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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 11, 2012**

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**PRUDENTIAL FINANCIAL, INC.**

(Exact name of registrant as specified in its charter)

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**New Jersey**  
(State or other jurisdiction  
of incorporation)

**001-16707**  
(Commission  
File Number)

**22-3703799**  
(I.R.S. Employer  
Identification No.)

**751 Broad Street**  
**Newark, New Jersey 07102**  
(Address of principal executive offices and zip code)

**(973) 802-6000**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.*****Termination of Existing Replacement Capital Covenants***

On April 11, 2012, Prudential Financial, Inc. (the “Company”) issued a news release announcing the successful completion of its solicitation of consents from the holders of its 6.625% Medium-Term Notes, Series D, due 2037 (the “Notes”) to terminate (i) the Replacement Capital Covenant, dated as of June 17, 2008, that the Company had made in favor of the holders of the Notes in connection with the Company’s issuance of its 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068 (the “8.875% Junior Subordinated Notes”) and (ii) the Replacement Capital Covenant, dated as of June 30, 2008, that the Company had made in favor of the holders of the Notes in connection with the Company’s issuance of its 9.0% Junior Subordinated Notes due 2068 (collectively, the “Replacement Capital Covenants”). The Company received the consent of holders of a majority in principal amount of the Notes, as required for the termination of the Replacement Capital Covenants. The consent solicitation expired at 5:00 p.m. on April 11, 2012.

A copy of the Company’s Termination of the Replacement Capital Covenants is attached hereto as Exhibit 99.1. A copy of the news release is attached hereto as Exhibit 99.2. Both Exhibits 99.1 and 99.2 are incorporated into this Item 8.01 by reference.

***Execution of New Replacement Capital Covenant***

Simultaneous with the termination of the Replacement Capital Covenants, the Company entered into a Replacement Capital Covenant (the “New RCC”), whereby the Company covenants for the benefit of holders of a designated series of its long-term indebtedness (such designated series initially being the Company’s 5.900% Medium-Term Notes, Series D, due March 17, 2036), that it will not repay, redeem or purchase, and will not permit any of its subsidiaries to purchase, any of the 8.875% Junior Subordinated Notes prior to June 15, 2038 (or such earlier date as the New RCC terminates by its terms) unless, subject to certain limitations, since the date that is 360 days prior to the date of that repayment, redemption or purchase, the Company has received a specified amount of net cash proceeds from the sale of common stock or other qualifying securities that have certain characteristics that are at least as equity-like as the applicable characteristics of the 8.875% Junior Subordinated Notes, or the Company or its subsidiaries have issued a specified amount of common stock in connection with the conversion or exchange of certain convertible or exchangeable securities.

The foregoing description of the New RCC does not purport to be complete and is qualified in its entirety by reference to the full text of the New RCC, a copy of which is attached hereto as Exhibit 99.3 and is incorporated into this Item 8.01 by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are being filed herewith:

- 99.1 Termination of the Replacement Capital Covenants, dated as of April 11, 2012
- 99.2 News release dated April 11, 2012 announcing the results of a consent solicitation from the holders of the Company’s 6.625% Medium-Term Notes, Series D, due 2037
- 99.3 Replacement Capital Covenant of the Company, dated as of April 11, 2012

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 11, 2012

PRUDENTIAL FINANCIAL, INC.

By: /s/ Brian J. Morris

Name: Brian J. Morris

Title: Vice President and Assistant Secretary

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**Exhibit Index**

| <b>Exhibit<br/>No.</b> | <b>Description</b>                                                                                                                                                |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 99.1                   | Termination of the Replacement Capital Covenants, dated as of April 11, 2012                                                                                      |
| 99.2                   | News release dated April 11, 2012 announcing the results of a consent solicitation from the holders of the Company's 6.625% Medium-Term Notes, Series D, due 2037 |
| 99.3                   | Replacement Capital Covenant of the Company, dated as of April 11, 2012                                                                                           |

TERMINATION OF REPLACEMENT CAPITAL COVENANTS, dated as of April 11, 2012 (this “Termination”), by Prudential Financial, Inc., a New Jersey corporation (together with its successors and assigns, the “Company”).

