PRUDENTIAL FINANCIAL INC
Form DEF 14A
March 22, 2016
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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 x 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))**

x 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):

x 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:

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(1) Amount Previously Paid:

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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.

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.

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 140th 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 or provide feedback on executive compensation via our website at 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.

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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

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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

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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[(1)]

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.[(2)(3)]

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.[(4)]

(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. 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.

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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.

Named Executive Officer	2015 Base Salary	2015 Annual Incentive	2015 Long-Term	2015 Total

	($)	Award (as adjusted for mandatory deferrals)(1) ($)	Incentive Award Value(2) ($)	Direct Compensation ($)
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.

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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.

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

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

Name/Age	Independent	Director Since	Committee Membership		Other Public Boards
Thomas J. Baltimore Jr., 52	Yes	Oct. 2008	Executive Finance	Investment (Chair) Risk	2
Gilbert F. Casellas, 63	Yes	Jan. 2001	Audit Corporate Governance & Business Ethics (Chair)	Executive Risk	0
James G. Cullen, 73	Yes	Jan. 2001	Finance	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) Compensation (Chair)	Executive (Chair) Risk (Chair)	1
Peter R. Lighte, 67	Yes	Mar. 2016	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 Finance (Chair)	Investment Risk	3
Douglas A. Scovanner, 60	Yes	Nov. 2013	Audit (Chair) Executive	Risk	0

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

Annual Meeting Proposals

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

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ELECTION OF DIRECTORS

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APPOINTMENT OF THE INDEPENDENT

AUDITORS FOR 2016 RATIFICATION

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Proxy Statement

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

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

SHAREHOLDER PROPOSAL REGARDING AN INDEPENDENT BOARD CHAIRMAN

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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

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

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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.

Thomas J. Baltimore, Jr.	Prudential Committees:	Public Directorships:
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

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Gilbert F. Casellas

Age: 63

Director Since: January 2001

(Director of Prudential Insurance since April 1998)

Prudential Committees:

Audit

Corporate Governance and Business Ethics (Chair)

Executive

Risk

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

Business Head/Administration

Business Operations

Corporate Governance

Environmental/Sustainability/Corporate Responsibility

Risk Management

Talent Management

Government/Public Policy

Investments

James G. Cullen

Age: 73

Director Since: January 2001

(Director of Prudential Insurance since April 1994)

Prudential Committees:

Finance

Investment

Public Directorships:

Agilent Technologies, Inc. (Non-Executive Chairman)

Avinger Inc.

Keysight Technologies

NeuStar, Inc. (Non-Executive Chairman)

Former Directorships Held During the Past Five Years:

Johnson & Johnson (April 2015)

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

Mark B. Grier

Age: 63

Director Since: January 2008

Prudential Committees:

None

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

Business Head/Administration

Business Operations

Corporate Governance

Environmental/Sustainability/Corporate Responsibility

Finance/Capital Allocation

Financial Services Industry

Government/Public Policy

Insurance Industry

International

Risk Management

Talent Management

Technology/Systems

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Martina Hund-Mejean

Prudential Committees:

Audit

Age: 55

Director Since: October 2010

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

Business Operations

Corporate Governance

Finance/Capital Allocation

Financial Services Industry

International

Investments

Risk Management

Talent Management

Karl J. Krapek

Prudential Committees:

Public Directorships:

Age: 67	Compensation (Chair)	Northrop Grumman Corporation
Director Since: January 2004	Executive (Chair)	
Lead Independent Director since May 2014	Risk (Chair)	
	Former Directorships Held During the Past Five Years:	
	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
- Business Operations
- Corporate Governance
- Environmental/Sustainability/Corporate Responsibility
- Finance/Capital Allocation
- International
- Real Estate
- Risk Management
- Talent Management
- Technology/Systems

Peter R. Lighte	**Prudential Committees:**
Age: 67	Corporate Governance and Business Ethics
Director Since: 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

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George Paz

Prudential Committees:

Audit

Public Directorships:

Express Scripts Holding Company

Honeywell International Inc.

Age: 60

Director Since: March 2016

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

Business Operations

Corporate Governance

Finance/Capital Allocation

Financial Services Industry

Government/Public Policy

Insurance Industry

Risk Management

Talent Management

Sandra Pianalto

Prudential Committees:

Public Directorships:

Age: 61 **Director Since:** July 2015	Corporate Governance and Business Ethics Finance	Eaton Corporation plc 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

Christine A. Poon

	Prudential Committees:	**Public Directorships:**
Age: 63 **Director Since:** September 2006	Executive Finance (Chair) Investment Risk	Koninklijke Philips Electronics NV Regeneron Pharmaceuticals The Sherwin-Williams Company

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

Douglas A. Scovanner

Age: 60

Director Since: November 2013

Prudential Committees:

Audit (Chair)

Executive

Risk

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

Business Operations

Corporate Governance

Finance/Capital Allocation

Financial Services Industry

Investments

Real Estate

Risk Management

Talent Management

John R. Strangfeld

Prudential Committees:

Executive

Age: 62

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

Business Head/Administration

Business Operations

Corporate Governance

Environmental/Sustainability/Corporate Responsibility

Finance/Capital Allocation

Financial Services Industry

Insurance Industry

International

Investments

Risk Management

Talent Management

Technology/Systems

Michael A. Todman

Prudential Committees:

Compensation

Finance

Public Directorships:

Brown-Forman Corporation

Newell Rubbermaid, Inc.

Age: 58

Director Since: March 2016

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
- Business Operations
- Corporate Governance
- Finance/Capital Allocation
- Government/Public Policy
- International
- Marketing/Sales
- Risk Management
- Talent Management

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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. 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.

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;

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.

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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. 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

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.

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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

Feedback on Executive Compensation: You can also provide feedback on executive compensation at the following website: 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 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.

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. 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

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.

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.

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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.

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 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 under the heading Political Activity & Contributions. Prudential received a top-five ranking in the 2015 CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

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

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

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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(A)	$ 50	$ 47
Audit-Related(B)	$ 4	$ 4
Tax(C)	$ 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.

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.

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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.

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

Douglas A. Scovanner (Chairman)

Gilbert F. Casellas

Martina Hund-Mejean

George Paz*

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

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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, the Summary Compensation Table and the related compensation tables and narrative in this Proxy Statement.

This vote is not intended to address any specific item of compensation, but rather our overall compensation policies and practices relating to the named executive officers. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of our named executive officers. Because your vote is advisory, it will not be binding upon the Board. The Board will, however, as it has done in prior years, take into account the outcome of the Say on Pay vote when considering future compensation arrangements.

The Board has adopted a policy providing for annual Say on Pay advisory votes. Accordingly, the next Say on Pay vote will occur in 2017.

The Board of Directors recommends that shareholders vote the advisory vote to approve our named executive officer compensation.

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Item 4 Approval of the Prudential Financial, Inc. 2016 Omnibus Incentive Plan

We currently maintain our Omnibus Incentive Plan (the Omnibus Plan or 2003 Omnibus Plan) and our Deferred Compensation Plan for Non-Employee Directors (the Director Plan), which have not had additional share authorizations since they were approved by shareholders in 2003. Accordingly, the number of shares remaining available under the Omnibus Plan and the Director Plan may be insufficient to meet the Company s compensation goals in the coming years. To ensure that the Company has an adequate number of shares available for compensation to its directors, employees and agents, we are asking our shareholders to approve the Prudential Financial, Inc. 2016 Omnibus Incentive Plan (the 2016 Omnibus Plan). The 2016 Omnibus Plan will increase the number of shares of Common Stock available for issuance to eligible directors, employees and agents by 23,000,000 shares.

This approval will also act as shareholder approval of the material terms of the performance goals for which performance-based compensation is to be paid under the 2016 Omnibus Plan to obtain the deduction available under Section 162(m) of the Internal Revenue Code for performance-based compensation (as described below).

The Board approved the 2016 Omnibus Plan, subject to shareholder approval. The Board believes that stock-based compensation aligns the interests of recipients with those of shareholders, encourages decisions and rewards performance that contributes to the long-term growth of the Company s business and enhances shareholder value. If shareholders decline to approve the 2016 Omnibus Plan, the Company will have less flexibility to provide competitive compensation, which will limit its ability to attract, motivate and retain the caliber of employees we believe is necessary to deliver sustained high performance to our shareholders and customers. The 2016 Omnibus Plan will be effective upon its approval by the shareholders of the Company at our Annual Meeting on May 10, 2016.

We will not grant any new awards under the 2003 Omnibus Plan after the effective date of the 2016 Omnibus Plan. However, we expect to continue to grant awards to our non-employee directors under the Director Plan if sufficient shares remain available.

The following table sets forth certain information about the Omnibus Plan and the Director Plan, and the increase in shares for the 2016 Omnibus Plan.

Number of outstanding Options as of February 29, 2016	11,912,935
Weighted average exercise price of the outstanding Options	$65.84
Weighted average remaining contractual term of the outstanding Options	5.19 years
Number of outstanding Restricted Units, as of February 29, 2016	5,158,896
Number of outstanding Performance Shares, as of February 29, 2016[1]	1,145,518
Shares Available Under the Omnibus Plan, as of February 29, 2016	2,858,408
Shares Available Under the Director Plan, as of February 29, 2016	53,159
Additional shares requested for approval pursuant to this Proposal	**23,000,000**
Estimated[2] total number of shares available for issuance under the 2016 Omnibus Plan	**25,858,408**

(1) Represents the number of Performance Shares that would be received based on maximum performance.
(2) As may be increased as a result of share withholding and forfeited awards granted under the Omnibus Plan or decreased due to new grants under the Omnibus Plan prior to the effective date of the 2016 Omnibus Plan.

