PPL Corp
Form DEF 14A
April 02, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

PPL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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WILLIAM H. SPENCE

CHAIRMAN, PRESIDENT AND

CHIEF EXECUTIVE OFFICER

Message to

our Shareowners

Dear Shareowner,

On behalf of our Board of Directors and the entire team at PPL, thank you for your confidence in us and for your support of the work we do each day to make a difference in our customers lives.

From Kentucky to Pennsylvania to the U.K., PPL continues to make a positive impact on society and deliver on our commitments to shareowners.

We remain steadfast in pursuit of our long-term strategy to deliver best-in-sector operational performance, invest responsibly in a sustainable energy future, maintain a strong financial foundation, and engage and develop our people.

We continue to build tomorrow s energy grid, improve grid resiliency, incorporate new technology and reshape electricity networks to enable more distributed energy resources, like solar and energy storage. In addition, we are taking steps to advance a cleaner energy future and have set a goal to cut our carbon dioxide emissions 70 percent from 2010 levels by 2050.

As we invest in infrastructure that benefits our customers, we are controlling costs to keep electricity and natural gas affordable for those we serve, mindful of the struggles many families face each day. We continue to give back to local communities, understanding that we succeed when those we serve succeed.

In 2018, PPL again delivered strong financial results and operational excellence. This included achieving the high end of our earnings forecast, completing $3.3 billion in infrastructure investment, taking steps to strengthen our balance sheet post tax reform, raising our dividend for the 16th time in 17 years, and delivering award-winning customer satisfaction. These and other performance highlights can be found on page 1 of this document.

I encourage you to review this Proxy Statement to learn more about these achievements; our diverse, independent and experienced board; our performance-based compensation program; and the strong corporate governance structure in place to foster accountability.

Lastly, I encourage you to vote your shares and invite you to join us for our Annual Meeting of Shareowners, which will begin at 9 a.m. on Tuesday, May 14, at the Hyatt Regency Lexington, 401 West High Street, Lexington, Kentucky.

We look forward to creating additional value for you, for our customers and for the communities we serve moving forward. Thank you for your continued investment in PPL.

Sincerely,

William H. Spence

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PPL CORPORATION

Two North Ninth Street

Allentown, Pennsylvania 18101

Notice of Annual Meeting of Shareowners

Time and Date	9:00 a.m. Eastern Time on Tuesday, May 14, 2019
Place	Hyatt Regency Lexington 401 West High Street Lexington, Kentucky 40507
Items of Business	To elect nine directors, as listed in this Proxy Statement, for a term of one year. To conduct an advisory vote to approve the compensation of our named executive officers. To ratify the appointment of Deloitte & Touche LLP as the company s independent registered public accounting firm for the year ending December 31, 2019. To consider such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.
Record Date	You can vote if you were a shareowner of record on February 28, 2019.
Proxy Voting	Your vote is important. Please vote your shares by voting on the internet or by telephone or by completing and returning your proxy card. For more details, see the information beginning on page 84.

On Behalf of the Board of Directors,

Joanne H. Raphael

Executive Vice President, General Counsel

and Corporate Secretary

April 2, 2019

Important Notice Regarding the Availability of Proxy

Materials for the Shareowner Meeting to Be Held on May 14, 2019:

This Proxy Statement and the Annual Report to Shareowners are available at

www.pplweb.com/PPLCorpProxy

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Proxy Summary

This summary highlights information found elsewhere in this proxy statement. It does not contain all of the information you should consider in voting your shares. Please refer to the complete proxy statement and 2018 Annual Report before you vote.

We first released this proxy statement and the accompanying proxy materials to shareowners on or about April 2, 2019.

This proxy statement and the Compensation Discussion and Analysis below contain references to earnings from ongoing operations of PPL. This is a measure of financial performance used by PPL, among other things, in making incentive compensation grants and awards to executive officers. It is not, however, a financial measure prescribed by generally accepted accounting principles, or GAAP. This non-GAAP financial measure adjusts net income (which is a GAAP financial measure) for certain special items, with further adjustments for compensation purposes. For a reconciliation of earnings from ongoing operations to net income, as well as a description and itemization of the special items and other adjustments used to derive earnings from ongoing operations for PPL and each of its business segments for compensation purposes, please see Annex A to this proxy statement.

