturer) from 2007 to 2010. He served as a Member 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 CEO of Q-linx, Inc. He served as the President and COO of The Swarthmore Group, Inc. from January 1999 to December 2000. Mr. Casellas served as Chairman, U.S. EEOC from 1994 to 1998, and General Counsel, U.S. Department of the Air Force, from 1993 to 1994.

**Skills & Qualifications**

- |                                                       |                   |
|-------------------------------------------------------|-------------------|
| Business Ethics                                       | Risk Management   |
| Business Head/Administration                          | Talent Management |
| Business Operations                                   |                   |
| Corporate Governance                                  |                   |
| Environmental/Sustainability/Corporate Responsibility |                   |

Government/Public Policy

Investments

<p><b>James G. Cullen</b></p> <p><b>Age:</b> 73</p> <p><b>Director Since:</b> January 2001</p> <p>(Director of Prudential Insurance since April 1994)</p>	<p><b>Prudential Committees:</b></p> <p>Finance</p> <p>Investment</p> <p><b>Former Directorships Held During the Past Five Years:</b></p> <p>Johnson &amp; Johnson (April 2015)</p>	<p><b>Public Directorships:</b></p> <p>Agilent Technologies, Inc. (Non-Executive Chairman)</p> <p>Avinger Inc.</p> <p>Keysight Technologies</p> <p>NeuStar, Inc. (Non-Executive Chairman)</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Mr. Cullen** served as the President and Chief Operating Officer (COO) of Bell Atlantic Corporation from December 1998 until his retirement in June 2000. Mr. Cullen was the President and CEO, Telecom Group of Bell Atlantic Corporation from 1997 to 1998 and served as Vice Chairman of Bell Atlantic Corporation from 1995 to 1997. Mr. Cullen has also served as the Non-Executive Chairman of the Board of NeuStar, Inc. since November 2010 and Non-Executive Chairman of the Board of Agilent Technologies, Inc. since March 2005.

**Skills and Qualifications:**

Business Head/Administration  
 Business Operations  
 Corporate Governance  
 International  
 Marketing/Sales  
 Talent Management

<p><b>Mark B. Grier</b></p> <p><b>Age:</b> 63</p> <p><b>Director Since:</b> January 2008</p>	<p><b>Prudential Committees:</b></p> <p>None</p>	
----------------------------------------------------------------------------------------------	--------------------------------------------------	--



**Mr. Grier** has served as Vice Chairman since 2007 and a member of the Office of the Chairman of Prudential Financial since August 2002. From April 2007 through January 2008, he served as Vice Chairman overseeing the International Insurance and Investments division and Global Marketing and Communications. Mr. Grier was Chief Financial Officer (CFO) of Prudential Insurance from 1995 to 1997 and has served in various executive roles. Prior to joining Prudential, Mr. Grier was an executive with Chase Manhattan Corporation.

**Skills & Qualifications**

- |                                                       |                    |
|-------------------------------------------------------|--------------------|
| Business Ethics                                       | Insurance Industry |
| Business Head/Administration                          | International      |
| Business Operations                                   | Risk Management    |
| Corporate Governance                                  | Talent Management  |
| Environmental/Sustainability/Corporate Responsibility | Technology/Systems |
| Finance/Capital Allocation                            |                    |
| Financial Services Industry                           |                    |
| Government/Public Policy                              |                    |

**Table of Contents**

**Item 1 Election of Directors** Director Nominees

<p><b>Martina Hund-Mejean</b></p> <p><b>Age:</b> 55</p> <p><b>Director Since:</b> October 2010</p>	<p><b>Prudential Committees:</b></p> <p>Audit</p>
----------------------------------------------------------------------------------------------------	---------------------------------------------------

**Ms. Hund-Mejean** has served as the CFO and a member of the Executive Committee at MasterCard Worldwide (a global transaction processing and consulting services company) since 2007. Ms. Hund-Mejean served as Senior Vice President (SVP) and Corporate Treasurer at Tyco International Ltd. from 2003 to 2007; SVP and Treasurer at Lucent Technologies from 2000 to 2002; and held management positions at General Motors Company from 1988 to 2000. Ms. Hund-Mejean began her career as a credit analyst at Dow Chemical in Frankfurt, Germany.

**Skills & Qualifications**

- |                              |                   |
|------------------------------|-------------------|
| Business Head/Administration | Risk Management   |
| Business Operations          | Talent Management |
| Corporate Governance         |                   |
| Finance/Capital Allocation   |                   |
| Financial Services Industry  |                   |
| International                |                   |
| Investments                  |                   |

<p><b>Karl J. Krapek</b></p>	<p><b>Prudential Committees:</b></p>	<p><b>Public Directorships:</b></p>
------------------------------	--------------------------------------	-------------------------------------

	Compensation (Chair)	Northrop Grumman Corporation
<b>Age:</b> 67		
<b>Director Since:</b> January 2004	Executive (Chair)	
Lead Independent Director since May 2014		
	Risk (Chair)	
<b>Former Directorships Held During the Past Five Years:</b>		
	Visteon Corporation (June 2012)	
	The Connecticut Bank & Trust Company (April 2012)	

**Mr. Krapek** served as the President and COO of United Technologies Corporation (UTC) from 1999 until his retirement in January 2002. Prior to that time, Mr. Krapek held other management positions at UTC, which he joined in 1982. Mr. Krapek is also the co-founder of The Keystone Companies, which was founded in 2002 and develops residential and commercial real estate.