Based on our current equity compensation practices and stock price, we expect the proposed share reserve will be sufficient to fund the Company s equity compensation under the plan for the next four to five years.

Burn Rate and Dilution/Overhang

Two measures that our Compensation Committee has considered in assessing our equity grant practices are burn rate and dilution/overhang.

Burn Rate. Burn rate is a measure of share usage and it quantifies the rate at which a company is utilizing its share reserve by expressing the number of equity awards granted as a percentage of the weighted-average undiluted number of shares of Common Stock outstanding during the year. Burn rate typically does not take into account cancellations and other shares returned to the share reserve. Over the past three fiscal years, our annual burn rate with regard to our Omnibus Plan has averaged 0.79% (0.72% in 2015).

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Dilution/Overhang. Another measure used to quantify the cumulative impact of our equity compensation practices is a dilution analysis commonly referred to as overhang. Overhang is typically calculated as the number of shares related to outstanding equity awards, plus the number of shares available in the share reserve, divided by the fully diluted number of shares of Common Stock outstanding at the end of the year (i.e., outstanding shares and equity awards plus our remaining share reserve). Our overhang with regard to our Omnibus Plan as of December 31, 2015 was 5.22%. If the 2016 Omnibus Plan is approved, our overhang would increase to approximately 9.05% based on the number of shares of Common Stock outstanding on February 29, 2016. The potential dilution from the 2016 Omnibus Plan, expressed as the percentage obtained by dividing the estimated number of shares in the share reserve by the number of shares of Common Stock outstanding as of February 29, 2016, would be approximately 5.85%. Actual dilution from the 2016 Omnibus Plan may be lower because shares issued for awards other than Options and SARs reduce the share reserve by two shares for every one share issued.

Executive Officer Grants, Burn Rate and Dilution/Overhang for the Past Three Fiscal Years

	2015 (%)	2014 (%)	2013 (%)	Average (%)
Percentage of Equity Awards Granted to Executive Officers	21.44	22.38	22.36	22.06
Burn Rate	0.72	0.53	1.10	0.79
Dilution/Overhang	5.22	6.03	6.95	6.07

KEY GOVERNANCE HIGHLIGHTS OF THE 2016 OMNIBUS PLAN:

Awards are subject to potential reduction, cancellation, forfeiture or other clawback in certain circumstances

Full-value awards (i.e., stock-settled awards other than stock options and stock appreciation rights) count against the maximum share limit as two shares for every one share issued

No discounted options may be granted

No repricing of stock options or stock appreciation rights without shareholder approval

No automatic vesting of equity-based awards upon a change in control (so-called single trigger vesting)

No tax gross-ups the 2016 Omnibus Plan does not provide for any tax gross-ups

Key Terms of the 2016 Omnibus Plan

The following is a summary of provisions of the 2016 Omnibus Plan. Some of these provisions are described in greater detail below, and the summary and descriptions are qualified by reference to the complete text of the 2016 Omnibus Plan included in this Proxy Statement as Appendix A.

Purpose:	Foster and promote the long-term financial success of the Company and materially increase shareholder value by aligning the interests of shareholders and employees.
Eligible Participants:	Any individual who is a non-employee director of the Company or either an employee of, or an insurance agent (whether or not a common law employee or a full-time life insurance salesperson under the Internal Revenue Code (the Code)) of, the Company or any subsidiary. As of December 31, 2015, approximately 50,000 individuals would have been eligible to participate in the 2016 Omnibus Plan, including all of our non-employee directors and executive officers.
Award Types:	Options, SARs, Restricted Units, Restricted Stock, Dividend Equivalents, Performance Units, Performance Shares, and Annual Incentive Awards (each, an Award)
Share Reserve:	23,000,000 shares of Common Stock, plus: The number of shares available for awards under the Omnibus Plan as of the effective date of the 2016 Omnibus Plan, which is estimated to be 2,858,408 shares (based on grants and forfeitures through February 29, 2016, and as may be decreased or increased due to grants and forfeitures under the Omnibus Plan prior to the effective date of the 2016 Omnibus Plan).
Share Counting:	Shares issued in connection with Options and SARs are counted against the share reserve as one share for every one share issued; for Awards other than Options and SARs, any shares issued are counted against the share reserve as two shares for every one share issued.

Share Recycling	Shares of Common Stock subject to an Award granted under the 2016 Omnibus Plan or the Omnibus Plan that are not issued because the Award expires or, is cancelled, terminated, forfeited or settled without issuance of Common Stock (including, but not limited to, shares tendered or withheld to exercise outstanding Options or SARs and shares tendered or withheld for taxes on Awards) will be added back to the share reserve (with specified exceptions after the tenth anniversary of the 2016 Omnibus Plan s effective date).
Minimum Vesting	Options and SARs will have a vesting schedule of at least one year from the date of grant. (However, Options or SARs in respect of up to 5% of the share reserve may be granted without this requirement.)
Director Compensation Limit	The amount of cash and equity-based compensation to non-employee directors is limited to $600,000 in a compensation year, as measured based on the grant date value (for equity-based compensation).
Plan Expiration	Either (a) the date when no more shares of Common Stock are available for issuance under the 2016 Omnibus Plan, or, if earlier, (b) the date the Plan is terminated by the Board of Directors.

Administration

The Compensation Committee of the Board of Directors, or such other committee as the Board of Directors may designate (the Committee), will administer the 2016 Omnibus Plan with the authority to, among other things, interpret the 2016 Omnibus Plan, determine eligibility for, grant and determine the terms of Awards, and to do all things necessary or appropriate to carry out its provisions and purposes. The Committee may delegate to any member of the Board, employee or group of directors or employees any portion of its authority and powers with respect to Awards to participants who are not directors or executive officers. Only the Committee may exercise authority in respect of Awards granted to directors or executive officers.

The Committee may condition the grant of any Award on a recipient s agreement not to compete, not to solicit the Company s employees and customers and not to disclose confidential information, as well as compliance with clawback policies.

Shares Deliverable Under the Plan

The shares to be delivered under the 2016 Omnibus Plan may consist, in whole or in part, of Common Stock purchased by the Company for the purpose of granting Awards, treasury Common Stock or authorized but unissued Common Stock not reserved for any other purpose.

Compliance with Code Section 162(m)

The 2016 Omnibus Plan has various limits that apply to individual and aggregate Awards, designed in part to comply with the requirements of Code Section 162(m) governing the deductibility of compensation paid to executive officers of a publicly traded company. Among other requirements, Code Section 162(m) provides that to preserve deductibility, shareholders must approve the material terms of performance-based compensation for participants who are covered employees within the meaning of Code Section 162(m) (the Covered Employees), which terms include the eligible employees, the business criteria serving as the performance goal and the maximum amount payable (or the applicable formula).

For Annual Incentive Awards to Covered Employees, the performance condition and maximum limitation are that the amount payable to a Covered Employee in any year may not exceed four-tenths of one percent (0.4%) of Adjusted Operating Income for the fiscal year ended prior to the year in which payment is due.

For awards of Restricted Stock, Restricted Units, Performance Shares, Performance Units and associated Dividend Equivalents to Covered Employees, the performance condition is that Adjusted Operating Income must be positive in at least one fiscal year during which the Award is outstanding for at least 276 days of that year, and the maximum limitation is that the amount payable to a Covered Employees in any year may not exceed four-tenths of one percent (0.4%) of the highest amount of Adjusted Operating Income for any of the three fiscal years ended prior to the year payment on those Awards is due. For purposes of the 2016 Omnibus Plan, Adjusted Operating Income means the Company s total pre-tax adjusted operating income as reported in our Quarterly Financial Supplement.

The number of Options and SARs that may be granted to any participant in the 2016 Omnibus Plan may not exceed an aggregate of 2,500,000 Options and SARs during any three-year period.

Options

Options entitle the recipient to purchase shares of Common Stock at a specified exercise price. Options may be granted in the form of incentive stock options qualifying for special tax treatment under Code Section 422 (ISOs) and nonstatutory stock options (Nonstatutory Options). Options must be granted with an exercise price at least equal to the fair market value of a share of Common Stock on the date of grant, and generally may not be exercisable for more than 10 years after the date of grant. No Option that is intended to be an ISO may be granted after the tenth anniversary of the date the 2016 Omnibus Plan becomes effective. Unless the Committee otherwise determines, Options generally become exercisable in one-third increments on each of the first three anniversaries of the date of grant.

For purposes of the 2016 Omnibus Plan, fair market value generally means, on any given date, the price of the last trade, regular way, in the Common Stock on the date on the NYSE. If there are no trades on the relevant date, the fair market value for that date means the closing price on the immediately preceding date on which Common Stock transactions were reported.

The Committee does not have the power or authority to reduce the exercise price of outstanding Options, to grant new Options in substitution for or upon the cancellation of Options previously granted or to cash out outstanding Options for an amount greater than the spread between the fair market value and the exercise price, other than with shareholder approval, in connection with the assumption of awards upon a change of control or for certain adjustments in capitalization (as described below).

Stock Appreciation Rights

A SAR is a contractual right granted to the participant to receive, either in cash or Common Stock, an amount equal to the appreciation of one share of Common Stock from the date of grant. SARs may be granted as freestanding Awards, or in tandem with other types of grants. Unless the Committee otherwise determines, the terms and conditions applicable to (i) SARs granted in tandem with Options will be substantially identical to the terms and conditions applicable to the tandem Options, and (ii) freestanding SARs will be substantially identical to the terms and conditions that would have been applicable were the grant of the SARs a grant of Options. SARs that are granted in tandem with an Option may only be exercised upon surrender of the right to exercise the Option for an equivalent number of shares. The Committee may cap any SAR payable in cash.