Voting Matters and Board Voting Recommendations

Election of Directors ... *Page 4.*

Your Board recommends a vote FOR each nominee.

Management Proposals

Advisory vote to approve the compensation of our named executive officers ... *Page 26.*

Ratification of Deloitte & Touche LLP as independent auditor for 2019 ... *Page 79.*

Your Board recommends a vote FOR both proposals.

Performance Highlights for 2018

We delivered on our earnings commitments to shareowners, achieving the high end of our earnings guidance while taking steps to bolster our balance sheet following U.S. tax reform. We continued to control costs and achieve allowed returns set by each regulatory jurisdiction in which we operate. In addition, we increased our dividend by 4 percent, our 16th dividend increase in 17 years.

At the same time, we invested $3.3 billion in infrastructure improvements to benefit our customers and advance a cleaner energy future. We maintained top-quartile reliability performance across our U.S. utilities. We ranked among the very best for customer satisfaction in the regions we serve. This included receiving our 46th and 47th J.D. Power awards for customer satisfaction in the U.S. and once again topping all other U.K. distribution network operators in a broad measure of customer satisfaction. Guided by our sustainability commitments, we set a goal to reduce our carbon dioxide emissions 70 percent from 2010 levels by 2050.

In addition, throughout 2018, we maintained a strong balance sheet, investment grade credit ratings and strong cash flow as we positioned the company for long-term earnings growth and success.

While we executed well, PPL s stock price was pressured by political and regulatory uncertainty in the U.K. PPL s U.K. operations represent over 50% of our business. For our named executive officers, 40% of their long-term incentive compensation is based on three-year total shareowner return, or TSR, relative to the Philadelphia Stock Exchange Utility Index, or UTY. Because no company in the UTY has significant utility U.K. operations, the political and regulatory uncertainty in the U.K. disproportionately affected our TSR performance relative to the UTY. As a result, our named executive officers forfeited all of the TSR-based performance units that were granted for the 2016-2018 performance period.

Highest	$3.3 billion	$1 billion	CO_2 Goal
in customer satisfaction among U.K. utilities and winners of two J.D. Power awards for customer satisfaction in the U.S.	in infrastructure investment to make the grid smarter, more reliable and more resilient and to advance a cleaner energy future.	in dividends returned to shareowners.	set to reduce our carbon dioxide emissions 70 percent from 2010 levels by 2050.

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PROXY SUMMARY

Corporate Governance Highlights

Board elected annually, with majority vote in uncontested elections	Clear, effective process for shareowners to raise concerns to the Board	Key committees fully independent, with agendas driven by chairs
9 of 10 directors in 2018 were independent	No supermajority voting provisions	Directors required to hold shares until they leave Board
Independent lead director	Proxy access implemented by Board in 2015	Officers and directors prohibited from pledging/hedging PPL shares
Diverse Board; added independent director, Phoebe Wood, in 2018	Shareowner right to call a special meeting	Clawback policy in place

Director Nominees

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships(1)
John W. Conway	73	2000	Retired Chief Executive Officer, Crown Holdings, Inc.	Independent Lead Director	CGNC, EC, FC
Steven G. Elliott	72	2011	Retired Senior Vice Chairman, Bank	X	AC, EC, FC

			of New York Mellon Corporation		
Raja Rajamannar	57	2011	Chief Marketing & Communications Officer, and President, Healthcare, MasterCard International Incorporated	X	AC, CGNC
Craig A. Rogerson	62	2005	Chairman, President and Chief Executive Officer, Hexion Inc.	X	AC, CGNC, EC
William H. Spence	62	2011	Chairman, President and Chief Executive Officer, PPL Corporation	Management Director	EC
Natica von Althann	68	2009	Retired Senior Credit Risk Management Executive, Bank of America and Chief Credit Officer, U.S. Trust	X	CGNC, EC, FC
Keith H. Williamson	66	2005	Executive Vice President, Secretary and General Counsel, Centene Corporation	X	AC, FC
Phoebe A. Wood	65	2018	Principal of CompaniesWood and former Chief Financial Officer of Brown-Foreman Corporation	X	CGNC
Armando Zagalo de Lima	60	2014	Retired Executive Vice President, Xerox Corporation	X	AC, FC

(1) Board Committees: AC Audit CGNC Compensation, Governance and Nominating EC Executive FC Finance

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Executive Compensation Program

CEO s 2018 Target

Total Direct Compensation Mix

Overview

Our executive compensation program reflects the company s ongoing commitment to pay for performance. The compensation of our named executive officers, or NEOs, is aligned with our Corporate Strategic Framework, which links executive compensation with the interests of our shareowners. In 2018, 85% of the CEO s target compensation opportunity was at-risk and 72% was performance-based.