WHEREAS, the Company made a Replacement Capital Covenant on June 17, 2008, and a Replacement Capital Covenant on June 30, 2008 (each, a “Covenant,” and collectively the “Covenants”), in favor of the Holders of its Covered Debt (as such terms are defined in each Covenant);

WHEREAS, the currently effective series of Covered Debt with respect to each Covenant is the Company’s 6.625% Medium-Term Notes, Series D, due 2037 (the “Notes”);

WHEREAS, pursuant to Section 4(a) of each Covenant, each Covenant shall terminate on the date on which the Holders of a majority in principal amount of the then-effective series of Covered Debt consent or agree in writing to the termination of the Covenant and the obligations of the Company thereunder;

WHEREAS, the Company established a record date pursuant to Section 4(c) of each Covenant of 5:00 p.m., New York City time, on April 2, 2012 (the “Record Date”) for purposes of establishing the Holders whose consent is required to terminate its obligations under each Covenant; and

WHEREAS, the Holders of a majority in principal amount of the Notes as of the Record Date have validly delivered, and did not validly revoke, their consent to the termination of the Covenants.

NOW, THEREFORE, in accordance with Section 4(a) of each Covenant, the Company hereby terminates the Covenants and the obligations of the Company under each Covenant are and shall be of no further force or effect.

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IN WITNESS WHEREOF, the Company has caused this Termination to be executed by its duly authorized officer, as of the day and year first above written.

**PRUDENTIAL FINANCIAL, INC.**

By: /s/ Jurgen Muhlhauser

Name: Jurgen Muhlhauser

Title: Vice President and Assistant Treasurer

# News Release



Prudential Financial, Inc.  
751 Broad Street  
Newark, NJ 07102-3777  
[www.prudential.com](http://www.prudential.com)

**For Immediate Release**

April 11, 2012

**Contact:**

**Lauren Day**  
(973) 802-8026

**Prudential Financial, Inc. Announces Results of Consent Solicitation**

**NEWARK, N.J.** – Prudential Financial, Inc. (NYSE:PRU) today announced the successful completion of its solicitation of consents (the “Consent Solicitation”) from holders of record at 5:00 p.m., New York City time, on April 2, 2012 of its 6.625% Medium-Term Notes, Series D, due 2037 (the “Notes”) to terminate (i) the Replacement Capital Covenant, dated as of June 17, 2008, that the Company had made in favor of the holders of the Notes in connection with the Company’s issuance of its 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068 and (ii) the Replacement Capital Covenant, dated as of June 30, 2008, that the Company had made in favor of the holders of the Notes in connection with the Company’s issuance of its 9.0% Junior Subordinated Notes due 2068 (collectively, the “Replacement Capital Covenants”).

The Consent Solicitation expired at 5:00 p.m., New York City time, on Wednesday, April 11, 2012. Holders of the Notes who validly delivered and did not revoke their consent prior to the expiration of the Consent Solicitation will receive a consent fee of \$10.00 for each \$1,000 principal amount of Notes for which consent was validly delivered and not validly revoked.

The Company received the consent of holders of a majority in principal amount of the Notes, as required for the termination of the Replacement Capital Covenants. The termination of the Replacement Capital Covenants is effective with respect to all holders of the Notes, including non-consenting holders and all subsequent holders of the Notes.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately \$901 billion of assets under management as of December 31, 2011, has operations in the United States, Asia, Europe, and Latin America. Prudential’s diverse and talented employees are

(more)

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committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit <http://www.news.prudential.com>.



## REPLACEMENT CAPITAL COVENANT

**Replacement Capital Covenant**, dated as of April 11, 2012 (this “*Replacement Capital Covenant*”), by Prudential Financial, Inc., a corporation duly organized and existing under the laws of the State of New Jersey (together with its successors and assigns, the “Corporation”), in favor of and for the benefit of each Covered Debtholder (as defined below).

### Recitals

A. On June 17, 2008, the Corporation issued \$600,000,000 aggregate principal amount of its 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068 (together with any 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068 that the Corporation may issue after the date hereof, the “*Notes*”).

B. The Corporation is entering into and disclosing the content of this Replacement Capital Covenant in the manner provided below with the intent that the covenants provided for in this Replacement Capital Covenant be enforceable by each Covered Debtholder and that the Corporation be estopped from disregarding the covenants in this Replacement Capital Covenant, in each case to the fullest extent permitted by applicable law.

C. The Corporation acknowledges that reliance by each Covered Debtholder upon the covenants in this Replacement Capital Covenant is reasonable and foreseeable by the Corporation and that, were the Corporation to disregard its covenants in this Replacement Capital Covenant, each Covered Debtholder would have sustained an injury as a result of its reliance on such covenants.