Restricted Stock, Restricted Units and Dividend Equivalents

A share of Restricted Stock is a share of Common Stock that is subject to certain transfer restrictions and forfeiture provisions for a specified period of time. A Restricted Unit is an unfunded, unsecured right (which may be subject to forfeiture or transfer restrictions) to receive cash or a share of Common Stock at the end of a specified period of time. A Dividend Equivalent represents an unfunded and unsecured promise to pay an amount equal to all or any portion of the regular cash dividends that would be paid on a specified number of shares of Common Stock if such shares were owned by the Award recipient. Dividend Equivalents may be granted in connection with a grant of Restricted Units, Performance Shares or Performance Units valued by reference to a share of Common Stock. The Committee may, in its discretion, pay the value of Restricted Units and Dividend Equivalents in Common Stock, cash or a combination of both.

Unless otherwise determined by the Committee, the restrictions on Restricted Stock and Restricted Units will generally lapse on the third anniversary of the date of grant. Similarly, unless otherwise determined by the Committee, Dividend Equivalents paid with respect to Restricted Units, Performance Shares or Performance Units valued by reference to Common Stock will be determined based on the number of shares of Common Stock that become payable or that determine the value to be paid in respect of the Award taking into account, for the Performance Shares and Performance Units, the level of performance achieved.

Generally, a participant will, subject to specified restrictions and conditions, have all the rights of a shareholder with respect to shares of Restricted Stock, including but not limited to, the right to vote and the right to receive dividends. A participant will not have the rights of a shareholder with respect to Restricted Units or Dividend Equivalents.

Annual Incentive Awards

At the direction of the Committee, Awards with a performance cycle of one year or less may be made to participants and, unless determined otherwise by the Committee, shall be paid in cash based on achievement of specified performance goals.

Performance Units

Performance Units are Awards of units, payable in cash or Common Stock. The number of units may be determined over a performance cycle based on the satisfaction of performance goals, and the value of Performance Units may correspond to the value of a specified number of shares of Common Stock or other property specified by the Committee, or may be a stated dollar value specified by the Committee.

Performance Shares

Performance Shares are Awards of units denominated in Common Stock. The number of the units may be determined over a performance cycle based on the satisfaction of performance goals. Performance Shares are payable in Common Stock.

Treatment of Awards on Termination of Employment

Under the 2016 Omnibus Plan, generally, unless the Committee determines otherwise as of the date of a grant of any Award or thereafter, Awards are treated as follows upon a participant s termination of service, regardless of the Award s otherwise applicable terms.

Resignation. If a participant voluntarily terminates service from the Company or any Affiliate:

- Annual Incentive Awards: If the termination occurs before authorization of the payment of an Annual Incentive Award, the participant forfeits all rights to payment; and

- All other Awards (including associated Dividend Equivalents): All other outstanding (and unexercised) Awards and associated Dividend Equivalents credited to the participant are forfeited.

Termination for Cause. If a participant s service is terminated for cause :

- Annual Incentive Awards: All rights to payment for Annual Incentive Awards are forfeited; and

- All other Awards (including associated Dividend Equivalents): All other outstanding (and unexercised) Awards and associated Dividend Equivalents credited to the participant are forfeited, and the Committee may require that the participant disgorge any profit, gain or benefit from any Award exercised or paid to the participant up to 12 months prior to the participant s termination.

For purposes of the 2016 Omnibus Plan, cause includes dishonesty, fraud or misrepresentation; inability to obtain or retain appropriate licenses; violation of any rule or regulation of any regulatory or self-regulatory agency or of any policy of the Company or any subsidiary; commission of a crime; breach of a written covenant or agreement not to misuse property or information; or any act or omission detrimental to the conduct of the Company s or any subsidiary s business in any way.

Approved Retirement. If a participant s employment terminates by reason of Approved Retirement :

Annual Incentive Awards: The participant will receive a pro-rated Annual Incentive Award based on actual achievement of the performance goals for the applicable performance cycle;

Options/SARs: All outstanding Options and SARs shall become immediately exercisable in full and may be exercised by the participant at any time prior to the expiration of the term of the Options or within five years following the participant s Approved Retirement, whichever period is shorter;

Restricted Stock/Restricted Units (including associated Dividend Equivalents): Any restrictions will lapse as to outstanding Restricted Stock, Restricted Units and associated Dividend Equivalents and payment will generally be made within 74 days following the termination of employment (subject to any further delay as may be required to comply with the provisions of Code Section 409A); and

Performance Units/Performance Shares (including associated Dividend Equivalents): On the 60^{th} day following the end of the applicable performance cycle, the participant will receive a prorated payment for outstanding Performance Units and Performance Shares based on actual achievement of the performance goals for the performance cycle.

For purposes of the 2016 Omnibus Plan, Approved Retirement generally means termination of a participant s employment, other than for cause : (i) on or after the normal retirement date or any early retirement date established under any defined benefit pension plan maintained by the Company or a subsidiary and in which the participant participates, or (ii) on or after attaining age 55 and completing at least five years of service (or a longer period of service, as the Committee shall determine from time to time).

Death or Disability. The 2016 Omnibus Plan also has default provisions for the treatment of Awards following termination of a participant s service due to death or disability that have the effect of providing the beneficiaries of the deceased participant or the disabled participant the full benefit of the participant s outstanding Awards, regardless of the period of service completed prior to the date of the termination. All Options and SARs would immediately become exercisable in full, all Restricted Stock would become vested, all Restricted Units and any Dividend Equivalents credited with respect thereto would become vested and payable, and all Performance Shares and Performance Units, and any Dividend Equivalents credited with respect thereto would vest and be payable at target.

Termination for Other Reasons. If a participant s service terminates for any reason other than resignation, termination for cause, approved retirement, death or disability:

Annual Incentive Awards: If the termination occurs before authorization of the payment of an Annual Incentive Award, the participant forfeits all rights to payment;

Options/SARs: Options/SARs that are exercisable on the date of termination may be exercised at any time prior to the expiration date of the term of the Options or the 90th day following termination, whichever period is shorter;

Restricted Stock/Restricted Units (including associated Dividend Equivalents): Restrictions will lapse as to a prorated portion of outstanding Restricted Stock, Restricted Units and associated Dividend Equivalents and payment will generally be made within 74 days following the termination (subject to any further delay as may be required to comply with the provisions of Code Section 409A); and

Performance Units/Performance Shares (including associated Dividend Equivalents): The participant will receive a prorated payment for outstanding Performance Units, Performance Shares and associated Dividend Equivalents based on target achievement of the performance goals for the performance cycle within 74 days following the termination (for Covered Employees payment will be based on actual achievement of the performance goals and will be made after completion of the performance cycle).

Non-Transferability of Awards

Generally, no Awards granted under the 2016 Omnibus Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Committee may, in the Award agreement or otherwise, permit transfers of Nonstatutory Options, SARs, Restricted Stock and Restricted Units to certain family members.

Adjustment in Capitalization

If certain corporate events occur, such as a change in capitalization, merger, spin-off, stock split, stock dividend, extraordinary cash dividend or similar event affecting the Common Stock (an adjustment event), the Committee shall adjust appropriately (a) the aggregate number and kind of shares of Common Stock available for Awards, (b) the aggregate limitations on the number of shares that may be awarded as a particular type of Award or that may be awarded to any particular participant in any particular period, and (c) the aggregate number and kind of shares subject to outstanding Awards and the respective exercise prices or base prices applicable to outstanding Awards, in the manner determined by the Committee. To the extent deemed equitable and appropriate by the Committee, and subject to any required action by the Company s shareholders, with respect to any adjustment event that is a merger, consolidation, reorganization, liquidation, dissolution or similar transaction, any Award granted under the 2016 Omnibus Plan shall be deemed to pertain to the securities and other property, including cash, which a holder of the number of shares of Common Stock covered by the Award would have been entitled to receive in connection with such an adjustment event.

Change of Control

Upon the occurrence of a change of control of the Company, outstanding Awards will generally be treated as follows, regardless of the Award s otherwise applicable terms:

No acceleration of vesting or exercisability, cancellation, cash payment or other settlement will occur with respect to any outstanding Awards if the Committee reasonably determines in good faith prior to the change of control that the Awards will be honored or assumed or equitable replacement awards will be made by a successor employer immediately following the change of control, and that such replacement awards will vest and payments will be made if a participant is involuntarily terminated without cause.

If the Committee reasonably determines in good faith that Awards will not be honored or assumed and equitable replacement awards will not be made by a successor employer immediately following the change of control, then (i) any Option and SAR will become fully exercisable, (ii) the restrictions for each share of Restricted Stock and each Restricted Unit will lapse and (iii) any Performance Share or Unit (that is not converted as described below) will be considered to have vested at target levels. The Committee may, in its discretion, provide for cancellation of each Award in exchange for a cash payment per share based upon the change of control price.

Unless the Committee otherwise determines, prior to a change of control, Performance Shares and Units for which 50% of the performance period has elapsed and for which the Committee determines that performance is reasonably capable of being assessed will be converted into Restricted Units based on performance until the date of the change of control. Performance Shares and Units for which less than 50% of the performance period has elapsed or for which performance is not reasonably capable of being assessed will be converted into Restricted Units based on the assumption that the Awards will be earned at target.