**Skills & Qualifications**

- |                                                       |                    |
|-------------------------------------------------------|--------------------|
| Business Head/Administration                          | Risk Management    |
| Business Operations                                   | Talent Management  |
| Corporate Governance                                  | Technology/Systems |
| Environmental/Sustainability/Corporate Responsibility |                    |
| Finance/Capital Allocation                            |                    |
| International                                         |                    |
| Real Estate                                           |                    |

<b>Peter R. Lighte</b>	<b>Prudential Committees:</b>
<b>Age:</b> 67	Corporate Governance and Business Ethics
<b>Director Since:</b> March 2016	Investment

**Mr. Lighte** served as the Vice Chairman, J.P. Morgan Corporate Bank, China, from 2010 to 2014, and the founding Chairman of J.P. Morgan Chase Bank China, from 2007 to 2010. Prior to that, he headed the Company's International Client Coverage for Treasury and Securities Services in J.P. Morgan's European Global Operating Services Division and was instrumental in re-establishing its corporate bank in London. Mr. Lighte previously served as the President of Chase Trust Bank in Tokyo from 2000 to 2002. He was also the founding representative in Beijing of Manufacturers Hanover Trust Company. Mr. Lighte has also taught at several academic institutions, including Middlebury College and the University of Santa Clara.

### Skills & Qualifications

Academia/Education

Business Head/Administration

Business Operations

Corporate Governance

Finance/Capital Allocation

Financial Services Industry

Government/Public Policy

International

Investments

Risk Management

Talent Management

**Table of Contents**

**Item 1 Election of Directors** Director Nominees

<b>George Paz</b>	<b>Prudential Committees:</b>	<b>Public Directorships:</b>
<b>Age:</b> 60	Audit	Express Scripts Holding Company
<b>Director Since:</b> March 2016		Honeywell International Inc.

**Mr. Paz** has been Chairman and CEO of Express Scripts Holding Company (Express Scripts), a prescription benefit management company, since May 2006 and April 2005, respectively. He will step down as CEO in May 2016 and will continue as Chairman of the Board. Mr. Paz also served as the President of Express Scripts from October 2003 to February 2014 and has been a director since January 2004. He joined Express Scripts in 1998 as SVP and CFO. Prior to joining Express Scripts, Mr. Paz was a partner at Coopers and Lybrand from 1988 to 1993 and 1996 to 1998 and served as Executive Vice President and CFO for Life Partners Group from 1993 to 1995.

**Skills & Qualifications**

- |                              |                   |
|------------------------------|-------------------|
| Business Head/Administration | Risk Management   |
| Business Operations          | Talent Management |
| Corporate Governance         |                   |
| Finance/Capital Allocation   |                   |
| Financial Services Industry  |                   |
| Government/Public Policy     |                   |
| Insurance Industry           |                   |

<b>Sandra Pianalto</b>	<b>Prudential Committees:</b>	<b>Public Directorships:</b>
------------------------	-------------------------------	------------------------------

<b>Age:</b> 61	Corporate Governance and Business Ethics	Eaton Corporation plc
<b>Director Since:</b> July 2015	Finance	The J.M. Smucker Company

**Ms. Pianalto** served as the President and CEO of the Federal Reserve Bank of Cleveland (the Cleveland Fed) from February 2003 until her retirement in May 2014. She was the First Vice President and COO of the Cleveland Fed from 1993 to 2003 and served as its VP and Secretary to the Board of Directors from 1988 to 1993. Ms. Pianalto also served in various supervisory roles at the Cleveland Fed from 1983 to 1988. Prior to joining the Cleveland Fed, Ms. Pianalto was an economist at the Board of Governors of the Federal Reserve System and served on the staff of the Budget Committee of the US House of Representatives.

**Skills & Qualifications**

- Academia/Education
- Business Head/Administration
- Business Operations
- Corporate Governance
- Finance/Capital Allocation
- Financial Services Industry
- Government/Public Policy
- Risk Management
- Talent Management

<b>Christine A. Poon</b>	<b>Prudential Committees:</b>	<b>Public Directorships:</b>
<b>Age:</b> 63	Executive	Koninklijke Philips Electronics NV
<b>Director Since:</b> September 2006	Finance (Chair)	Regeneron Pharmaceuticals
	Investment	The Sherwin-Williams Company
	Risk	

**Ms. Poon** served as Dean of Fisher College of Business at The Ohio State University from May 2009 until November 2014 and is now a member of the faculty. She served as Vice Chairman and a member of the Board of Directors of Johnson & Johnson from 2005 until her retirement in March 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.

### **Skills & Qualifications**

Academia/Education  
Business Head/Administration  
Business Operations  
Corporate Governance  
International  
Marketing/Sales  
Talent Management

**Table of Contents**

**Item 1 Election of Directors** **Director Nominees**

<p><b>Douglas A. Scovanner</b></p> <p><b>Age:</b> 60</p> <p><b>Director Since:</b> November 2013</p>	<p><b>Prudential Committees:</b></p> <p>Audit (Chair)</p> <p>Executive</p> <p>Risk</p>
------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------

**Mr. Scovanner** has been the Founder and Managing Member of Comprehensive Financial Strategies, LLC, a management consulting firm, since October 2013. Previously, he served as the CFO (1994 to 2012) and Executive Vice President (2000 to 2012) of the Target Corporation (a North American retailer). Prior to joining the Target Corporation, Mr. Scovanner held various management positions at The Fleming Companies, Inc., Coca-Cola Enterprises, Inc., The Coca-Cola Company and the Ford Motor Company from 1979 to 1994.