Key Compensation Elements

Base Salary

Reviewed annually

Set to reflect performance, experience, responsibility and competitive market levels

Annual Cash Incentive

Awards range from 0% to 200% of target

Based on corporate and business segment financial and operational performance

Combination of corporate and segment performance for business segment leaders

Long-term Equity Incentives

Performance Units

- Payable in stock
- Payout range from 0% to 200% of target
- Based on three-year TSR performance relative to the UTY (40% of long-term incentives (LTI))
- Based on the average of PPL s annual corporate return on equity, or ROE, for each year of a three-year performance period (40% of LTI)

Restricted Stock Units (20% of LTI)

- Payable in stock
- Restricted for three years after grant

Changes in 2018

- Changed the weighting of performance units from 25% ROE and 75% TSR to 50% ROE and 50% TSR

Other Elements

- Limited perquisites
- Retirement plans
- Deferred compensation plans

Pay for Performance

For 2018, performance-based compensation for the NEOs was primarily based on (1) earnings per share from ongoing operations as adjusted for compensation purposes, or EPS, (2) net income from ongoing operations of each business segment as adjusted for compensation purposes, (3) corporate and business segment operational goals, (4) relative TSR, and (5) corporate ROE. All of our goals align with our commitment to shareowners to deliver earnings growth and shareowner value creation.

Our 2018 performance resulted in:

Annual cash incentive award payouts ranging from 147.68% to 174.68% of target as a result of achieving strong financial and operating results.

The forfeiture of the TSR-based 2016-2018 performance units as a result of our TSR performance relative to the UTY.

Performance units forfeited as a result of 2016 2018 TSR performance had a grant date value of $3.0 million for Mr. Spence and $2.3 million for all other NEOs.

In 2018, Mr. Spence realized approximately 36% less actual compensation than what is reported in the Summary Compensation Table, reflecting the alignment of his compensation with TSR performance as shown in the graph below.

The political and regulatory uncertainty in the U.K. pressured PPL s stock price and TSR for the past three years, contributing to a 39% decrease in Mr. Spence s realized pay over that period from $11.99 million in 2016 to $7.27 million in 2018.

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PROPOSAL 1: ELECTION OF DIRECTORS

What are you voting on? The Board of Directors is asking you to re-elect the nine director nominees listed below to hold office until the next Annual Meeting of Shareowners. Each nominee elected as a director will continue in office until his or her successor has been elected and qualified, or until his or her earlier death, resignation or retirement.

The Board of Directors has no reason to believe that any of the nominees will become unavailable for election. If, however, any nominee should become unavailable prior to the Annual Meeting, the accompanying proxy will be voted for the election of such other person as the Board of Directors may recommend in place of that nominee.

The proxies appointed by the Board of Directors intend to vote the proxy for the election of each of the nominees, unless you indicate otherwise on the proxy or ballot card.

Rodney C. Adkins, who has served as a director since 2014, will step down from the Board in May 2019. During the annual nominating process, the Compensation, Governance and Nominating Committee, or CGNC, consulted with Mr. Adkins regarding his potential nomination for 2019. Due to the rigorous demands of his professional schedule, Mr. Adkins and the CGNC mutually agreed that he would not stand for re-election at the Annual Meeting of Shareowners. We thank Mr. Adkins for his service to our company.

The following pages contain biographical information about the nominees, as well as information concerning the particular experience, qualifications, attributes and/or skills that led the CGNC and the Board to determine that each nominee should serve as a director. In addition, a majority of our directors serve or have served on boards and board committees (including, in many cases, as committee chairs) of other public companies, which we believe provides them additional board leadership and governance experience, exposure to best practices, and substantial knowledge and skills that further enhance the functioning of our Board.

The table below summarizes, in no particular order, the primary experiences, qualifications and skills that our nominees for director bring to the Board.