For purposes of the 2016 Omnibus Plan, change of control means: (i) the acquisition, directly or indirectly, of Company securities representing at least 25% of the combined voting power of the outstanding securities of the Company by any person (within the meaning of Section 3(a)(9) of the Exchange Act); (ii) within any 24-month period, a change in the majority of the Board in existence at the beginning of such period; or (iii) the consummation of certain mergers, consolidations, recapitalizations or reorganizations, share exchanges, divisions, sales, plans of complete liquidation or dissolution, or other dispositions of all or substantially all of the Company s assets, which have been approved by shareholders, if the Company s shareholders do not hold a majority of the voting power of the surviving, resulting or acquiring corporation immediately thereafter.

Amendment/Termination

The Board of Directors may, at any time amend, modify, suspend or terminate the 2016 Omnibus Plan, in whole or in part, without notice to or the consent of any participant or employee; provided, however, that any amendment which would (i) increase the number of shares available for issuance under the 2016 Omnibus Plan, (ii) lower the minimum exercise price at which an Option (or the base price at which a SAR may be granted) or take any other action that would be prohibited under the 2016 Omnibus Plan that would have the effect of lowering the exercise price (or base price), or (iii) change the individual Award limits shall be subject to shareholder approval. No amendment, modification or termination of the 2016 Omnibus Plan may in any manner adversely affect any previously granted Award, without the consent of the participant.

New Plan Benefits; Market Value of Securities

Awards under the 2016 Omnibus Plan are based on the discretion of the Committee and/or the Company s achievement of performance targets, and it is not currently possible to determine the amounts of future Awards. Accordingly, it is not possible to determine the amounts that will be received by employees participating in the 2016 Omnibus Plan in the future. As of March 11, 2016, the closing price of our common stock was $73.55 per share.

U.S. Federal Income Tax Implications

The following is a brief summary of the U.S. federal income tax consequences applicable to certain Awards granted under the 2016 Omnibus Plan, based upon the federal income tax laws in effect on the date of this Proxy Statement. This summary is not intended to be exhaustive, and the exact tax consequences may vary depending on each participant s particular situation.

Options and SARs. A recipient of an Option or SAR will not have taxable income upon the grant of the Option or SAR. Upon the exercise of a Nonstatutory Option or SAR, a participant generally will recognize compensation taxable as ordinary income in an amount equal to the difference between the fair market value of the shares on the date of exercise and the exercise price. Any gain or loss recognized upon any later disposition of the shares generally will be a capital gain or loss. The tax basis of the shares generally will be equal to the fair market value of the shares on the exercise date.

Upon the exercise of an ISO, the acquisition of shares will not result in taxable income to the participant, except possibly for purposes of the alternative minimum tax. The gain or loss recognized by the participant on a later sale or other disposition of the shares will either be long-term capital gain or loss or ordinary income, depending upon whether the participant holds the shares for the legally required period of two years from the date of grant and one year from the date of exercise. If the shares are not held for the legally required period, the participant will recognize ordinary income equal to the lesser of (i) the difference between the fair market value of the shares on the date of exercise and the exercise price, or (ii) the difference between the sales price and the exercise price, and the balance of the participant s gain, if any, will be taxed as short-term or long-term capital gain, as the case may be.

Restricted Stock. A recipient of Restricted Stock will not have taxable income upon the grant of the Restricted Stock, unless the participant elects to be taxed at the time the Restricted Stock is granted rather than when it becomes vested. The shares of Restricted Stock will generally be subject to tax upon vesting as ordinary income equal to the fair market value of the shares at the time of vesting less the amount paid for the shares, if any.

Restricted Units, Performance Units, Performance Shares. A participant is not deemed to receive taxable income when a Restricted Unit, Performance Unit or Performance Share is granted. When the Awards (and Dividend Equivalents, if any) are settled and paid, the participant will recognize ordinary income equal to the amount of cash and/or the fair market value of shares received less the amount paid for the Awards, if any.

The Company generally will be entitled to a tax deduction equal to the amount recognized as ordinary income by the participant in connection with an Award. The Company generally is not entitled to a tax deduction relating to amounts that are taxable as capital gain to a participant. However, Code Section 162(m) can limit the federal income tax deductibility of compensation paid to Covered Employees. Under Code Section 162(m), the general rule is that annual compensation paid to any of these Covered Employees will be deductible only to the extent that it does not exceed $1 million. However, we can preserve the deductibility of certain compensation in excess of $1 million if the compensation qualifies as performance-based compensation by complying with certain conditions imposed by the Code Section 162(m) rules, including the establishment of a maximum number of shares with respect to which Awards may be granted to any one employee during one fiscal year, as described above under Compliance with Code Section 162(m). The rules and regulations promulgated under Section 162(m), however, are complicated and subject to change from time to time, sometimes with retroactive effect. In addition, a number of requirements must be met in order for particular compensation to so qualify. As such, there can be no assurance that any compensation awarded or paid under the 2016 Omnibus Plan will be deductible under all circumstances.

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Item 5 Shareholder Proposal Regarding an Independent Board Chairman

In accordance with SEC rules, we have set forth below a shareholder proposal, along with the supporting statement of the shareholder proponent. The Company is not responsible for any inaccuracies it may contain. The shareholder proposal is required to be voted on at our Annual Meeting only if properly presented. As explained below, our Board unanimously recommends that you vote **AGAINST** the shareholder proposal.

William Steiner, 112 Abbottsford Gate, Piermont, New York 10968, beneficial owner of 100 shares of Common Stock, is the proponent of the following shareholder proposal. The proponent has advised us that a representative will present the proposal and related supporting statement at the Annual Meeting.

Independent Board Chairman

Shareholders request our Board of Directors to adopt as policy, and amend our governing documents as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. The Board would have the discretion to phase in this policy for the next CEO transition, implemented so it does not violate any existing agreement. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. This proposal requests that all the necessary steps be taken to accomplish the above.

It is the responsibility of the Board of Directors to protect shareholders long-term interests by providing independent oversight of management. By setting agendas, priorities and procedures, the Chairman is critical in shaping the work of the Board.

A board of directors is less likely to provide rigorous independent oversight of management if the Chairman is the CEO, as is the case with our Company. Having a board chairman who is independent of the Company and its management is a practice that will promote greater management accountability to shareholders and lead to a more objective evaluation of management.

According to the Millstein Center for Corporate Governance and Performance (Yale School of Management), The independent chair curbs conflicts of interest, promotes oversight of risk, manages the relationship between the board and CEO, serves as a conduit for regular communication with shareowners, and is a logical next step in the development of an independent board. (Chairing the Board: The Case for Independent Leadership in Corporate North America, 2009.)

An NACD Blue Ribbon Commission on Directors Professionalism recommended that an independent director should be charged with organizing the board s evaluation of the CEO and provide ongoing feedback; chairing executive sessions of the board; setting the agenda and leading the board in anticipating and responding to crises. A blue-ribbon report from The Conference Board echoed that position.

A number of institutional investors said that a strong, objective board leader can best provide the necessary oversight of management. Thus, the California Public Employees Retirement System s Global Principles of Accountable Corporate Governance recommends that a company s board should be chaired by an independent director, as does the Council of Institutional Investors.

An independent director serving as chairman can help ensure the functioning of an effective board. Please vote to enhance shareholder value: **Independent Board Chairman Proposal 5**

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Board of Directors Statement in Opposition to the Proposal

Your Board recommends a vote against this proposal because it believes it is in the best interests of our shareholders for the Board to have the flexibility to determine the best person to serve as Board Chair, whether that person is an independent director or the CEO.

Every year, the Governance Committee reviews and makes a recommendation on the appropriate governance framework for Board leadership. The Committee takes into consideration governance best practices and the facts and circumstances of our Board.

The Governance Committee has most recently determined that Board leadership is provided through the combination of a unified Chair and CEO, a clearly defined and significant lead independent director role, active and strong committee chairs, and independent-minded, skilled, engaged, diverse and committed directors.

Our Board believes that its current structure and governance allows it to provide effective challenge and oversight of management.

We have a lead independent director with significant responsibilities that are described in detail in this proxy statement, including approval of all Board agendas and information sent to the Board. We also refer you to the lead independent director s letter which is contained in this proxy statement, as well as the lead independent director s video and Lead Director Charter at www.prudential.com/governance. Mr. Krapek s skills, experience, commitment and the time he devotes to serve his role all make him well qualified to serve as our lead independent director.

Our non-management directors meet regularly in executive sessions that are chaired by our lead independent director with no member of management present. Non-management directors use these executive sessions to discuss matters of concern, as well as evaluations of the CEO and senior management, management and Board successions, matters to be included on Board agendas, and additional information the Board would like management to provide to them, as well as other relevant matters.

The Chairs and all members of the Board committees are independent directors. These chairs shape the agenda and information presented to their committees. Oversight of critical issues within these committees is owned by the independent directors.

All Directors have full access to all members of management and all employees on a confidential basis.

Our Board proactively asks for feedback from shareholders and has met with shareholders in various settings.

The proposed policy would unduly impair the Board s flexibility to annually elect the individual it deems best suited to serve as Board Chair. Shareholders of Prudential are best served when the Board has the flexibility to elect the individual it deems best suited to serve as Board Chair at any particular time, depending on the circumstances. Our Board believes that a clearly defined and significant lead independent director role, independent and strong committee chairs, experienced, diverse and committed directors, and frequent executive sessions provide a framework for effective direction and oversight by the Board.