NOW, THEREFORE, the Corporation hereby covenants and agrees as follows in favor of and for the benefit of each Covered Debtholder.

SECTION 1. *Definitions*. Capitalized terms used in this Replacement Capital Covenant (including the Recitals) have the meanings set forth in Schedule I hereto.

SECTION 2. *Limitations on Repayment, Redemption and Purchase of Notes*. Subject to Section 5, the Corporation hereby promises and covenants to and for the benefit of each Covered Debtholder that the Corporation shall not repay, redeem or purchase, nor shall any Subsidiary of the Corporation purchase, any of the Notes prior to the Termination Date except to the extent that the principal amount repaid or the applicable redemption or purchase price does not exceed the sum of:

- (a) 200% of the aggregate amount of (i) net cash proceeds received by the Corporation and its Subsidiaries since the most recent Measurement Date from the sale of Common Stock and Rights to acquire Common Stock and Mandatorily Convertible Preferred Stock to Persons other than the Corporation and its Subsidiaries and (ii) the Market Value of any Common Stock that the Corporation or its Subsidiaries have issued to Persons other than the Corporation or its Subsidiaries since the most recent Measurement Date in connection with the conversion or exchange of any convertible or exchangeable securities, other than securities for which the Corporation or any of its Subsidiaries has received equity credit from any NRSRO; plus

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- (b) 200% of the aggregate amount of net cash proceeds received by the Corporation and its Subsidiaries since the most recent Measurement Date from the sale of securities included in clause (a) of the definition of Qualifying Capital Securities to Persons other than the Corporation and its Subsidiaries; plus
  - (c) 100% of the aggregate amount of net cash proceeds received by the Corporation and its Subsidiaries since the most recent Measurement Date from the sale of securities included in clause (b) of the definition of Qualifying Capital Securities to Persons other than the Corporation and its Subsidiaries.

SECTION 3. *Covered Debt.* (a) The Corporation represents and warrants that the Initial Covered Debt is Eligible Debt.

(b) On or during the 30-day period immediately preceding any Redesignation Date with respect to the Covered Debt then in effect, the Corporation shall identify the series of Eligible Debt that will become the Covered Debt on and after such Redesignation Date in accordance with the following procedures:

(i) the Corporation shall identify each series of its then outstanding long-term indebtedness for money borrowed that is Eligible Debt;

(ii) the Corporation shall designate one of such series to be the series of Eligible Debt that will become the Covered Debt on and after such Redesignation Date, but if (and only if) the Corporation fails to designate a series of Eligible Debt as the Covered Debt by the close of business on such Redesignation Date, the Eligible Debt that will become the Covered Debt will be determined in accordance with the following procedures:

(A) if only one series of the Corporation's then outstanding long-term indebtedness for money borrowed is Eligible Debt, such series shall become the Covered Debt commencing on the related Redesignation Date;

(B) if the Corporation has more than one outstanding series of long-term indebtedness for money borrowed that is Eligible Debt, then the series that has the latest occurring final maturity date as of the date the procedures in clause (ii) of this Section 3(b) are applied shall become the Covered Debt on the related Redesignation Date;

(iii) the series of outstanding long-term indebtedness for money borrowed that is determined to be Covered Debt pursuant to clause (ii) above shall be the Covered Debt for purposes of this Replacement Capital Covenant for the period commencing on the related Redesignation Date and continuing to but not including the Redesignation Date as of which a new series of outstanding long-term indebtedness for money borrowed is next determined to be the Covered Debt pursuant to the procedures set forth in this Section 3(b); and

(iv) in connection with such identification of a new series of Covered Debt, the Corporation shall, as provided for in Section 3(c), give a notice and file with the Commission a current report on Form 8-K (or any successor form) under the Securities Exchange Act including or incorporating by reference this Replacement Capital Covenant as an exhibit within the time frame provided for in Section 3(c).