Global Business Perspective	
Customer Relationships and Marketing	
Public Company Board Experience	
Risk Management	
Regulated Industry	
Technology and Cybersecurity	
Finance and Accounting	
Environmental	
CEO	

NOMINEES FOR DIRECTOR

JOHN W. CONWAY	Board Committees:	Other Public Directorships:
Age: 73	Compensation, Governance and Nominating	Crown Holdings, Inc.
Director since: 2000	Executive	
	Finance	
Independent Director		
Lead Director		

Mr. Conway retired from Crown Holdings, Inc. in December 2015, having served as Chief Executive Officer since 2001 and as President from 2001 until March 2013. He continues to serve as a non-executive Chairman of the Board of Crown, a position he has held since 2001. Prior to 2001, he served as President and Chief Operating Officer of Crown. Crown is an international manufacturer of packaging products for consumer goods. Mr. Conway joined Crown in 1991 as a result of its acquisition of Continental Can International Corporation. Prior to 1991, he served as President of Continental Can and in various other management positions. Mr. Conway is the past Chairman of the Can Manufacturers Institute.

Experience and Qualifications. With years of demonstrated managerial ability as a chief executive officer and chief operating officer of a large global manufacturing company, Mr. Conway brings to our Board a wealth of knowledge regarding organizational, operational and risk management, as well as environmental oversight and board leadership experience, essential to a large public company.

STEVEN G. ELLIOTT	Board Committees:	Other Public Directorships:

Age: 72	Audit (Chair)	Huntington Bancshares Incorporated
	Executive	
Director since: 2011	Finance	**Former Public Directorships within the Last Five Years:**
Independent Director		AllianceBernstein Corporation (2011-2017)

Mr. Elliott is the retired Senior Vice Chairman of The Bank of New York Mellon Corporation, an investment management and investment servicing company. He served in that position from 1998 until his retirement in December 2010. He joined Mellon in 1987 as Executive Vice President and head of the finance department. He was named Chief Financial Officer in 1990, Vice Chairman in 1992 and Senior Vice Chairman in 1998. Before joining Mellon, he held senior officer positions at: First Commerce Corporation, New Orleans; Crocker National Bank, San Francisco; Continental Illinois National Bank, Chicago; and First Interstate Bank of California, Los Angeles.

Experience and Qualifications. With his long and distinguished career in the financial services industry, as well as his accounting background, Mr. Elliott brings to our Board extensive knowledge of organizational and operational management from a regulated industry perspective, as well as risk management expertise. He also has strategic technology leadership experience, essential to a large public company.

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PROPOSAL 1: ELECTION OF DIRECTORS

RAJA RAJAMANNAR	**Board Committees:**
Age: 57	Audit
	Compensation, Governance and Nominating
Director since: 2011	
Independent Director	

Mr. Rajamannar is the Chief Marketing & Communications Officer and President, Healthcare, of MasterCard International Incorporated, a technology company in the global payments industry. Prior to assuming this role in January 2016, he served as Chief Marketing Officer since joining MasterCard in September 2013. Before joining MasterCard, he served as the Executive Vice President, Senior Business, and Chief Transformation Officer of WellPoint, Inc., one of the nation s largest health benefits companies, from March 2012 until January 2013. Prior to joining WellPoint, he served as Senior Vice President & Chief Innovation and Marketing Officer for Humana Inc., a healthcare company that offers a wide range of insurance products and health and wellness services. He held that position from April 2009 until March 2012. Prior to joining Humana, Mr. Rajamannar had 24 years of global business management experience, including 15 years with Citigroup, the New York-based banking conglomerate. Prior to joining Citigroup in 1994, Mr. Rajamannar held marketing and sales positions at Unilever in India from 1988 to 1994 and was a senior product manager at Asian Paints Limited in India.

Experience and Qualifications. With years of demonstrated leadership and business experience in a variety of regulated industry and international positions, Mr. Rajamannar brings to our Board valuable insight into global organizational and operational management, as well as marketing expertise and a keen understanding of technology issues, all of which are crucial to a large public company.