THEREFORE, YOUR BOARD RECOMMENDS THAT YOU VOTE THIS PROPOSAL

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Voting Securities and Principal Holders

Beneficial Ownership

The following table shows all entities that are the beneficial owners of more than 5% of the Company s Common Stock:

Name and Address of Beneficial Owner	Amount and Nature	Percent of Class
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	34,926,805(1)	7.8%
The Vanguard Group 100 Vanguard Boulevard, Malvern, PA 19355	27,101,483(2)	6.03%
Wellington Management Company LLP 280 Congress Street, Boston, MA 02210	22,654,780(3)	5.05%

(1) Based on information as of December 31, 2015 contained in a Schedule 13G/A filed with the SEC on February 10, 2016 by BlackRock, Inc. The Schedule 13G/A indicates that BlackRock, Inc. has sole dispositive power with respect to all of the shares and sole voting power with respect to 29,336,252 of the shares.

(2) Based on information as of December 31, 2015 contained in a Schedule 13G/A filed with the SEC on February 10, 2016 by the Vanguard Group. The Schedule 13G/A indicates that The Vanguard Group has sole dispositive power with respect to 26,218,926 of the shares, shared dispositive power with respect to 882,557 of the shares, sole voting power with respect to 833,931 of the shares, and shared voting power with respect to 45,600 of the shares.

(3) Based on information as of December 31, 2015 contained in a Schedule 13G filed with the SEC on February 11, 2016 by Wellington Management Group LLP, Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP. The Schedule 13G indicates that each Wellington entity has shared dispositive power with respect to all of the shares and shared voting power with respect to 8,068,494 of the shares.

To our knowledge, except as noted above, no person or entity is the beneficial owner of more than 5% of our Common Stock.

The following table sets forth information regarding the beneficial ownership of our Common Stock as of March 11, 2016, by:

- each Director and Named Executive Officer; and
- all Directors and Executive Officers of the Company as a group.

Name of Beneficial Owner	Common Stock	Number of shares Subject to	Total Number of Shares Beneficially Owned[1]	Director Deferred Stock Units / Additional	Total Shares Beneficially Owned	Percent of

		Exercisable Options		Underlying Units[2,3,4]	Plus Underlying Units	Class
Thomas J. Baltimore, Jr.	250		250	32,647	32,897	*
Gordon M. Bethune	13,935		13,935	1,778	15,713	*
Gilbert F. Casellas	500		500	28,591	29,091	*
James G. Cullen	2,033		2,033	42,264	44,297	*
Constance J. Horner	6,720		6,720	8,164	14,884	*
Martina Hund-Mejean	128		128	13,054	13,182	*
Karl J. Krapek	1,007		1,007	42,182	43,189	*
Peter R. Lighte	80		80	2,133	2,213	*
George Paz	0		0	2,130	2,130	*
Sandra Pianalto	0		0	1,712	1,712	*
Christine A. Poon	9,788		9,788	12,811	22,599	*
Douglas A. Scovanner	12,000		12,000	9,241	21,241	*
Michael A. Todman	0		0	2,133	2,133	*
John R. Strangfeld	333,439[5]	1,210,080	1,543,519	349,767	1,893,286	*
Mark B. Grier	346,143	323,850	669,993	250,876	920,869	*
Robert Falzon	32,008	63,873	95,881	114,592	210,473	*
Charles F. Lowrey	56,789	478,267	535,056	154,689	689,745	*
Stephen Pelletier	7,542	69,244	76,786	171,495	248,281	*
All directors and executive officers as a group (24 persons)	988,535	2,717,515	3,705,970	1,674,551	5,380,601	1.2%

* Less than 1%.

(1) Individual directors and executive officers as well as all directors and executive officers as a group beneficially own less than 1% of the shares of Common Stock outstanding, as of March 11, 2016.

(2) Includes the following number of shares or share equivalents in deferred units through the Deferred Compensation Plan for Non-Employee Directors and the Prudential Insurance Company of America Deferred Compensation Plan, as to which no voting or investment power exists: Mr. Baltimore, 32,647; Mr. Bethune, 1,778; Mr. Casellas, 28,591; Mr. Cullen, 42,264; Ms. Horner, 8,164; Ms. Hund-Mejean 13,054; Mr. Krapek, 42,182; Mr. Lighte, 2,133; Mr. Paz, 2,130; Ms. Pianalto, 1,712; Ms. Poon, 12,811; Mr. Scovanner, 9,241; Mr. Todman, 2,133; Mr. Strangfeld, 40,341; and Mr. Pelletier, 30,885.

(3) Includes the following shares representing the target number of shares to be received upon the attainment of ROE goals under the performance share program described under Compensation Discussion and Analysis : Mr. Strangfeld, 101,443; Mr. Grier, 82,564; Mr. Falzon, 36,401; Mr. Lowrey, 51,445; and Mr. Pelletier, 43,637.

(4) Includes the following unvested stock options: Mr. Strangfeld, 207,983; Mr. Grier, 168,312; Mr. Falzon, 78,191; Mr. Lowrey, 103,244; and Mr. Pelletier, 96,973.

(5) Includes 4,400 shares held by the John and Mary K. Strangfeld Foundation.

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Equity Compensation Plan Information

The following table provides information as of December 31, 2015 regarding securities authorized for issuance under our equity compensation plans. All outstanding awards relate to our Common Stock.

	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in (a))
Equity compensation plans approved by security holders-Omnibus Plan	16,020,277(1)	$ 66.18(2)	7,947,141
Equity compensation plans approved by security holders-Director Plan	144,744	N/A	53,159
Equity compensation plans approved by security holders-PSPP(3)	N/A	N/A	16,056,764
Total equity compensation plans approved by security holders	16,165,021	N/A	24,057,064
Equity compensation plans not approved by security holders	0	N/A	0
Grand Total	16,165,021	N/A	24,057,064

(1) Represents 10,926,146 outstanding Options, 4,354,286 outstanding Restricted Units and 739,845 outstanding Performance Shares as of December 31, 2015 under our Omnibus Plan. The number of Performance Shares are the target amount awarded, reduced for cancellations and releases through December 31, 2015. The actual number of shares the Compensation Committee will award at the end of each performance period will range between 0% and 150% of the target for awards granted for performance periods prior to 2014 and between 0% and 125% thereafter, based upon a measure of the reported performance of the Company relative to stated goals. The outstanding Performance Units will be settled only in cash and do not reduce the number of shares authorized under the Omnibus Plan, and so they are not reflected in this table.

(2) Represents the weighted average exercise price of the Options disclosed in column (a). The weighted average remaining contractual term of these Options is 4.72 years.

(3) The Prudential Financial, Inc. Employee Stock Purchase Plan is a qualified Employee Stock Purchase Plan under Section 423 of the Code, pursuant to which up to 26,367,235 shares of Common Stock were authorized for issuance, all of which have been registered on Form S-8. Under the plan, employees may purchase shares based upon quarterly offering periods at an amount equal to the lesser of (1) 85% of the closing market price of the Common Stock on the first day of the quarterly offering period, or (2) 85% of the closing market price of the Common Stock on the last day of the quarterly offering period.

Compliance With Section 16(a) of the Exchange Act

Each Director, executive officer of the Company and greater than 10% beneficial owner of Common Stock is required to report to the SEC, by a specified date, his or her transactions involving our Common Stock. Based solely on a review of the copies of reports furnished to the Company and written representations that no other reports were required to be filed, the Company believes that during 2015 all reports required by Section 16(a) were timely filed.

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Compensation of Directors

The Corporate Governance and Business Ethics Committee reviews the compensation of our non-employee Directors periodically (generally every three years) and recommends changes to the Board, when it deems appropriate.

The following table describes the components of the non-employee Directors compensation for 2015:

Compensation Element	Director Compensation Program
Annual Retainer	$150,000, which may be deferred, at the Director s option
Annual Equity Retainer	$150,000 in restricted stock units that vest after one year (or, if earlier, on the date of the next Annual Meeting)
Board and Committee Fees	None
Chair Fee	$35,000 for the Audit and Risk Committees $30,000 for the Compensation Committee $20,000 for all other committees*
Lead Independent Director Fee	$50,000
Meeting Fee for members of the Company s Community Resources Oversight Committee**	$1,250 per meeting
New Director Equity Award (one-time grant)	$150,000 in restricted stock units that vest after one year
Stock Ownership Guideline	Ownership of Common Stock or deferred stock units that have a value equivalent to six times the annual cash retainer; to be satisfied within six years of joining the Board***

* Includes any non-standing committee of the Board that may be established from time to time, but excluding the Executive Committee.

** This is a committee comprised of members of management and the Board. This Committee typically meets on a separate day following the Board and Board committee meetings. The non-employee Directors on this Committee currently consist of Mr. Casellas, Ms. Poon and Ms. Horner. The Community Resources Oversight Committee met three times in 2015.

*** As of December 31, 2015, each of our non-employee Directors satisfied this guideline, with the exception of Ms. Pianalto, who joined the Board in July 2015, and Messrs. Lighte, Paz and Todman, who joined the Board in March 2016. For purposes of the stock ownership guideline, once a non-employee Director satisfies his or her stock ownership level, the Director will be deemed to continue to satisfy the guideline without regard to fluctuation in the value of the Common Stock owned by the Director.

The Company maintains a Deferred Compensation Plan for Non-Employee Directors (the Plan). Since 2011, 50% of the annual Board and committee retainer has been awarded in restricted stock units that vest after one year (or if earlier, on the date of the next Annual Meeting). A non-employee Director can elect to invest the cash portion of his or her retainer, fees and equity retainer upon vesting in accounts under the Plan that replicate investments in either shares of our Common Stock or the Fixed Rate Fund, which accrues interest in the same manner as funds invested in the Fixed Rate Fund offered under the Prudential Employee Savings Plan (PESP). The Plan provides for distributions to commence upon termination of Board service or while a Director remains on the Board.