**Skills & Qualifications**

- |                              |                   |
|------------------------------|-------------------|
| Business Head/Administration | Risk Management   |
| Business Operations          | Talent Management |
| Corporate Governance         |                   |
| Finance/Capital Allocation   |                   |
| Financial Services Industry  |                   |
| Investments                  |                   |
| Real Estate                  |                   |



## John R. Strangfeld

### Prudential Committees:

**Age:** 62

Executive

**Director Since:** January 2008

(Elected Chairman May 2008)

**Mr. Strangfeld** has served as CEO and President of Prudential Financial since January 2008 and Chairman of the Board since May 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, overseeing the U.S. Insurance and Investment divisions. Prior to his position as Vice Chairman, Mr. Strangfeld held a variety of senior investment positions at Prudential, both within the U.S. and abroad.

### Skills & Qualifications

Business Ethics

International

Business Head/Administration

Investments

Business Operations

Risk Management

Corporate Governance

Talent Management

Environmental/Sustainability/Corporate Responsibility

Technology/Systems

Finance/Capital Allocation

Financial Services Industry

Insurance Industry

## Michael A. Todman

### Prudential Committees:

### Public Directorships:

**Age:** 58

Compensation

Brown-Forman Corporation

**Director Since:** March 2016

Finance

Newell Rubbermaid, Inc.

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

**Mr. Todman** served as Vice Chairman of the Whirlpool Corporation (Whirlpool), a global manufacturer of home appliances, from November 2014 to December 2015. Mr. Todman previously served as President of Whirlpool International from 2006 to 2007 and 2010 to 2014, as well as President, Whirlpool North America from 2007 to 2010. Mr. Todman held several senior positions including Executive Vice President and President of Whirlpool Europe from 2001 to 2005 and Executive Vice President, Whirlpool North America, in 2001. Prior to joining Whirlpool, Mr. Todman served in a variety of leadership positions at Wang Laboratories Inc. and Price Waterhouse and Co.

### Skills & Qualifications

Business Head/Administration

Risk Management

Business Operations

Talent Management

Corporate Governance

Finance/Capital Allocation

Government/Public Policy

International

Marketing/Sales

**Table of Contents**

**Item 1 Election of Directors** Director Nominees

Notice of Annual Meeting of Shareholders and 2016 Proxy Statement | 15

## Table of Contents

# Corporate Governance

The Company is committed to good corporate governance, which helps us compete more effectively, sustain our success and build long-term shareholder value. The Company is governed by a Board of Directors and committees of the Board that meet throughout the year. Directors discharge their responsibilities at Board and committee meetings and also through other communications with management.

The Board has adopted Corporate Governance Principles and Practices to provide a framework for the effective governance of the Company. The Corporate Governance Principles and Practices are reviewed regularly and updated as appropriate. The full text of the Corporate Governance Principles and Practices, which includes the definition of independence adopted by the Board, the charters of the Corporate Governance and Business Ethics, Compensation and Audit Committees, the Lead Independent Director Charter, the Code of Business Conduct and Ethics and the Related Party Transaction Approval Policy can be found at [www.prudential.com/governance](http://www.prudential.com/governance). Copies of these documents also may be obtained from the Chief Governance Officer and Corporate Secretary.

Governance is a continuing focus at the Company, starting with the Board and extending to management and all employees. Therefore, the Board reviews the Company's policies and business strategies and advises and counsels the CEO and the other executive officers who manage the Company's businesses, including reviewing, on at least an annual basis, the Company's strategic plans.

In addition, we solicit feedback from shareholders on governance and executive compensation practices and engage in discussions with various groups and individuals on governance issues and improvements.

## Process for Selecting Directors

The Corporate Governance and Business Ethics Committee screens candidates and recommends candidates for nomination by the full Board. The Company's By-laws provide that the size of the Board may range from 10 to 24 members. The Board's current view is that the optimal size is between 10 and 15 members. Pursuant to succession planning, the Board has recently added four directors who were recommended by an independent third-party search firm. The Committee was assisted with its recruitment efforts by such firm, which recommended candidates that satisfied the Board's criteria. The search firm also provided research and pertinent information regarding candidates, as requested.

## Shareholder Nominations and Recommendations of Director Candidates

We amended our By-laws in March 2015 to permit a group of up to 20 shareholders who have owned at least 3% of our outstanding capital stock for at least three years to submit director nominees for up to 20% of the Board for inclusion in our Proxy Statement if the shareholder(s) and the nominee(s) meet the requirements in our By-laws.

Shareholders who wish to nominate directors for inclusion in our Proxy Statement or directly at an Annual Meeting in accordance with the procedures in our By-laws should follow the instructions under "Submission of Shareholder Proposals and Director Nominations" in this Proxy Statement.

Shareholders who wish to recommend candidates for consideration should send their recommendations to the attention of Margaret M. Foran, Chief Governance Officer, Senior Vice President and Corporate Secretary, at 751 Broad Street, Newark, NJ 07102. The Committee will consider director candidates recommended by shareholders in accordance with the criteria for director selection described under "Director Criteria, Qualifications, Experience and Tenure."

## Table of Contents

## Corporate Governance

### Director Attendance

During 2015, the Board of Directors held 10 meetings. Together, the directors attended 98% of the combined total meetings of the full Board and the committees on which they served in 2015 and no director attended less than 95% of the combined total meetings of the full Board and the committees on which he or she served in 2015.