(c) *Notice.* In order to give effect to the intent of the Corporation described in Recital C, the Corporation covenants that

(i) simultaneously with the execution of this Replacement Capital Covenant or as soon as practicable after the date hereof, it shall (x) give notice to the Holders of the Initial Covered Debt, in the manner provided in the indenture relating to the Initial Covered Debt, of this Replacement Capital Covenant and the rights granted to such Holders hereunder and (y) file a copy of this Replacement Capital Covenant with the Commission as an exhibit to a Form 8-K (or any successor form) under the Securities Exchange Act;

(ii) so long as the Corporation is a reporting company under the Securities Exchange Act, the Corporation shall include in each annual report filed with the Commission on Form 10-K (or any successor form) under the Securities Exchange Act a description of the covenant set forth in Section 2 and identify the series of long-term indebtedness for borrowed money that is Covered Debt as of the date such Form 10-K (or any successor form) is filed with the Commission;

(iii) if a series of the Corporation's long-term indebtedness for money borrowed (1) becomes Covered Debt or (2) ceases to be Covered Debt, the Corporation shall give notice of such occurrence within 30 days to the holders of such long-term indebtedness for money borrowed in the manner provided for in the indenture, fiscal agency agreement or other instrument under which such long-term indebtedness for money borrowed was issued and report such change in a current report on Form 8-K (or any successor form) including or incorporating by reference this Replacement Capital Covenant, and in the Corporation's next quarterly report on Form 10-Q (or any successor form) or annual report on Form 10-K (or any successor form), as applicable;

(iv) if, and only if, the Corporation ceases to be a reporting company under the Securities Exchange Act, the Corporation shall (A) post on its website (or any other similar electronic platform generally available to the public) the information otherwise required to be included in Securities Exchange Act filings pursuant to clause (ii) of this Section 3(c); and (B) cause a notice of the execution of this Replacement Capital Covenant to be posted on the Bloomberg screen for the Covered Debt or any successor Bloomberg screen and each similar third-party vendor's screen the Corporation reasonably believes is appropriate (each, an "*Investor Screen*") and cause a hyperlink to a definitive copy of this Replacement Capital Covenant to be included on the Investor Screen for each series of Covered Debt, in each case to the extent permitted by Bloomberg or such similar third-party vendor, as the case may be; and

(v) promptly upon request by any Holder of Covered Debt, the Corporation will provide such Holder with an executed copy of this Replacement Capital Covenant.

(d) The Corporation agrees that, if at any time the Covered Debt is held by a trust (for example, where the Covered Debt is part of an issuance of trust preferred securities), a holder of the securities issued by such trust may enforce (including by instituting legal proceedings) this Replacement Capital Covenant directly against the Corporation as though such holder owned Covered Debt directly, and such holder shall be deemed to be a holder of Covered Debt for purposes of this Replacement Capital Covenant for so long as the indebtedness held by such trust remains Covered Debt hereunder.

**SECTION 4. *Termination, Amendment and Waiver.*** (a) The obligations of the Corporation pursuant to this Replacement Capital Covenant shall remain in full force and effect until the earliest date (the “*Termination Date*”) to occur of (i) June 15, 2038 or, if earlier, the date on which (x) the Notes are no longer outstanding and (y) the Corporation’s obligations under this Replacement Capital Covenant have been fulfilled or, pursuant to Section 5, are no longer applicable, (ii) the date, if any, on which the Holders of a majority of the then-outstanding principal amount of the then-effective series of Covered Debt consent or agree to the termination of this Replacement Capital Covenant and the obligations of the Corporation hereunder, (iii) the date on which the Corporation ceases to have any series of outstanding Eligible Senior Debt or Eligible Subordinated Debt, (iv) the date on which the Notes are accelerated as a result of an event of default under the indenture governing the Notes, (v) the occurrence of a Change in Control Event, (vi) the date on which S&P no longer assigns the Corporation a solicited rating on senior debt issued or guaranteed by the Corporation, and (vii) the date on which this Replacement Capital Covenant is no longer required by S&P pursuant to its hybrids ratings methodology to obtain equity credit with respect to the Notes. From and after the Termination Date, the obligations of the Corporation pursuant to this Replacement Capital Covenant shall be of no further force and effect.

(b) This Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed by the Corporation after obtaining the consent of the Holders of a majority of the then-outstanding principal amount of the then-effective series of Covered Debt; *provided* that this Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed only by the Corporation (and without the consent of the Holders of the then-effective series of Covered Debt) if any of the following apply: (i) such amendment eliminates Common Stock, Rights to acquire Common Stock or Mandatorily Convertible Preferred Stock as a security or securities covered by clause (a) of Section 2, if, in the case of this clause, after the date of this Replacement Capital Covenant, an accounting standard or interpretive guidance of an existing accounting standard, issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States or other appropriate jurisdiction, as applicable, followed by the Corporation becomes effective or applicable to the Corporation such that there is more than an insubstantial risk that the failure to eliminate Common Stock, Rights to acquire Common Stock or Mandatorily Convertible Preferred Stock as a security or securities covered by clause (a) of Section 2 would result in a reduction in the Corporation’s fully diluted earnings per share as calculated in accordance with generally accepted accounting principles (“*EPS*”), or the Corporation otherwise has been advised in writing by a nationally recognized independent