Each Director receives dividend equivalents on the restricted stock units contained in his or her deferral account under the Plan, which are equal in value to dividends paid on our Common Stock. The dividend equivalents credited to the account are then reinvested in the form of additional share units.

Under the Director compensation program, if a non-employee Director satisfies the stock ownership guideline, the restricted stock units granted as the annual equity retainer are payable upon vesting in cash or shares of our Common Stock (at the Director s option), and may be deferred beyond vesting at the Director s election. If a Director does not satisfy the stock ownership guideline, the restricted stock units are automatically deferred until termination of Board service.

DIRECTOR STOCK OWNERSHIP GUIDELINE

Each director is expected, within six years of joining the Board, to own Common Stock or deferred stock units that have a value equivalent to six times his or her annual cash retainer.

2015 Director Compensation

Name	Fees Earned or Paid in Cash($)	Stock Awards($)(1)	All Other Compensation(2)	Total($)
Thomas J. Baltimore, Jr.	170,000	150,000		320,000
Gordon M. Bethune	150,000	150,000		300,000
Gilbert F. Casellas	165,417	150,000		315,417
James G. Cullen	150,000	150,000	5,000	305,000
Constance J. Horner	162,083	150,000	2,600	314,683
Martina Hund-Mejean	150,000	150,000	5,000	305,000
Karl J. Krapek	265,000	150,000	5,000	420,000
Peter R. Lighte[3]	0	0		0
George Paz[3]	0	0		0
Sandra Pianalto	75,000	150,000	5,000	230,000
Christine A. Poon	173,750	150,000		323,750
Douglas A. Scovanner	170,417	150,000		320,417
Michael A. Todman[3]	0	0		0
James A. Unruh	77,083	0		77,083

(1) Represents amounts that are in units of our Common Stock. The amounts reported represent the aggregate grant date fair value of the restricted stock units granted during the fiscal year, as calculated under the Financial Accounting Standards Board s Accounting Codification Topic 718. Under ASC Topic 718, the grant date fair value is calculated using the closing market price of our Common Stock on the date of grant, which is then recognized, subject to market value changes, over the requisite service period of the award. As of December 31, 2015, the aggregate balance in each of the non-employee Directors accounts in the Deferred Compensation Plan denominated in units (which includes all deferrals from prior years) and the year-end values were as follows: Mr. Baltimore: 32,177 and $2,619,529.57; Mr. Bethune: 1,778 and $144,746.98; Mr. Casellas: 28,591 and $2,327,593.31; Mr. Cullen: 42,264 and $3,440,712.24; Ms. Horner: 8,164 and $664,631.24; Ms. Hund-Mejean: 13,054 and $1,062,726.14; Mr. Krapek: 45,252 and $3,683,965.32; Ms. Pianalto: 1,712 and $139,373.92; Ms. Poon: 12,811 and $1,042,943.51; and Mr. Scovanner: 8,673 and $706,068.93.

(2) Represents amounts for 2015 matching charitable contributions.

(3) Messrs. Lighte, Paz and Todman joined the Board in March 2016.

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Compensation Discussion and Analysis

In this section, we describe the material components of our executive compensation program for our NEOs, whose compensation is set forth in the 2015 Summary Compensation Table and other compensation tables contained in this Proxy Statement:

NAMED EXECUTIVE OFFICERS (NEOS)

John R. Strangfeld, our Chairman and Chief Executive Officer;

Robert M. Falzon, our Executive Vice President and Chief Financial Officer;

Mark B. Grier, our Vice Chairman;
Charles F. Lowrey, our Executive Vice President and Chief Operating Officer, International Businesses; and

Stephen Pelletier, our Executive Vice President and Chief Operating Officer, U.S. Businesses.

We also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we explain how and why the Compensation Committee of our Board (the Committee) arrived at the specific compensation decisions involving the NEOs for 2015.

Executive Summary

Business Highlights

OUR BUSINESS

We are a global financial services business with $1.184 trillion of assets under management as of December 31, 2015, and with operations in the United States, Asia, Europe, and Latin America. Through our subsidiaries and affiliates, we offer a wide array of financial products and services, including life insurance, annuities, retirement-related services, mutual funds, and investment management. For more information about our business, please see Business and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

2015 BUSINESS HIGHLIGHTS

In 2015, global market conditions and uncertainty continued to be factors in the markets in which we operate. Throughout this period, as a result of our steady leadership, we continued to seize opportunities and further differentiate ourselves from the competition. We view 2015 as a successful year for the Company. We continued our focus on capital deployment, a balanced business mix and effective execution of our individual business strategies. Consequently, we were able to deliver solid results in a challenging environment of continued low interest rates and far-reaching regulation of the financial services industry.

We achieved the following significant accomplishments in 2015[1]:

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

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 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.

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

(2) AOI is a non-GAAP measure of performance. For a description of how we calculate pre-tax AOI and for 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. 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.

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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[(1)].

Based on U.S. GAAP, we reported net income of $5.64 billion, or $12.17 per share of Common Stock in 2015, compared to net income of $1.53 billion, or $3.23 per share, in 2014. Net income was impacted in both periods by items that are volatile in nature and that do not necessarily reflect our economic results. These items include, primarily in 2014, foreign currency exchange rate remeasurement, which is largely offset by changes in the unrealized gains/losses on assets in our balance sheet, but that are not included in net income or loss. The Company took actions to mitigate the impact of foreign currency exchange rate remeasurement on net income or loss, commencing in 2015.

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.

We repurchased $1 billion of our outstanding shares of Common Stock in 2015, including $500 million under our $1.0 billion authorization for the period from July 1, 2015 through June 30, 2016. We subsequently announced an increased share repurchase authorization of $1.5 billion for calendar year 2016, which superseded the former authorization.

We expanded our leading position in the pension risk transfer market, with approximately $9 billion of significant funded and unfunded case wins closed during the year.

Effective in April 2015, we entered into a reinsurance agreement with an external counterparty covering approximately 50% of living benefit rider risk on the newest version of our variable annuity with a highest daily living benefits guarantee for most new business written in 2015 and 2016. This transaction reduces the growth of exposure to new contracts with living benefits and accelerates our diversification strategy.

In December 2015, we announced plans to recapture the variable annuity living benefit rider risk from our captive reinsurer. We expect that existing capital and reserve resources will fully cover the impacts of the recapture and that it will reduce fluctuations in capital and capital debt levels.

We reduced total outstanding debt by over $2.7 billion in 2015.

We believe that maintaining robust capital and liquidity positions provides us with a protective cushion during difficult periods, as well as the ability to pursue new opportunities.

(1)

Excludes impact on attributed equity of accumulated other comprehensive income and foreign currency exchange rate remeasurement included in net income or loss. Based on results and average equity of the Company s former Financial Services Businesses for 2014.

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Executive Compensation Highlights

The 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. These changes include:

We strengthened the rigor of our annual incentive award program by setting target and maximum awards for senior executives, including the NEOs.

In the 2014 performance year, we began requiring achievement of the midpoint of EPS guidance to earn target annual incentive award funding, instead of the low point of the guidance range as in prior years.

We require deferral of 30% of each NEO s annual incentive award into the Book Value Performance Program.

We introduced a relative performance modifier to the annual incentive program beginning with the 2013 performance year, and to the performance share program beginning with the 2015 awards.
Beginning in 2014, we reduced the maximum performance share award from 150% to 125% of the target level.

In 2015, we increased our CEO s stock ownership guideline from five to seven times base salary.

In 2015, we expanded the clawback policy for executive officers to cover all incentive-based awards, a material financial restatement, or misconduct and to require disclosure to shareholders of action taken by the Board, or the Board s decision not to take action, with regard to compensation recovery following a material restatement or misconduct.

(1) 30% of the Annual Incentive Awards were mandatorily deferred into the Book Value Performance Program.
(2) Represents long-term awards granted in 2016 and 2015 for 2015 and 2014 performance, respectively.

Consistent with our compensation philosophy, approximately 92% of our CEO s total direct compensation for 2015 was performance-based.
(1) Performance-based compensation
(2) Includes mandatory deferral of 30% of annual incentive
(3) Based on average amounts

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WHAT WE DO	WHAT WE DON T DO
Establish target and maximum awards in our annual incentive award program and require achievement of at least the midpoint of EPS guidance to earn target funding.	CEO participation in our severance plan.
Have a formulaic framework based on the Company s financial results relative to pre-established targets for each incentive program.	Executive officer severance payments and benefits exceeding 2.99 times salary and cash bonus without shareholder approval.
Exercise limited or no discretion to increase formulaic incentive compensation awards.	Excise tax gross-ups upon change in control.
Relative performance modifier for annual incentive and performance share/unit awards based on the Company s ROE, EPS growth and book value growth relative to peer companies.	Discounting, reloading or re-pricing of stock options without shareholder approval.
Rigorous goal setting aligned to our externally disclosed annual and multi-year financial targets.	Single-trigger vesting of equity-based awards upon change in control.
Over 90% of our NEOs total direct compensation is performance based.	Multi-year guaranteed incentive awards for senior executives.
Defer 30% of our NEOs annual incentive awards into the Book Value Performance Program.	Employment agreements with executive officers.
Management stock ownership requirements, and retention of 50% of equity based awards.	Employee hedging or pledging of Company securities.
Enhanced clawback policy covering all executive officer incentive-based awards for material financial restatements and misconduct.	
Perquisites are minimal and limited to items that serve a reasonable business purpose.	
Closely monitor risks associated with our executive compensation program and individual compensation decisions to ensure they do not encourage excessive risk taking.	