### Director Independence

The current Board consists of 15 directors, two of whom are currently employed by the Company (Messrs. Strangfeld and Grier). The Board conducted an annual review and affirmatively determined that all of the non-employee directors (Mss. Horner, Hund-Mejean, Pianalto and Poon, and Messrs. Baltimore, Bethune, Casellas, Cullen, Krapek, Lighte, Paz, Scovanner and Todman) are independent as that term is defined in the listing standards of the NYSE and in Prudential Financial's Corporate Governance Principles and Practices. In addition, the Board previously determined that Mr. James Unruh, who did not stand for re-election at our 2015 Annual Meeting, was an independent director.

### Independent Director Meetings

The independent directors generally meet in an executive session at both the beginning and the end of each regularly scheduled Board meeting, with the Lead Independent Director serving as Chair.

### Board Leadership

Currently, our Board leadership structure consists of a Lead Independent Director, a Chairman (who is also our CEO) and strong committee chairs. The Board believes that our structure provides independent Board leadership and engagement while providing the benefit of having our CEO, the individual with primary responsibility for managing the Company's day-to-day operations, chair regular Board meetings as key business and strategic issues are discussed. At this time, the Board believes that the Company is best served by having the same individual as both Chairman of the Board and CEO, but considers the continued appropriateness of this structure at least annually.

Under our Corporate Governance Principles and Practices, the independent directors annually elect an independent director to serve as Lead Independent Director for a term of at least one year, but for no more than three years. Mr. Krapek has served as our Lead Independent Director since May 2014. The responsibilities and authority of the Lead Independent Director include:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

authorization to call meetings of the independent directors;

serving as a liaison between the Chairman and the independent directors;

approving information sent to the Board, including the quality, quantity, appropriateness and timeliness of such information;

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

approving meeting agendas for the Board;

approving meeting schedules to assure there is sufficient time for discussion of all agenda items;

authorization to retain outside advisors and consultants who report directly to the Board of Directors on board-wide issues; and

ensuring that he/she be available, if requested by shareholders, when appropriate, for consultation and direct communication.

**Table of Contents**

## **Letter from the Lead Independent Director**

As your Lead Independent Director, it is a privilege to serve our shareholders with my fellow Board members. Prudential's leading governance policies play a prominent role within our organization by helping us compete more effectively, achieve success, and build sustainable value for our shareholders.

### **The Board's Strategic Oversight Role**

Through the depth and diversity of our directors' experience and expertise, our Board brings a thorough understanding of the Company's businesses, and their underlying economics, competitive dynamics and other external factors, to its oversight role. Throughout the year, our directors are actively engaged in dialogue with Prudential's senior business leaders. The Board approaches these discussions with an owner's long-term mind-set and a focus on assessing new opportunities while also identifying potential forces that may adversely impact the Company.

### **Board Refreshment and Succession Planning**

Our commitment to Board refreshment and succession planning is at the core of our ability to maintain our independence of thought and action. We undertake serious and deliberate consideration when evaluating our current directors' skills and expertise. For prospective Board candidates, we seek individuals with skills that are complementary to our industry, the regulatory environment, and the company's risk profile. As part of our Board succession planning, between July 2015 and February 2016 we elected four new directors, each with skills and experiences that will provide significant value to the Board, management and shareholders.

### **Committee Rotation**

We routinely refresh our committees as a way to strengthen our members' awareness of the issues, broaden their perspectives, and diversify each committee's expertise. In 2015, we elected new chairs of our Audit and Corporate Governance and Business Ethics Committees.

### **Shareholder Engagement**

Addressing the interests of our Company's shareholders is another prominent focus for the Board. This year, the Board had the opportunity to engage with shareholders who held a majority of our shares, both individually and in a group setting, to discuss a number of important topics. We appreciate the honest feedback, the open exchange of ideas, and the opportunity to learn from one another. As a Board, we welcome and value dialogue with all of our stakeholders, and we work to reflect their recommendations in our practices and policies.

The Board remains committed to helping Prudential serve our customers, deliver excellent operating results and create attractive returns for our shareholders.

I encourage you to watch a short video I prepared that provides our investors with additional perspective on the Board. You can access the video from the Corporate Governance section of our website at [www.prudential.com/leadindependentdirector](http://www.prudential.com/leadindependentdirector). We see this video as an important component of our shareholder engagement initiative.

**On behalf of the entire Board, thank you for your support and vote of confidence.**

Karl J. Krapek

Lead Independent Director

18 | [Notice of Annual Meeting of Shareholders](#) and 2016 Proxy Statement



---

**Table of Contents****Corporate Governance****Board Risk Oversight**

The Board oversees the Company's risk profile and management's processes for assessing and managing risk, both as a whole Board and through its committees. At least annually, the Board reviews strategic risks and opportunities facing the Company and certain of its businesses. Other important categories of risk are assigned to designated Board committees (which are comprised solely of independent directors) that report back to the full Board. In general, the committees oversee the following risks:

**Audit Committee:** risks related to financial controls, legal, regulatory and compliance issues, and the overall risk management governance structure and risk management function;

**Finance Committee:** risks related to capital and liquidity management, incurrence and repayment of borrowings, the capital structure of the enterprise, funding of benefit plans, and the levels of insurance reserves and policyholder dividends;

**Investment Committee:** investment risk, and the strength of the investment function;

**Compensation Committee:** the design and operation of the Company's compensation programs so that they do not encourage unnecessary or excessive risk-taking;

**Corporate Governance and Business Ethics Committee:** the Company's political contributions, lobbying expenses and overall political strategy, as well as the Company's environmental, sustainability and corporate social responsibility to minimize reputational risk and focus on future sustainability; and

**Risk Committee:** the governance of significant risks throughout the Company, monitors its overall risk profile, and coordinates the risk oversight functions of the other Board committees.