accounting firm that there is more than an insubstantial risk that the failure to eliminate such securities as a security or securities covered by clause (a) of Section 2 would result in a reduction of the Corporation's fully diluted EPS; (ii) the sole effect of such amendment or supplement is either (A) to impose additional restrictions on the ability of (1) the Corporation to redeem or purchase the Notes or (2) any Subsidiary to purchase the Notes, or (B) to impose additional restrictions on, or to eliminate certain of, the types of securities qualifying as a security or securities covered by clauses (a), (b) and (c) of Section 2 (other than securities which are covered by clause (i) above) and in each case an officer of the Corporation has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture, fiscal agency agreement or other instrument under which such Covered Debt was issued a written certificate to that effect; (iii) such amendment or supplement extends the date specified in Section 4(a)(i); or (iv) such amendment or supplement is not adverse to the Holders of the then-effective series of Covered Debt and an officer of the Corporation has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture, fiscal agency agreement or other instrument with respect to such Covered Debt a written certificate stating that, in his or her determination, such amendment or supplement is not adverse to the Holders of the then-effective series of Covered Debt. For this purpose, an amendment or supplement that adds new types of securities qualifying as a security or securities covered by clause (a), (b) or (c) of Section 2, or modifies the requirements of such securities, will not be deemed adverse to the Holders of the then-effective series of Covered Debt if, following such amendment or supplement, the Replacement Capital Covenant would satisfy the definition of Qualifying Replacement Capital Covenant.

(c) For purposes of Sections 4(a) and 4(b), the Holders whose consent or agreement is required to terminate, amend or supplement this Replacement Capital Covenant or the obligations of the Corporation under this Replacement Capital Covenant shall be the Holders of the then-effective series of Covered Debt as of a record date established by the Corporation that is not more than 30 days prior to the date on which the Corporation proposes that such termination, amendment or supplement becomes effective.

SECTION 5. *Limitation on Applicability of this Replacement Capital Covenant.* The promises and covenants contained in this Replacement Capital Covenant shall not apply and be of no force and effect upon the occurrence of one or more of the following events:

- (a) S&P upgrades the Corporation's corporate credit rating by at least one notch above A+;
- (b) the Notes are redeemed by the Corporation due to a Rating Agency Event or a Tax Event;
- (c) if after proper notice of redemption for the Notes has been given to the holders of the Notes, a Market Disruption Event occurs and prevents the Corporation from raising proceeds in accordance with Section 2 hereof to redeem the Notes, to such redemption; *provided, however*, that if during the pendency of such Market Disruption Event the Corporation repurchases or redeems the Notes or a Subsidiary of the Corporation purchases the Notes (in a manner that, but for the existence of the Market Disruption Event, would not have been permitted by this

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Replacement Capital Covenant) then, at such time as the Market Disruption Event shall cease to exist, the Corporation promises and covenants to issue Common Stock, Rights to acquire Common Stock, Mandatorily Convertible Preferred Stock or Qualifying Capital Securities to raise proceeds, in accordance with Section 2 hereof, in an amount sufficient to repurchase or redeem the Notes; or

- (d) if the Corporation repurchases or redeems or a Subsidiary purchases up to 10% of the outstanding principal amount of the Notes in any one-year period, to such repurchase, redemption or purchase; *provided, however*, that no more than 25% of the outstanding principal amount of the Notes shall be so repurchased, redeemed or purchased in any ten-year period, and that this Replacement Capital Covenant shall continue to apply to any Notes repurchased, redeemed or purchased in excess of such thresholds; *provided, further*, that any Notes the Corporation or any of its Subsidiaries acquires or holds as a result of the acquisition, consolidation or merger of any Person by or into the Corporation or any of its Subsidiaries, or the acquisition of all or substantially all assets of any Person by the Corporation or any of its Subsidiaries, shall be deemed not to be or have been repurchased, redeemed or purchased by the Corporation or any of its Subsidiaries for purposes of this clause (d), and shall not be counted in determining whether such thresholds have been met.

SECTION 6. *Miscellaneous.* (a) This Replacement Capital Covenant shall be governed by and construed in accordance with the laws of the State of New York.