Consideration of Most Recent Say on Pay Vote

Following our 2015 Annual Meeting of Shareholders, the Committee reviewed the results of the shareholder advisory vote on executive compensation (Say on Pay) that was held at the meeting with respect to the 2014 compensation actions and decisions for Mr. Strangfeld and the other NEOs. Approximately 82% of the votes cast on the proposal were voted in support of the compensation of our NEOs. After careful consideration, and given the extensive changes we made in the past, the Committee did not make any changes to our executive compensation program and policies as a result of the most recent Say on Pay advisory vote.

Opportunity for Shareholder Feedback

The Committee carefully considers feedback from our shareholders regarding our executive compensation program. Shareholders are invited to express their views to the Committee as described under Communication with Directors in this Proxy Statement. In addition, the advisory vote on the compensation of the NEOs provides shareholders with an opportunity to communicate their views on our executive compensation program.

You should read this CD&A in conjunction with the advisory vote that we are conducting on the compensation of the NEOs (see Item 3 Advisory Vote to Approve Named Executive Officer Compensation). This CD&A, as well as the accompanying compensation tables, contains information that is relevant to your voting decision.

Philosophy and Objectives of Our Executive Compensation Program

The philosophy underlying our executive compensation program is to provide an attractive, flexible, and market-based total compensation program tied to performance and aligned with the interests of our shareholders. Our objective is to recruit and retain the caliber of executive officers and other key employees necessary to deliver sustained high performance to our shareholders, customers, and communities where we have a strong presence. Our executive compensation program is an important component of these overall human resources policies. Equally important, we view compensation practices as a means for communicating our goals and standards of conduct and performance and for motivating and rewarding employees in relation to their achievements.

Overall, the same principles that govern the compensation of all our salaried employees apply to the compensation of our executive officers. Within this framework, we observe the following principles:

- **Retain and hire top-caliber executives:** Executive officers should have base salaries and employee benefits that are market competitive and that permit us to hire and retain high-caliber individuals at all levels;
- **Pay for performance:** A significant portion of the annual compensation of our executive officers should vary with annual business performance and each individual s contribution to that performance;
- **Reward long-term growth and profitability:** Executive officers should be rewarded for achieving long-term results;
- **Tie compensation to business performance:** A significant portion of our executive officers compensation should be tied to measures of performance of our businesses;
- **Align compensation with shareholder interests:** The interests of our executive officers should be linked with those of our shareholders through the risks and rewards of the ownership of our Common Stock; and
- **Reinforce succession planning process:** The overall compensation program for our executive officers should reinforce our robust succession planning process.

2015 Incentive Programs

To ensure a strong link between our incentive compensation opportunities and our short-term and longer term objectives, we use two specific programs: our Annual Incentive Program and our Long-Term Incentive Program.

Annual Incentive Program. The Annual Incentive Program is designed to reward strong financial and operational performance that furthers our short-term strategic objectives. Financial performance is primarily determined based on EPS achievement relative to our externally disclosed EPS targets.

Long-Term Incentive Program. Our Long-Term Incentive Program consists of three parts that incentivize long-term value creation: performance shares and units that primarily reward the achievement of our long-term ROE goals and increases in the market value of our Common Stock; stock options that reward increases in the market value of our Common Stock; and book value units that reward increases in book value per share.

ANNUAL COMPENSATION-RELATED RISK EVALUATION

We monitor the risks associated with our executive compensation program, as well as the components of our program and individual compensation decisions, on an ongoing basis. In January 2016, the Committee was presented with the results of a study reviewing our compensation programs, including our executive compensation program, to assess the risks arising from our compensation policies and practices. The Committee agreed with the study s findings that these risks were within our ability to effectively monitor and manage and that these 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.

How We Make Compensation Decisions

Role of the Compensation Committee

The Committee is responsible to our Board for overseeing the development and administration of our compensation and benefits policies and programs. The Committee, which consists of three independent directors, is responsible for the review and approval of all aspects of our executive compensation program. Among its duties, the Committee is responsible for formulating the compensation recommendations for our CEO and approving all compensation recommendations for our officers at the senior vice president level and above, including:

- annual review and approval of incentive program design, goals and objectives for alignment with compensation and business strategies;
- evaluation of individual performance results in light of these goals and objectives;

evaluation of the competitiveness of each executive officer s total compensation package; and

approval of any changes to the total compensation package, including, but not limited to, base salary, annual and long-term incentive award opportunities, and payouts and retention programs.

Following review and discussion, the Committee submits its recommendations for compensation for these executive officers to the non-employee members of our Board for approval.

The Committee is supported in its work by the head of the Human Resources Department, her staff, and the Committee s executive Compensation Consultant, as described below.

The Committee s charter, which sets out its duties and responsibilities and addresses other matters, can be found on our website at www.prudential.com/governance.

Role of the Chief Executive Officer

Within the framework of the compensation programs approved by the Committee and based on management s review of market competitive positions, each year our CEO recommends the level of base salary increase (if any), the annual incentive award, and the long-term incentive award value for our officers at the senior vice president level and above, including the other NEOs. These recommendations are based upon his assessment of each executive officer s performance, the performance of the individual s respective business or function, and employee retention considerations. The Committee reviews our CEO s recommendations and approves any compensation changes affecting our executive officers as it determines in its sole discretion.

Our CEO does not play any role with respect to any matter affecting his own compensation.

Role of the Compensation Consultant

The Committee has retained Frederic W. Cook & Co., Inc. as its executive Compensation Consultant. The Compensation Consultant reports directly to the Committee and the Committee may replace the Compensation Consultant or hire additional consultants at any time. A representative of the Compensation Consultant attends meetings of the Committee, as requested, and communicates with the Committee Chair between meetings.

The Compensation Consultant provides various executive compensation services to the Committee pursuant to a written consulting agreement with the Committee. Generally, these services include advising the Committee on the principal aspects of our executive compensation program and evolving industry practices and providing market information and analysis regarding the competitiveness of our program design and our award values in relationship to their performance.

During 2015, the Compensation Consultant performed the following specific services:

Provided a presentation on executive compensation trends and external developments.

Provided an annual competitive evaluation of total compensation for the NEOs, as well as overall compensation program share usage, dilution, and fair value expense.

Provided recommendations on CEO total direct compensation to the Committee at its February meeting, without prior review by our CEO.

Reviewed with our CEO his compensation recommendations with respect to the other NEOs.

Reviewed Committee agendas and supporting materials in advance of each meeting, and raised questions/issues with management and the Committee Chair, as appropriate.

Reviewed drafts and commented on the CD&A and related compensation tables for the proxy statement.

Reviewed drafts and commented on the 2016 Omnibus Incentive Plan being presented for shareholder approval at the Annual Meeting.

Reviewed the peer group used for competitive analyses.

Attended committee meeting when requested by the Committee Chair.

The Compensation Consultant provided no services to management during 2015.

The Committee retains sole authority to hire the Compensation Consultant, approve its compensation, determine the nature and scope of its services, evaluate its performance, and terminate its engagement.

The total amount of fees paid to the Compensation Consultant for services to the Committee in 2015 was $100,103. The Compensation Consultant received no other fees or compensation from us, except for $3,400 to participate in a general industry survey of long-term compensation. The Compensation Committee has assessed the independence of the Compensation Consultant pursuant to the listing standards of The New York Stock Exchange and SEC rules and concluded that no conflict of interest exists that would prevent the Compensation Consultant from serving as an independent consultant to the Compensation Committee.

Compensation Peer Group

The Committee uses compensation data compiled from a group of peer companies in the insurance, asset management, and other diversified financial services industries generally selected from the Standard & Poor s 500 Financials Index (the Peer Group). The Committee periodically reviews and updates the Peer Group, as necessary, upon recommendation of the Compensation Consultant. We believe the Peer Group represents the industries with which we currently compete for executive talent, and also includes our principal business competitors.

Although included within the broad financial services sector, we exclude from the Peer Group companies such as property and casualty insurers and investment banking firms that predominantly offer different products, have substantially different business models and with whom we have less direct competition for executive talent.

For 2015, the Peer Group consisted of the following 20 companies:

North American Life Insurance Companies	Consumer Finance Companies	Asset Management and Custody Banks	Diversified Banks
AFLAC, Incorporated	American Express Company	Ameriprise Financial, Inc.	Bank of America Corporation
Lincoln National	Capital One Financial Corporation	The Bank of New York Mellon Corporation	Citigroup Inc.
Manulife Financial Corporation		BlackRock, Inc.	JPMorgan Chase & Co.
MetLife, Inc.		Franklin Resources, Inc.	PNC Financial Services Group, Inc.
Principal Financial Group		Northern Trust Corporation	U.S. Bancorp
Sun Life Financial Inc.		State Street Corporation	Wells Fargo & Company

Use of Competitive Data

We compete in several different businesses, most of which are involved in helping individuals and institutions grow and protect their assets. These businesses draw their key employees from different segments of the marketplace. Our executive compensation program is designed with the flexibility to be competitive and motivational within the various marketplaces in which we compete for executive talent, while being subject to centralized design, approval, and control.

The Committee relies on various sources of compensation information to ascertain the competitive market for our executive officers, including the NEOs.

To assess the competitiveness of our executive compensation program, we analyze Peer Group compensation data obtained from peer company proxy materials as well as compensation and benefits survey data provided by national compensation consulting firms, such as Willis Towers Watson, McLagan Partners, and Mercer. As part of this process, we measure actual pay levels within each compensation component and in the aggregate. We also review the mix of our compensation components with respect to fixed versus variable, short term versus long term, and cash versus equity-based pay. This information is then presented to the Committee for its review and use.