In performing its oversight responsibilities, the Board and its committees review policies and guidelines that senior management uses to manage the Company's exposure to material categories of risk. As these issues sometimes overlap, committees hold joint meetings when appropriate and address certain issues at the full Board level. During 2015, the full Board received a report from the Chief Risk Officer on the important strategic issues and risks facing the Company. In addition, the Board and committees review the performance and functioning of the Company's overall risk management function.

In 2015, the Board also established a Risk Committee, comprised of the chairs of each of the other Board committees. The principal activities of the Risk Committee are to: oversee the Company's assessment and reporting of material risks by reviewing the metrics used by management to quantify risk, applicable risk limit structures and risk mitigation strategies; review the Company's processes and procedures for risk assessment and risk management, including the related assumptions used across the Company's businesses and material risk types; and receive reports from management on material and emerging risk topics that are reviewed by the Company's internal management committees.

The Company, under the Board's oversight, is organized to promote a strong risk awareness and management culture. The Chief Risk Officer sits on many management committees and heads an independent enterprise risk management department; the General Counsel and Chief Compliance Officer also sit on key management committees and the functions they oversee operate independently of the businesses to separate management and oversight. Employee appraisals evaluate employees with respect to risk and ethics.

We monitor the risks associated with our executive compensation program and individual compensation decisions on an ongoing basis. Each year management undertakes a review of the Company's various compensation programs to assess the risks arising from our compensation policies and practices. Management presents these risk assessments to the Compensation Committee. The risk assessments have included a review of the primary design features of the Company's compensation plans, the process to determine compensation pools and awards for employees and an analysis of how those features could directly or indirectly encourage or mitigate risk-taking. As part of the risk assessments, it has been noted that the Company's compensation plans allow for discretionary negative adjustments to the ultimate outcomes, which serves to mitigate risk-taking.

Moreover, senior management is subject to a share retention policy, and historically a large percentage of senior management compensation has been paid in the form of long-term equity awards. In addition, senior management compensation is paid over a multiple-year cycle, a compensation structure that is intended to align incentives with appropriate risk-taking. The Company's general risk management controls also serve to preclude decision-makers from taking excessive risk to earn the incentives provided under our compensation plans. The Compensation Committee agreed with the conclusion that the identified risks were within our ability to effectively monitor and manage, and that our compensation programs do not encourage unnecessary or excessive risk-taking and do not create risks that are reasonably likely to have a material adverse effect on the Company.

**Table of Contents**

**Corporate Governance**

## **Succession Planning**

The Board is actively engaged and involved in talent management. The Board reviews the Company's people strategy in support of its business strategy at least annually. This includes a detailed discussion of the Company's global leadership bench and succession plans with a focus on key positions at the senior officer level.

In addition, the committees of the Board regularly discuss the talent pipeline for specific critical roles. High potential leaders are given exposure and visibility to Board members through formal presentations and informal events. More broadly, the Board is regularly updated on key talent indicators for the overall workforce, including diversity, recruiting and development programs.

## **Communication with Directors**

Shareholders and other interested parties may communicate with any of the independent directors, including Committee Chairs and the Lead Independent Director, by using the following address:

**Prudential Financial, Inc.**

Board of Directors

c/o Margaret M. Foran, Chief Governance Officer,

Senior Vice President and Corporate Secretary

751 Broad Street

Newark, NJ 07102

Email: [independentdirectors@prudential.com](mailto:independentdirectors@prudential.com)

**Feedback on Executive Compensation:** You can also provide feedback on executive compensation at the following website: [www.prudential.com/executivecomp](http://www.prudential.com/executivecomp).

The Chief Governance Officer and Corporate Secretary of the Company reviews communications to the independent directors and forwards those communications to the independent directors as discussed below. Communications involving substantive accounting or auditing matters will be immediately forwarded to the Chair of the Audit Committee and the Company's Corporate Chief Ethics Officer consistent with time frames established by the Audit Committee for the receipt of communications dealing with these matters. Communications that pertain to non-financial matters will be forwarded promptly. Items that are unrelated to the duties and responsibilities of the Board will not be forwarded, such as: business solicitation or advertisements; product-related inquiries; junk mail or mass mailings; resumes or other job-related inquiries; spam and overly hostile, threatening, potentially illegal or similarly unsuitable communications.

## **SHAREHOLDER ENGAGEMENT**

In 2015, we continued our practice of engagement, communication, and transparency in a variety of ways, including the following:

proactively adopted a proxy access right for long-term shareholders to complement our existing shareholder rights practices and to address shareholder feedback;

provided multiple avenues for shareholders to communicate with the Company and the Board. We have received over 12,000 shareholder comments in the last six years. Shareholders also continued to use the mechanisms available through [www.prudential.com/governance](http://www.prudential.com/governance) to provide input;

promoted greater communication with our institutional shareholders on corporate governance issues by engaging with shareholders who held a majority of our shares;

advanced open Board communication by facilitating interaction between our directors and shareholders; and

recognized in The Council of Institutional Investors' Best Disclosure: Company-Shareholder Engagement publication as a best practice leader.

20 | [Notice of Annual Meeting of Shareholders](#) and 2016 Proxy Statement

**Table of Contents**

**Corporate Governance**

## **Committees of the Board of Directors**

The Board has established various committees to assist in discharging its duties, including: Audit, Compensation, Corporate Governance and Business Ethics, Executive, Finance, Investment and Risk. The primary responsibilities of each of the committees are set forth below, together with their current membership and number of meetings. Committee charters can be found on our website at [www.prudential.com/governance](http://www.prudential.com/governance). Each member of the Audit, Compensation, and Corporate Governance and Business Ethics Committees has been determined by the Board to be independent for purposes of the NYSE Corporate Governance listing standards.