(b) This Replacement Capital Covenant shall be binding upon the Corporation and its successors and assigns (*provided* that, in the event the Corporation sells, conveys, transfers or otherwise disposes of all or substantially all its assets to any Person and (i) such person assumes all the obligations of the Corporation under the indenture governing the then applicable Covered Debt and the indenture governing the Notes, (ii) such Person assumes all the obligations of the Corporation under the Replacement Capital Covenant and (iii) the Corporation is released from its obligations under the indenture governing the then applicable Covered Debt and the indenture governing the Notes, the Corporation shall be released from all its obligations hereunder), shall inure to the benefit of the Covered Debtholders as they exist from time-to-time (it being understood and agreed by the Corporation that any Person who is a Covered Debtholder shall retain its status as a Covered Debtholder for so long as the series of long-term indebtedness for borrowed money such Person then owns is Covered Debt and, if such Person initiates an action, claim or proceeding to enforce its rights under this Replacement Capital Covenant after the Corporation has violated its covenants in Section 2 and before the series of long-term indebtedness for money borrowed held by such Person is no longer Covered Debt, such Person's rights under this Replacement Capital Covenant shall not terminate by reason of such series of long-term indebtedness for money borrowed no longer being Covered Debt). Other than the Covered Debtholders as provided in the previous sentence and Section 3(d), no other Person shall have any rights under this Replacement Capital Covenant or be deemed a third-party beneficiary of this Replacement Capital Covenant. In particular, no holder of the Notes is a third-party beneficiary of this Replacement Capital Covenant, it being understood that such holders may have rights under the indenture governing the Notes.

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(c) All demands, notices, requests and other communications to the Corporation under this Replacement Capital Covenant shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the Corporation, on the day so delivered (or, if such day is not a Business Day, the next succeeding Business Day) or (ii) if delivered by registered post or certified mail, return receipt requested, or sent to the Corporation by a national or international courier service, on the date of receipt by the Corporation (or, if such date of receipt is not a Business Day, the next succeeding Business Day), and in each case to the Corporation at the address set forth below, or at such other address as the Corporation may thereafter notify to Covered Debtholders or post on its website (or any other similar electronic platform generally available to the public) as the address for notices under this Replacement Capital Covenant:

Prudential Financial, Inc.  
751 Broad Street  
Newark, New Jersey 07102  
Attention: Treasurer

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IN WITNESS WHEREOF, the Corporation has caused this Replacement Capital Covenant to be executed by its duly authorized officer as of the day and year first above written.

PRUDENTIAL FINANCIAL, INC.

By: /s/ Jurgen Muhlhauser

Name: Jurgen Muhlhauser

Title: Vice President and Assistant Treasurer

**DEFINITIONS**

“*Business Day*” means each day other than (a) a Saturday or a Sunday, (b) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed, (c) a day on which the corporate trust office of The Bank of New York Mellon, as Trustee, is closed for business or (d) on or after June 15, 2018, a day that is not a London banking day.

“*Change in Control Event*” means:

- (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of amalgamation, merger or consolidation), in one or a series of related transactions, of all or substantially all of the Corporation’s properties or assets and the properties or assets of the Corporation’s subsidiaries, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the Securities Exchange Act), other than a wholly owned subsidiary of the Corporation.
- (b) the consummation of any transaction (including, without limitation, any amalgamation, merger or consolidation) the result of which is that any “person” becomes the beneficial owner, directly or indirectly, of more than 50% of the Corporation’s Voting Stock, measured by voting power rather than the number of shares, or
- (c) the first day on which a majority of the members of the Corporation’s board of directors are not Continuing Directors. “Continuing Directors” are those directors who (i) were members of the board of directors on the first date that any of the Notes were issued or (ii) were elected or appointed to the Corporation’s board of directors with the approval of a majority of the Continuing Directors who were members of the board of directors at the time of such election or appointment (either by specific vote or by approval of our proxy statement in which such members were named as a nominee for election as a director, without objection to such nomination).

“*Commission*” means the United States Securities and Exchange Commission.

“*Common Stock*” means (a) shares of the Corporation’s common stock, including common stock issued pursuant to any dividend reinvestment plan, employee stock purchase program or employee benefit plan of the Corporation, and (b) a security of the Corporation, ranking upon the Corporation’s liquidation, dissolution or winding up *pari passu* with its Common Stock, that tracks the performance of, or relates to the results of, a business, unit or division of the Corporation.