The Committee generally compares the compensation of each NEO in relation to both the 50th and the 75th percentiles of the Peer Group for similar positions, as we are significantly above the median of the Peer Group in terms of size. In addition, the Committee takes into account various factors such as our performance within the Peer Group, the unique characteristics of the individual s position, and any succession and retention considerations. In general, compensation levels for an executive officer who is new to a position tend to be at the lower end of the competitive range, while seasoned executive officers with strong performance who are viewed as critical to retain would be positioned at the higher end of the competitive range.

Generally, differences in the levels of total direct compensation among the NEOs are primarily driven by the scope of their responsibilities, market data for similar positions, and considerations of internal equity.

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Components of Our Executive Compensation Program

The principal components of our executive compensation program, purpose, key characteristic and type of performance measured (if applicable) are presented in the following table. We measure the program s competitiveness both by comparing relevant market data with the target and actual amounts paid at each executive officer position as well as by salary grades, which are composed of many positions that we consider to have similar responsibilities.

Total Direct Compensation

Compensation Component	Purpose	Key Characteristic	Performance Measured
Base Salary	Compensate executive officers fairly for the responsibility of the position held	Fixed	Individual
Annual Incentive Awards	Motivate and reward executive officers for achieving our short-term business objectives Provide balance by also rewarding performance relative to the North American Life Insurers in our peer group	Variable	Corporate and Individual
Long-Term Incentive Awards	Motivate executive officers by tying incentives to the achievement of our multi-year financial goals, our relative performance, and the performance of our Common Stock and book value over the long term Reinforce the link between the interests of our executive officers and shareholders	Variable	Corporate

Other Forms of Compensation

Compensation Component	Purpose	Key Characteristic
Health & Welfare, and Retirement Plans	Provide benefits that promote employee health and support employees in attaining financial security	Fixed
Perquisites and Other Personal Benefits	Provide a business-related benefit to our Company, and to assist in attracting and retaining executives	Fixed
Post-Employment Compensation	Provide temporary income following an executive s involuntary termination of employment, and in the case of a change of control, to also provide continuity of management	Fixed

The following discussion contains information regarding certain performance measures and goals. These measures and goals are disclosed in the limited context of our executive compensation program. Investors should not apply these performance measures and goals to other contexts.

FORMULAIC FRAMEWORK FOR INCENTIVE PROGRAMS

Awards under each of our incentive programs are funded at the level determined by our financial results relative to pre-established targets under formulas for each incentive program. The Board believes it generally should exercise limited or no discretion to increase our NEOs formula based awards. For the annual incentive program, we measure EPS results relative to our externally disclosed EPS targets based on a performance scale. Similarly, under our performance shares program, payments are determined based on our average ROE results over the three-year performance period based on a performance scale set at the start of the period. The annual incentive program and the performance shares program also contain a relative performance modifier that may increase or decrease awards by up to 10%. The Book Value Performance Program tracks our book value per share, excluding impact on attributed equity of accumulated other comprehensive income and of foreign currency exchange rate remeasurement included in net income or loss, as disclosed in our Quarterly Financial Supplements.

To accurately reflect the operating performance of our business, the Committee has approved a pre-determined framework of adjustments to our reported financial results for incentive program purposes. Generally, these adjustments exclude one-time or unusual items and external factors that are inconsistent with the assumptions reflected in our financial plans. The standard adjustments to reported EPS under our formulaic framework may vary from year to year and may have either a favorable or unfavorable impact on the funding of the Annual Incentive Award Pool.

Standard adjustments to reported financial results are made:

- to exclude the impact of market unlockings and experience true-ups in our individual annuities business (including, for 2015, adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions);
- to exclude the impact of changes in our assumptions for investment returns, actuarial experience, and customer behavioral expectations (mortality, morbidity, lapse, and similar factors and reserve refinements);
- to exclude items associated with merger and acquisition activity (for 2015, we excluded costs associated with the Hartford acquisition and added back projected earnings that were included in 2015 guidance for the Administradora de Fondos de Pensiones Habitat S.A. (AFP Habitat) acquisition that were not realized as a result of the regulatory delay in closing);
- for accounting changes not included in our annual operating plan (none in 2015); and
- for other items not considered representative of the results of operations for the period or not included in guidance, as approved by the Committee (for 2015, we excluded the benefit from a lower income tax rate in Japan adopted subsequent to the issuance of 2015 guidance).

Direct Compensation Components

BASE SALARY

Base salary is the principal fixed component of the total direct compensation of our executive officers, including the NEOs, and is determined by considering the relative importance of the position, the competitive marketplace, and the individual s performance and contributions. Base salaries are reviewed annually and, typically, are increased infrequently and then mostly at the time of a change in position or assumption of new responsibilities.

SALARY DECISIONS

Effective February 22, 2016, Mr. Falzon received a salary increase of $70,000 to appropriately position his salary relative to his external and internal peers.

Annual Incentive Awards

At least once a year, the Committee reviews the Annual Incentive Program and makes changes as needed. In February 2015, the Committee approved the 2015 Annual Incentive Program for our most senior executives, including the NEOs, on the following terms and conditions.

TARGET AWARD OPPORTUNITIES

The Committee left unchanged the target and maximum annual incentive award opportunity for each of the NEOs for 2015. The specific target and maximum annual incentive award opportunities for each NEO for 2015 were as follows:

Named Executive Officers	Target Annual Incentive Award Opportunity	Maximum Annual Incentive Award Opportunity
John R. Strangfeld	$ 5,600,000	$ 11,200,000
Robert M. Falzon	$ 2,450,000	$ 4,900,000
Mark B. Grier	$ 4,800,000	$ 9,600,000
Charles F. Lowrey	$ 4,000,000	$ 8,000,000
Stephen Pelletier	$ 3,000,000	$ 6,000,000

Each year, we establish an annual performance factor that is the primary driver in determining the amount of the annual incentive awards for our NEOs. For 2015, we used the following process to establish this Performance Factor:

Step 1. Established Initial Performance Factor Based on EPS. Consistent with the formulaic framework for our annual incentive award program, the Committee established an Initial Performance Factor based on our EPS on an AOI basis assessed relative to our EPS target range. The Initial Performance Factor was applied to the target annual incentive award for each NEO to determine their annual incentive funding. For purposes of the 2015 Annual Incentive Program, EPS and AOI were calculated as follows:

EPS, which is based on AOI, is Earnings Per Share of Common Stock (diluted): after-tax adjusted operating income, as publicly disclosed in our Quarterly Financial Supplements, available on our website.

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 our Annual Report to Shareholders, which can be found on our website at 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.

The following table depicts the EPS scale target range for 2015 as established in February 2015. The target range is aligned to our publicly disclosed EPS guidance range.

	2015 EPS(1)	Initial Performance Factor(2)
	$6.90 or below	0.50
	$9.60	0.90
Target Range	$9.85	1.00
	$10.10	1.10
	$11.82 or above	1.50

(1) Determined on an AOI basis, subject to certain adjustments.
(2) The Initial Performance Factor is interpolated on a straight-line basis between the EPS data points.

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We applied our pre-set formulaic framework to our January 2016 estimate of our 2015 reported EPS, or $10.04 per share of Common Stock. Our final 2015 reported EPS, based on after-tax AOI, was $10.04 per share of Common Stock.

The standard adjustments to reported EPS under our formulaic framework may vary from year to year and may have either a favorable or unfavorable impact on the funding of the Annual Incentive Award Pool. For 2015, the standard adjustments resulted in adjusted EPS of $9.75 per share of Common Stock, a decrease of $.29 per share from our estimated EPS of $10.04. This adjusted EPS amount corresponded to an Initial Performance Factor of 0.960.

Step 2. Computed Relative Performance Modifier. To balance absolute and relative performance, the Committee applies a relative performance modifier. This modifier may increase or decrease the Initial Performance Factor by up to 10% within the 0.5 1.5 payment range, based on our one and three-year performance against certain quantitative measures relative to the North American Life Insurance subset of the Peer Group. See Compensation Peer Group above.

The graphic below shows how we arrived at the relative performance modifier for 2015. We first assessed our performance relative to the North American Life Insurance subset of the Peer Group under three different quantitative measures. Our overall weighted rank on these measures was 2.25, and this result put us at the #1 overall ranking in the North American Life Insurance subset of the Peer Group. Under our pre-set scale, the #1 ranking produced a relative performance modifier of +10%.

* Measures are based on trailing four quarters ended September 30, 2015 and are adjusted for unusual and non-recurring items that are publicly disclosed by the Company and each peer company.

Step 3. Determined Final Performance Factor. As shown above, we determined that, based on disclosed financial results, we ranked first relative to the North American Life Insurance subset of the Peer Group. As a result, the Committee adjusted the Initial Performance Factor by 10% from 0.960 to 1.056.

Once the Initial Performance Factor is determined, the Board believes it generally should not exercise meaningful discretion to increase the Performance Factor for strategic or other considerations. For 2015, as in 2014 and 2013, the Committee did not make any discretionary adjustments based on these considerations.

Based on the foregoing, the Final Performance Factor for 2015 was determined to be 1.056. This factor was then applied to the target award opportunities of each NEO to determine their annual incentive awards, with minor adjustments primarily due to rounding.

The following table summarizes the calculation of the Final Performance Factor.

Summary of 2015 Performance Factor Mechanics

Step 1: Establish Initial Performance Factor	
Start with reported 2015 EPS (on AOI basis)	$ 10.04