CRAIG A. ROGERSON	**Board Committees:**	**Other Public Directorships:**
Age: 62	Audit	Ashland Global Holdings Inc.
	Compensation	
Director since: 2005	Governance and Nominating (Chair)	**Former Public Directorships within the Last Five Years:**

	Executive
Independent Director	Chemtura Corporation (2008-2017)

Mr. Rogerson is Chairman, President and Chief Executive Officer of Hexion Inc., a position he has held since July 2017. Hexion is a global producer of thermoset resins as well as other chemical platforms serving a wide range of market applications. He is the former Chairman, President and Chief Executive Officer of Chemtura Corporation, a position he held from December 2008 until April 2017. Chemtura was a global manufacturer and marketer of specialty chemicals, serving a broad spectrum of industrial markets until its acquisition by LANXESS Aktiengesellschaft in April 2017. Mr. Rogerson served as President, Chief Executive Officer and director of Hercules Incorporated from December 2003 until its acquisition by Ashland, Incorporated in November 2008. Hercules was a global manufacturer and marketer of specialty chemicals and related services for a broad range of business, consumer and industrial applications. Mr. Rogerson joined Hercules in 1979 and served in a number of management positions before leaving the company to serve as President and Chief Executive Officer of Wacker Silicones Corporation in 1997. In May 2000, Mr. Rogerson rejoined Hercules and was named President of its BetzDearborn Division in August 2000. Prior to being named CEO of Hercules in December 2003, Mr. Rogerson held a variety of senior management positions with the company. Mr. Rogerson serves on the boards of the American Chemistry Council and the Society of Chemical Industry, as well as the Pancreatic Cancer Action Network. He also serves on the Advisory Board of the Chemical Engineering & Materials Science College of Michigan State University.

Experience and Qualifications. With years of demonstrated managerial ability as a CEO of large global chemical manufacturing companies, Mr. Rogerson brings to our Board a wealth of knowledge of organizational, operational and risk management, as well as environmental oversight and board leadership experience, essential to a large public company.

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PROPOSAL 1: ELECTION OF DIRECTORS

WILLIAM H. SPENCE	Board Committees:	Other Public Directorships:
Age: 62	Executive (Chair)	The Williams Companies, Inc.
Director since: 2011		
Management Director		

Mr. Spence is Chairman, President and Chief Executive Officer of PPL Corporation. Prior to his appointment as Chairman in April 2012, Mr. Spence was named Chief Executive Officer and appointed to the Board of Directors of PPL Corporation in November 2011, was named President and Chief Operating Officer in July 2011, and served as Executive Vice President and Chief Operating Officer since June 2006. Prior to joining PPL in June 2006, Mr. Spence had 19 years of service with Pepco Holdings, Inc. and its heritage companies, Delmarva Power and Conectiv, where he held a number of senior management positions.

Mr. Spence currently serves on the board of the Electric Power Research Institute, on the Executive Committee of the Edison Electric Institute (EEI) and as co-chairman of EEI s CEO Policy Committee on Reliability, Security and Business Continuity. He is a member of EEI s Finance and Environment and Climate CEO Policy Committees. He is also a member of EEI s Electricity Subsector Coordinating Council, which serves as the principal liaison between the federal government and the electric power sector to protect the grid from cyber and physical threats to critical infrastructure.

Experience and Qualifications. Having broad-ranging operating experience in the energy industry, Mr. Spence brings a full range of strategic and risk management expertise, a broad understanding of the issues facing a global business in the energy industry, environmental and information technology experience, and an in-depth knowledge of the company s business and culture to the Board and the Chairman position.

NATICA VON ALTHANN	Board Committees:	Other Public Directorships:

Age: 68	Compensation, Governance and Nominating	FuelCell Energy, Inc.
Director since: 2009	Executive	
	Finance (Chair)	
Independent Director		

Ms. von Althann was a founding partner of C&A Advisors, a consulting firm in the areas of financial services and risk management, from 2009 until 2013. She retired in 2008 as the Senior Credit Risk Management Executive for Bank of America, and Chief Credit Officer of U.S. Trust, an investment management company. Prior to being appointed to the Bank of America position in 2007 after U.S. Trust was acquired by Bank of America, Ms. von Althann served as Chief Credit Officer of U.S. Trust since 2003. Prior to joining U.S. Trust in 2003, she served as managing director at IQ Venture Partners, an investment banking boutique. Previously, Ms. von Althann spent 26 years at Citigroup, including in a number of senior management roles. During her time at Citigroup, among other positions, she served as managing director and co-head of Citicorp s U.S. Telecommunications-Technology group, managing director and global industry head of the Retail and Apparel group and division executive and market region head for Latin America in the Citigroup private banking group. Ms. von Althann currently serves as a director of TD Bank US Holding Company and its two bank subsidiaries, TD Bank, N.A. and TD Bank USA, N.A.