“*Corporation*” has the meaning specified in the introduction to this instrument.

“*Covered Debt*” means (a) at the date of this Replacement Capital Covenant and continuing to but not including the first Redesignation Date, the Initial Covered Debt and (b) thereafter, commencing with each Redesignation Date and continuing to but not including the next succeeding Redesignation Date, the Eligible Debt identified pursuant to Section 3(b) as the Covered Debt for such period.

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*“Covered Debtholder”* at any time means each Person to the extent that such Person at such time holds (whether as a Holder or a beneficial owner holding through a participant in a clearing agency) long-term indebtedness for money borrowed of the Corporation during the period that such long-term indebtedness for money borrowed is Covered Debt.

*“Eligible Debt”* means, at any time, Eligible Subordinated Debt or, if no Eligible Subordinated Debt is then outstanding, Eligible Senior Debt.

*“Eligible Senior Debt”* means, at any time in respect of any issuer, each series of outstanding unsecured long-term indebtedness for money borrowed of such issuer that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks most senior among the issuer’s then outstanding classes of unsecured indebtedness for money borrowed, (b) has an outstanding principal amount of not less than \$100,000,000, and (c) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer’s long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

*“Eligible Subordinated Debt”* means, at any time in respect of any issuer, each series of the issuer’s then outstanding unsecured long-term indebtedness for money borrowed that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks senior to the Notes and subordinate to the issuer’s then outstanding series of unsecured indebtedness for money borrowed that ranks most senior, (b) has an outstanding principal amount of not less than \$100,000,000, and (c) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer’s long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

*“EPS”* has the meaning specified in Section 4(b).

*“Holder”* means, as to the Covered Debt then in effect, each holder of such Covered Debt as reflected on the securities register maintained by or on behalf of the Corporation with respect to such Covered Debt.

*“Initial Covered Debt”* means the Corporation’s 5.900% Medium-Term Notes, Series D, due March 17, 2036, which have CUSIP No. 74432QAK1.

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“*Investor Screen*” has the meaning specified in Section 3(c).

“*Mandatorily Convertible Preferred Stock*” means cumulative preferred stock with (a) no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise, and (b) a requirement that the preferred stock convert into Common Stock of the Corporation within approximately three years from the date of its issuance at a conversion ratio within a range established at the time of issuance of such preferred stock, subject to customary anti-dilution provisions.

“*Market Disruption Event*” means the occurrence or existence of any of the following events or sets of circumstances:

- (a) any suspension or material disruption of trading or settlement of one of the exchanges (and/or their electronic trading platform) on which Common Stock, Rights to acquire Common Stock, Mandatorily Convertible Preferred Stock and/or Qualifying Capital Securities of the Corporation are listed; or
- (b) any change in political conditions, any outbreak or escalation of hostilities, terrorist attacks or crisis such that the issuance by the Corporation of its Common Stock, Rights to acquire Common Stock, Mandatorily Convertible Preferred Stock and/or Qualifying Capital Securities is deemed to be impracticable.

“*Market Value*” means, on any date, the closing sale price per share of Common Stock (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions by The New York Stock Exchange or, if the Common Stock is not then listed on The New York Stock Exchange, as reported by the principal U.S. securities exchange on which the Common Stock is traded or quoted; if the Common Stock is not either listed or quoted on any U.S. securities exchange on the relevant date, the Market Value will be the average of the mid-point of the bid and ask prices for the Common Stock on the relevant date submitted by at least three nationally recognized independent investment banking firms selected by the Corporation for this purpose.

“*Measurement Date*” means, with respect to any redemption, repurchase or purchase of Notes, the date 360 days prior to the date of such redemption, repurchase or purchase; *provided, however*, that the 360-day period may be increased by the number of days during which there exists a Market Disruption Event during the period between the Measurement Date and the date of such redemption, repurchase or purchase.

“*Notes*” has the meaning specified in Recital A.

“*NRSRO*” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Securities Exchange Act.

“*Person*” means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

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*“Qualifying Capital Securities”* means

- (a) any instrument that achieves high equity credit from S&P under the relevant guidelines at the time of repurchase, redemption or purchase of the Notes; or
- (b) any instrument that (i) includes the same deferral features and ranking as the Notes and matures no earlier than June 15, 2038, or (ii) would have achieved at least the same equity credit from S&P as the Notes at the time of issuance of the Notes.