### **Audit Committee**

The Audit Committee provides oversight of the Company's accounting and financial reporting and disclosure processes, the adequacy of the systems of disclosure and internal control established by management, and the audit of the Company's financial statements. The Audit Committee oversees risks related to financial controls and legal, regulatory and compliance matters, and oversees the overall risk management governance structure and risk management function. Among other things, the Audit Committee: (1) appoints the independent auditor and evaluates its independence and performance; (2) reviews the audit plans for and results of the independent audit and internal audits; and (3) reviews reports related to processes established by management to provide compliance with legal and regulatory requirements. The Board of Directors has determined that all of our Audit Committee members, Ms. Hund-Mejean, Messrs. Casellas, Paz, and Scovanner, are financially literate and are audit committee financial experts as defined by the SEC. The Audit Committee met 11 times in 2015.

### **Compensation Committee**

The Compensation Committee oversees the Company's compensation and benefits policies and programs. For more information on the responsibilities and activities of the Compensation Committee, including the Committee's processes for determining executive compensation, see the CD&A. The Compensation Committee met six times in 2015.

### **Corporate Governance and Business Ethics Committee**

The Corporate Governance and Business Ethics Committee oversees the Board's corporate governance procedures and practices, including the recommendations of individuals for the Board, making recommendations to the Board regarding director compensation and overseeing the Company's ethics and conflict of interest policies, its political contributions and lobbying expenses policy, and its strategy and reputation regarding environmental stewardship and sustainability responsibility throughout the Company's global businesses. The Corporate Governance and Business Ethics Committee met seven times in 2015.

### **Executive Committee**

The Executive Committee is authorized to exercise the corporate powers of the Company between meetings of the Board, except for those powers reserved to the Board by our By-laws or otherwise. The Executive Committee did not meet in 2015.

### **Finance Committee**

The Finance Committee oversees, takes actions, and approves policies with respect to capital, liquidity, borrowing levels, reserves, subsidiary structure and major capital expenditures. The Finance Committee met seven times in 2015.

### **Investment Committee**

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

The Investment Committee oversees and takes actions with respect to the acquisition, management and disposition of invested assets; reviews the investment performance of the pension plan and funded employee benefit plans; and reviews investment risks and exposures, as well as the investment performance of products and accounts managed on behalf of third parties. The Investment Committee met four times in 2015.

### **Risk Committee**

The Risk Committee oversees the governance of significant risks throughout the enterprise, including by coordinating the risk oversight functions of each Board committee and seeing that matters are appropriately elevated to the Board. The Risk Committee met six times in 2015.

**Table of Contents**

**Corporate Governance**

## **Certain Relationships and Related Party Transactions**

The Company has adopted a written Related Party Transaction Approval Policy that applies:

to any transaction or series of transactions in which the Company or a subsidiary is a participant;

when the amount involved exceeds \$120,000; and

when a related party (a director or executive officer of the Company, any nominee for director, any shareholder owning an excess of 5% of the total equity of the Company and any immediate family member of any such person) has a direct or indirect material interest (other than solely as a result of being a director or trustee or in any similar position or a less than 10 percent beneficial owner of another entity).

The policy is administered by the Corporate Governance and Business Ethics Committee. The Committee will consider relevant facts and circumstances in determining whether or not to approve or ratify such a transaction, and will approve or ratify only those transactions that are, in the Committee's judgment, appropriate or desirable under the circumstances.

In the ordinary course of business, we may from time to time engage in transactions with other corporations or financial institutions whose officers or directors are also Directors of Prudential Financial. In all cases, these transactions are conducted on an arm's-length basis. In addition, from time to time executive officers and directors of Prudential Financial may engage in transactions in the ordinary course of business involving services we offer, such as insurance and investment services, on terms similar to those extended to employees of Prudential Financial and its subsidiaries and affiliates generally. The Corporate Governance and Business Ethics Committee has determined that certain types of transactions do not create or involve a direct or indirect material interest, including (i) any sales of financial services or products to a related party in the ordinary course of business on terms and conditions generally available in the market place (or at ordinary employee discounts, if applicable) and in accordance with applicable law and (ii) all business relationships between the Company and a 5% shareholder or a business affiliated with a director, director nominee or immediate family member of a director or director nominee made in the ordinary course of business on terms and conditions generally available in the market place and in accordance with applicable law.

Pursuant to our policy, the Corporate Governance and Business Ethics Committee determined that there were two transactions that qualified as related party transactions since the beginning of 2015. The brother of Robert Falzon, our Executive Vice President and Chief Financial Officer, Michael Falzon, is a Vice President for Infrastructure Systems Development. In 2015, the total compensation paid to Michael Falzon, including salary, bonus and the grant date value of long-term incentive awards, was approximately \$440,000. The son-in-law of Barbara Koster, our Senior Vice President and Chief Information Officer, Joshua D. Howard, is an associate in Quantitative Management Associates, a subsidiary of the Company. In 2015, the total compensation paid to Mr. Howard, including salary and bonus, was approximately \$130,000. In both cases the compensation is similar to the compensation of other employees holding equivalent positions. Neither individual is in the reporting chain of the executive officer.