Experience and Qualifications. With her extensive background in the banking industry, including operating responsibilities and senior management experience for international businesses, Ms. von Althann brings to our Board a wealth of knowledge regarding organizational and operational management from a regulated industry perspective, as well as financial and risk management expertise, essential to a large public company.

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PROPOSAL 1: ELECTION OF DIRECTORS

KEITH H. WILLIAMSON	**Board Committees:**
Age: 66	Audit Finance
Director since: 2005	
Independent Director	

Mr. Williamson is Executive Vice President, Secretary and General Counsel of Centene Corporation. Prior to being promoted to this position in November 2012, he served as Senior Vice President, Secretary and General Counsel, a position he held since 2006. Centene Corporation is a provider of Medicaid-managed care and specialty healthcare services for under-insured and uninsured individuals. Mr. Williamson previously served as President of the Capital Services Division of Pitney Bowes Inc., a position he held from 1999 to 2006. Pitney Bowes is a global provider of integrated mail, messaging and document management solutions. He joined Pitney Bowes in 1988 and held a series of positions in the company s tax, finance and legal operations groups, including oversight of the treasury function and rating agency activity.

Experience and Qualifications. With years of demonstrated leadership and international business experience in a variety of industry positions with publicly traded companies, Mr. Williamson brings to our Board a combination of general business and finance experience, including from a regulated industry, as well as customer relationship experience, all of which is crucial to a large public energy company.

PHOEBE A. WOOD	**Board Committees:**	**Other Public Directorships:**
Age: 65	Compensation, Governance and Nominating	Invesco Ltd. Leggett & Platt, Incorporated
Director since: 2018		Pioneer Natural Resources Company
Independent Director		

Former Public Directorships within the Last Five Years:

Coca-Cola Enterprises, Inc. (2010-2016)

Ms. Wood is principal of CompaniesWood, a consulting firm specializing in early stage investments, a position she has held since 2008. She is the former Vice Chairman and Chief Financial Officer of Brown-Forman Corporation, a diversified consumer products manufacturer, a position she held from 2006 to 2008. From 2001 to 2006, she served as Brown-Forman Corporation s Executive Vice President and Chief Financial Officer. Before joining Brown-Forman Corporation, Ms. Wood served as Vice President and Chief Financial Officer, and as a director, of Propel Corporation (a telecom subsidiary of Motorola, Inc.) from 2000 to 2001. Previously, Ms. Wood served in various financial management capacities during her almost 24-year tenure at Atlantic Richfield Company (now BP).

Experience and Qualifications. With her extensive experience as a financial executive, including in the energy industry, and board service with publicly traded companies in other industries, Ms. Wood brings to our Board a wealth of experience in finance, accounting, strategic planning, capital markets and risk management, all essential to a large public energy company.

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PROPOSAL 1: ELECTION OF DIRECTORS

ARMANDO ZAGALO DE LIMA

Board Committees:

Age: 60

Audit

Finance

Director since: 2014

Independent Director

Mr. Zagalo de Lima retired in December 2015 as an Executive Vice President of Xerox Corporation, a position he held since February 2010. Xerox is a multinational enterprise for business process and document management. From January 2012 to July 2014, Mr. Zagalo de Lima also served as President of Xerox Technology and was responsible for engineering, product development, manufacturing, distribution, managed print services, sales channels and technical services to effectively manage and grow business on a global basis. From 2010 to 2012, he served as President of Global Customer Operations, responsible for worldwide sales, service and customer administration activities for Xerox s document technology, services and solutions. Prior to this role, Mr. Zagalo de Lima led Xerox Europe from 2001 to 2010, serving as Chief Operating Officer from 2001 to 2004, and then as President from 2004 to 2010, driving business activity in nearly 20 countries. He first joined Xerox in Portugal in 1983 and held sales, marketing and management positions across Europe.

Experience and Qualifications. Having served as a senior executive of a public technology company, Mr. Zagalo de Lima provides critical insight to our Board in emerging technologies and services, customer service and global business operations.