*“Qualifying Replacement Capital Covenant”* means (a) a replacement capital covenant that is substantially similar to this Replacement Capital Covenant or (b) a replacement capital covenant, as identified by the Corporation’s Board of Directors acting in good faith and in its reasonable discretion and reasonably construing the definitions and other terms of this Replacement Capital Covenant that restricts the related issuer from repaying, redeeming or purchasing, and its Subsidiaries from purchasing, identified securities except to the extent of the applicable percentage of the net proceeds from the issuance of specified replacement capital securities that have terms and provisions at the time of redemption, repayment or purchase that are as or more equity-like than the securities then being repaid, redeemed or purchased within the 360-day period prior to the applicable redemption, repayment or purchase date without regard to the term of such replacement capital covenant.

*“Qualifying Warrants”* means net share settled warrants to purchase Common Stock that have an exercise price at the date the Corporation agrees to issue such warrants that is greater than the current Market Value of the issuer’s Common Stock as of their date of issuance, and do not entitle the issuer to redeem such warrants for cash and the holders of such warrants are not entitled to require the issuer to repurchase such warrants for cash in any circumstance.

*“Rating Agency Event”* means the determination by the Corporation of a change in the hybrid ratings methodology employed by S&P, which change results in a lower equity credit to the Corporation than the equity credit assigned by S&P to the Notes on the date of the prospectus supplement relating to the Notes, or a shortening of the length of time the Notes are assigned such equity credit as compared to the length of time they would have been assigned such equity credit on the date of the prospectus supplement relating to the Notes.

*“Redesignation Date”* means, as to the Covered Debt in effect at any time, the earliest of (a) the date that is two years prior to the final maturity date of such Covered Debt, (b) if the Corporation elects to redeem, or the Corporation or a Subsidiary of the Corporation elects to repurchase, such Covered Debt either in whole or in part with the consequence that after giving effect to such redemption or repurchase the outstanding principal amount of such Covered Debt is less than \$100,000,000, the applicable redemption or repurchase date and (c) if such Covered Debt is not Eligible Subordinated Debt of the Corporation, the date on which the Corporation issues long-term indebtedness for money borrowed that is Eligible Subordinated Debt; *provided, however*, with respect to clause (a) above, if the Corporation has no series of long-term indebtedness for money borrowed that is Eligible Debt other than the Covered Debt at the date that is two years prior to the final maturity date of the Covered Debt, then the Redesignation Date shall be such subsequent date on which the Corporation issues long-term indebtedness for money borrowed that is Eligible Debt.

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“*Replacement Capital Covenant*” has the meaning specified in the introduction to this instrument.

“*Rights to acquire Common Stock*” includes any right to acquire Common Stock, including any right to acquire Common Stock pursuant to a stock purchase plan or other plans to the extent cash proceeds are received by the Corporation. Rights to acquire Common Stock shall include Qualifying Warrants.

“*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“*Securities Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Subsidiary*” means, at any time, any Person the shares of stock or other ownership interests of which having ordinary voting power to elect a majority of the board of directors or other managers of such Person are at the time owned, or the management or policies of which are otherwise at the time controlled, directly or indirectly through one or more intermediaries (including other Subsidiaries) or both, by another Person.

“*Tax Event*” means the receipt by the Corporation of an opinion of counsel experienced in such matters to the effect that, as a result of any:

- (a) amendment to or change (including any officially announced proposed change) in the laws or regulations of the United States or any political subdivision or taxing authority of or in the United States that is enacted or effective on or after the date of the prospectus supplement relating to the Notes;
- (b) official administrative decision or judicial decision or administrative action or other official pronouncement (including a private letter ruling, technical advice memorandum or other similar pronouncement) by any court, government agency or regulatory authority interpreting or applying those laws or regulations that is announced on or after the date of the prospectus supplement relating to the Notes; or
- (c) threatened challenge asserted in connection with an audit of the Corporation, or a threatened challenge asserted in writing against any taxpayer that has raised capital through the issuance of securities that are substantially similar to the Notes, which challenge is asserted against the Corporation or becomes publicly known on or after the date of the prospectus supplement relating to the Notes,

there is more than an insubstantial increase in the risk that interest payable by the Corporation on the Notes is not, or within 90 days of the date of such opinion will not be, deductible by the Corporation, in whole or in part, for United States federal income tax purposes.

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*“Termination Date”* has the meaning specified in Section 4(a).

*“Voting Stock”* means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Securities Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.