**Table of Contents**

**Corporate Governance**

**SUSTAINABILITY AND ENVIRONMENT**

Prudential uses the word “sustainability” in its literal sense, describing how the Company creates long-term value to sustain its ability to keep its promises. Advocates in sustainability have recognized Prudential’s work in the area, including the active involvement of the Board and senior leadership. Highlights of the company’s focus on sustainability include:

Updating the Board’s Governance and Business Ethics Committee with a formal report on the Company’s strategy and progress.

Releasing its annual sustainability report “Powering Ambitions” with stakeholder feedback shaping the content. It is available at [www.prudential.com/sustainability](http://www.prudential.com/sustainability).

Engaging with industry groups, advocates and shareholders on our efforts. Prudential executives participated in the Ceres research report “View from the Top,” which provides guidance to corporate boards on engaging in sustainability performance.

Sponsoring and speaking at the Investor Network on Climate Risk’s biannual Summit on Climate Risk, the preeminent forum for institutional investors to discuss the implications of climate change for capital markets and their portfolios.

Inviting registered shareholders to steward energy and paper by accessing shareholder material online, voting online and registering for direct deposit of dividends.

Receiving a “World’s Most Ethical Company” designation from the Ethisphere Institute. The company’s strongly ethical environment is a key attribute of Prudential’s sustained success.

Being recognized as one of Corporate Knights’ 2016 Global 100 Most Sustainable Corporations in the World.

**Policy on Shareholder Rights Plan**

We do not have a shareholder rights plan. The Board will obtain shareholder approval prior to adopting a future shareholder rights plan unless the Board, in the exercise of its fiduciary duties, determines that under the circumstances then existing, it would be in the best interests of the Company and our shareholders to adopt a rights plan without prior shareholder approval. If a rights plan is adopted by the Board without prior shareholder approval, the plan must provide that it will expire within one year of adoption unless ratified by shareholders.

**Political Contributions and Lobbying Expenditure Oversight and Disclosure**

The Corporate Governance and Business Ethics Committee reviews and approves an annual report on political activities, contributions and lobbying expenses. It monitors and evaluates the Company’s ongoing political strategy as it relates to overall public policy objectives for the next year and provides guidance to the Board. We provide on our website a description of our oversight process for political contributions and a



## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

summary of PAC contributions. We also include information on annual dues, assessments and contributions of \$25,000 or more to trade associations and tax-exempt advocacy groups and a summary of Company policies and procedures for political activity. This disclosure is available at [www.prudential.com/governance](http://www.prudential.com/governance) under the heading Political Activity & Contributions. Prudential received a top-five ranking in the 2015 CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

**Table of Contents**

**Corporate Governance: Good Governance Practices**

**Environmental, Sustainability and Corporate Social Responsibility**

The Corporate Governance and Business Ethics Committee has oversight of environmental issues and policies. In addition, three of our Board members sit on the Community Resources Oversight Committee, which oversees Prudential's corporate social responsibility work. These directors inform the Company's social responsibility efforts in strategic philanthropy, employee engagement, corporate community involvement and investing for social return.

**CORPORATE COMMUNITY INITIATIVES**

The Office of Corporate Social Responsibility (CSR) leads Prudential's investments in underserved communities. These investments represent a continuum of resources—grants, investments and human capital and are focused on eliminating barriers to financial mobility. In 2015, Prudential invested:

\$37 million in grants to nonprofit organizations through The Prudential Foundation;

\$183 million in impact investments to non-profits and businesses that seek to create both a financial and social return; and  
\$14 million in corporate contributions to non-profit organizations, including \$3 million in projects serving U.S. veterans.

In addition, Prudential employees continued the Company's long tradition of corporate community involvement.

For these efforts, Prudential has been named to the Civic 50 list celebrating America's most community-minded companies, an honor awarded by the non-profit organization Points of Light and Bloomberg LP.

**GOOD GOVERNANCE PRACTICES**

**Board**

Strong Lead Independent Director including charter to guide oversight and independent leadership

Director Stock Ownership Guidelines — within six years of joining the Board, each director is expected to own common stock or deferred stock units with a value equivalent to six times their annual retainer

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

Majority Independent Directors 11 of the 13 director nominees are independent

Annual Board Evaluation overseen by independent third party

Annual Election of Directors by majority votes cast in an uncontested election

Board Continuing Education new director orientation and continuing education on critical topics and issues

### Shareholder Rights

Proactive Adoption of Proxy Access

Special Meeting Threshold of 10%

No Poison Pill

### Compensation

Annual Say on Pay Shareholder Vote

Clawback Policy

Prohibition of Derivatives Trading, and Hedging and Pledging of Our Securities

24 | [Notice of Annual Meeting of Shareholders](#) and 2016 Proxy Statement

**Table of Contents**

## 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 or PwC ) as the Company's independent registered public accounting firm (independent auditor) for 2016. 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 nevertheless retain it as the Company's 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 interest of Prudential Financial and its shareholders. Representatives of PricewaterhouseCoopers will be present at the Annual Meeting and will have the opportunity to make a statement and be available to respond to appropriate questions by shareholders.

### FEES PAID TO PRICEWATERHOUSECOOPERS LLP

The following is a summary and description of fees for services provided by PricewaterhouseCoopers in 2015 and 2014.

#### Worldwide Fees (In Millions)

Service	2015	2014
Audit <sup>(A)</sup>	\$ 50	\$ 47
Audit-Related <sup>(B)</sup>	\$ 4	\$ 4
Tax <sup>(C)</sup>	\$ 2	\$ 2
All Other		
Total	\$ 56	\$ 53

(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 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 new accounting standards, acquisitions and potential financial reporting requirements.

