

March 28, 2019

## Letter from the Board of Directors to Our Shareholders

The Board values this opportunity to share our perspectives regarding the work we undertook for our shareholders during 2018. Our objective is to guide and oversee management in the creation of long-term value through the execution of a sound business strategy, thoughtful succession planning, a commitment to corporate ethics, careful risk oversight, prudent risk management, talent development, and creating societal impact. In pursuit of these objectives, we are pleased to share with you an overview of the Board's priorities and actions during the year.

### **BUSINESS STRATEGY**

We believe that an optimal and effective board of directors is informed, active and constructively engaged with management, without undue disruption to the day-to-day business of the Company. Our Board meets regularly to discuss Prudential's strategic direction. Our collective skills and experience in the areas of regulation, business operations, risk management and capital markets, among other areas, enable us to provide critical insights to the Company to help maximize shareholder value. At each Board meeting and during our annual strategy planning session, we engage with Prudential's senior leadership in robust discussions about the Company's overall strategy, priorities for its businesses, and long-term growth opportunities.

### **SUCCESSION PLANNING**

The Board collaborates with our executive team to cultivate a deep talent bench and plan for senior leadership succession. In 2018, as part of our succession plan, we made changes among the Company's most visible leadership roles. The appointments of Charlie Lowrey to succeed John Strangfeld as Chief Executive Officer ("CEO") and Rob Falzon to succeed Mark Grier as Vice Chairman, are the culmination of a multiyear, rigorous succession-planning effort by the Board. This structure is modeled in part after the roles John and Mark established working together over the past decade. We are grateful to John and Mark for their leadership and the contributions both have made to Prudential. John will be leaving the Board on April 5, 2019, and Mark is expected to retire from the Company and leave the Board in August 2019. At that time, Rob Falzon will join the Board.

### **CULTIVATING A STRONG ETHICAL CULTURE**

Our Corporate Governance and Business Ethics Committee has direct oversight for the Company's overall ethical culture and human rights policy. The Board collaborates with management to establish and communicate the right ethical tone which guides our conduct and helps protect the Company's reputation. We know that only by doing business the right way, every day, do we continue to earn our investors' and customers' trust. Our commitment to strong ethical values and doing business the right way is reflected in Ethisphere Institute's naming of Prudential as a 2019 World's Most Ethical Company®. This recognition is bestowed only on organizations that demonstrate a culture of ethics and transparency at every level.

### **BOARD RISK OVERSIGHT**

The Board sets standards for managing risk and monitoring the management of those risks within the Company. The Risk Committee is comprised of the chairs of each Board committee, which recognizes the vital role of each committee in risk oversight and 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. We regularly review the Company's risk profile, including its approach to capital management, its operational footprint, and its investment risks and strategies. The Board considers the breadth of the Company's risk management framework when approving its strategy and risk tolerance, and verifies that strategic plans are commensurate with our ability to identify and manage risk.

### **TALENT DEVELOPMENT**

The diversity of experiences, backgrounds and ideas of Prudential's global employees enables us to develop solutions that address the financial needs of our customers. Therefore, recruiting, developing and retaining top diverse industry talent is a key

priority for the Company. Talent development is discussed at every Board meeting, and once per year, the Board devotes time to discuss talent at each business and functional leadership level across the Company. This engagement gives us rich insight into the Company's pool of talent and its succession plans.

## CREATING POSITIVE SOCIETAL IMPACT

Prudential was founded on the belief that financial security should be attainable by everyone. Delivering business results and creating societal impact has guided our business model for more than 140 years. By leveraging the full breadth of Prudential's business capabilities, the Company harnesses the power of the capital markets to promote economic opportunity and sustainable growth. To make sure the Company is delivering on its promise of inclusion, the Company has a Corporate Social Responsibility Oversight Committee. The Committee meets three times per year and is comprised of Board members and Prudential senior executives.

## ENGAGEMENT AND OUTREACH

As a Board, one of our priorities is listening to and considering the views of our shareholders as we make decisions in the Boardroom. We accomplish this through a robust outreach and engagement program. In 2018, we spoke to investors who represent a majority of our outstanding shares. Topics discussed included Prudential's sustainability and social strategy, Board composition and refreshment, Board leadership structure, succession planning, and our executive compensation program.

## YOUR VIEW IS IMPORTANT TO US

We value your support, and we encourage you to share your opinions with us. You can do so by writing to us at the address below. You can also send an email to the independent directors at [independentdirectors@prudential.com](mailto:independentdirectors@prudential.com) or provide feedback on our executive compensation program via our website at [www.prudential.com/executivecomp](http://www.prudential.com/executivecomp). If you would like to write to us, you may do so by addressing your correspondence to Prudential Financial, Inc., Board of Directors, c/o Margaret M. Foran, Chief Governance Officer, 751 Broad Street, Newark, NJ 07102. We suggest you view short videos from our Lead Independent Director, Thomas J. Baltimore, and our Audit Committee Chairman, Douglas A. Scovanner, on our website at [www.prudential.com/directorvideos](http://www.prudential.com/directorvideos).

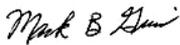
## THE BOARD OF DIRECTORS OF PRUDENTIAL FINANCIAL, INC.



Thomas J. Baltimore



Gilbert Casellas



Mark B. Grier



Martina Hund-Mejean



Karl J. Krapek



Peter R. Lighte



Charles F. Lowrey



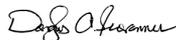
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