(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 2015, tax compliance and preparation fees totaled \$1.6M and tax advisory fees totaled \$0.5M, and in 2014, tax compliance and preparation fees totaled \$1.7M and tax advisory fees totaled \$0.6M.

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 related to audit and tax services paid by these entities of \$14M in 2015 and \$14M in 2014.

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

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.

PwC has been the Company's independent auditor since 2001.

**Table of Contents**

**Item 2 Ratification of the Appointment of the Independent Registered Public Accounting Firm**

In determining whether to reappoint the independent auditor, the Audit Committee annually considers several factors including:

the length of time the firm has been engaged;

the firm's independence and objectivity;

PwC's capability and expertise in handling the breadth and complexity of Prudential's global operations, including the expertise and capability of the Lead Audit Partner;

historical and recent performance, including the extent and quality of PwC's communications with the Audit Committee, and the results of a management survey of PwC's overall performance;

data related to audit quality and performance, including recent Public Company Accounting Oversight Board inspection reports on the firm; and

the appropriateness of PwC's fees, both on an absolute basis and as compared with its peers.

In accordance with the Securities Exchange Act of 1934, as amended, independent audit partners are subject to rotation requirements limiting their number of consecutive years of service to our Company to no more than five. The process for selecting the Company's lead audit partner includes Company management and the Audit Committee Chairman vetting the independent auditor's candidates, and final concurrence on the individual is done in consultation with the full Committee.

**AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES**

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 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 \$250,000 between Audit Committee meetings if the Chief Auditor deems it reasonably necessary to begin 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 services described above were approved by the Audit Committee before services were rendered.

**The Board of Directors recommends that shareholders vote                      ratification of the appointment of PricewaterhouseCoopers as the  
Company's Independent Auditor for 2016.**

#### **ENHANCING COMMUNICATION THROUGH AUDIT COMMITTEE REPORTING**

The Center for Audit Quality and a group of nationally recognized U.S. corporate governance and policy organizations, jointly released a paper entitled "Enhancing the Audit Committee Report: A Call to Action," which encouraged audit committees of public companies to proactively consider strengthening their public disclosures to more effectively convey the critical work of audit committees to investors and stakeholders. Prudential was featured as an example of a company exhibiting voluntary practices strengthening audit committee disclosures.

26 | [Notice of Annual Meeting of Shareholders](#) and 2016 Proxy Statement

---

**Table of Contents**

**Item 2 Ratification of the Appointment of the  
Independent Registered Public Accounting Firm**

**REPORT OF THE AUDIT COMMITTEE**

Four non-management directors comprise the Audit Committee. The Committee operates under a written charter adopted by the Board. The Board has determined that each member of the Committee has no material relationship with the Company under the Board's independence standards and that each is independent and financially literate under the listing standards of the NYSE and under the SEC's standards relating to independence of audit committees.

In addition, the Board of Directors has determined that all of our Audit Committee members, Messrs. Casellas, Paz and Scovanner and Ms. Hund-Mejean, satisfy the financial expertise requirements of the NYSE and have the requisite experience to be designated an audit committee financial expert as that term is defined by rules of the SEC.

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. Prudential Financial's independent registered public accounting firm (independent auditor), 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 Public Company Accounting Oversight Board (PCAOB).

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, 2015 and Management's Annual Report on Internal Control Over Financial Reporting with management and Prudential Financial's independent auditor. The Audit Committee also discussed with Prudential Financial's independent auditor the matters required to be discussed by the independent auditor with the Audit Committee under the rules adopted by the PCAOB.

The Audit Committee received from the independent auditor the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor its 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 audits, in addition to private meetings with the Chief Financial Officer, Chief Risk Officer, General Counsel, Chief Actuary and Chief Compliance Officer. In determining whether to reappoint PricewaterhouseCoopers as Prudential Financial's independent auditor, the Audit Committee took into consideration a number of factors, including the length of time the firm has been engaged, the firm's independence and objectivity, PwC's capability and expertise in handling the breadth and complexity of Prudential's global operations, including the expertise and capability of the Lead Audit Partner, historical and recent performance, including the extent and quality of PwC's communications with the Audit Committee, and the results of a management survey of PwC's overall performance, data related to audit quality and performance, including recent PCAOB inspection reports on the firm, and the appropriateness of PwC's fee, both on an absolute basis and as compared with its peers.

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, 2015 for filing with the SEC.

THE AUDIT COMMITTEE



Edgar Filing: PRUDENTIAL FINANCIAL INC - Form DEF 14A

Douglas A. Scovanner (Chairman)

Gilbert F. Casellas

Martina Hund-Mejean

George Paz\*

\* Mr. Paz was elected to the Audit Committee effective March 9, 2016.

[Notice of Annual Meeting of Shareholders and 2016 Proxy Statement](#) | 27

**Table of Contents**

## **Item 3 Advisory Vote to Approve**

### **Named Executive Officer Compensation**

The Board is committed to excellence in governance and recognizes the interest our shareholders have in our executive compensation program. As a part of that commitment, and in accordance with SEC rules, our shareholders are being asked to approve a non-binding advisory resolution on the compensation of our named executive officers, as reported in this Proxy Statement. This proposal, commonly known as a "Say on Pay" proposal, gives shareholders the opportunity to endorse or not endorse our 2015 executive compensation program and policies for our named executive officers through the following resolution:

*RESOLVED, that the shareholders of Prudential approve, on an advisory basis, the compensation of the Company's named executive officers set forth in the Compensation Discussion and Analysis*