Vote Required for Approval. The affirmative vote of a majority of the votes cast, in person or by proxy, by all shareowners voting as a single class, is required to elect each director. For more information about voting, see General Information What vote is needed for these proposals to be adopted? beginning at page 86.

Your Board of Directors recommends that you vote FOR each nominee included in Proposal 1

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GOVERNANCE OF THE COMPANY

BOARD OF DIRECTORS

Attendance. The Board of Directors met seven times during 2018. Each director attended at least 75% of the meetings held by the Board and the committees on which he or she served during the year. The average attendance of directors at Board and committee meetings held during 2018 was 95%. Directors are expected to attend all meetings of shareowners, the Board and the committees on which they serve. All of our directors attended the 2018 Annual Meeting of Shareowners.

Independence of Directors. The Board has established guidelines to assist it in determining director independence, which conform to the independence requirements of the New York Stock Exchange, or NYSE, listing standards. In addition to applying these guidelines, which are available in the Corporate Governance section of our website (*www.pplweb.com/governance*), the Board considers all relevant facts and circumstances in making an independence determination, including transactions and relationships between each director or members of his or her immediate family and the company and its subsidiaries. The Board determined that the following nine directors, constituting all of PPL s non-employee directors, are independent from the company and management pursuant to its independence guidelines: Messrs. Adkins, Conway, Elliott, Rajamannar, Rogerson, Williamson and Zagalo de Lima, and Mses. von Althann and Wood.

Executive Sessions; Presiding and Lead Director. The independent directors meet in regular executive sessions during each Board meeting without management present. Mr. Conway serves as the presiding director for these executive sessions and also serves as the independent lead director of the Board, as described more particularly in the following section.

Board Leadership Structure. The positions of Chairman and Chief Executive Officer, or CEO, are held by Mr. Spence. Mr. Conway serves as the independent lead director. The Board believes that the responsibilities delegated to the lead director are substantially similar to many of the functions typically fulfilled by a board chairman. The Board believes that its lead director position balances the need for effective and independent oversight of management with the need for strong, unified leadership. Mr. Conway is our longest serving director, and he has served with three different CEOs, as well as different management teams during his tenure, providing continuity and leadership to each CEO. In addition, PPL has been very active in strategic acquisitions and divestitures over the past decade. Having a lead director with Mr. Conway s institutional knowledge and proven track record has been instrumental in smoothly executing these strategic transactions. These transactions have also changed the composition of the PPL Board, and there has been significant and ongoing refreshment among our Board members. Maintaining an appropriate blend of seasoned and less tenured directors provides valuable perspectives when considering long-term strategy and decisions. Based on these facts and circumstances, the Board is confident that Mr. Conway continues to maintain his independence and brings a wealth of experience and unique perspective regarding changes to our company and within our industry.

Of our nine director nominees, only Mr. Spence is not independent from the company. All of our committees, with the exception of the Executive Committee on which Mr. Spence serves, are composed entirely of independent directors, and committee agendas are driven by the independent chairs through discussions with designated management liaisons. Each independent director is encouraged to, and does, regularly contact management with questions or suggestions for agenda items. The Board does not believe that the establishment of an independent chairman is necessary or recommended at the present time. The Board continues to have the right to separate those roles were it to determine that such a separation would be in the best interest of the company, its shareowners and other stakeholders.

The lead director serves in the following roles:

presides at all meetings of the Board at which the Chairman and CEO is not present, including executive sessions of the independent directors that occur at each Board meeting;

serves as an adviser to the Chairman and CEO, as well as a non-exclusive liaison between the independent directors and the Chairman and CEO;

periodically reviews or suggests meeting agendas and schedules for the Board and at least annually solicits suggestions from the Board on meeting topics, such as strategy, management performance and governance matters;

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has the authority to call meetings of the independent directors;

responds to shareowner and other stakeholder questions that are directed to the presiding or lead director, as well as to the independent directors as a group; and

fulfills such other responsibilities as the Board may from time to time request.

Board and Committee Evaluations. Each year, the Board and each committee, other than the Executive Committee, evaluate Board and committee performance. We use a director questionnaire to facilitate the annual evaluation of topics such as Board dynamics, Board and committee effectiveness and engagement, assessment of director performance, access to management, agenda requests and the like, encouraging a broad range of commentary from each director. Our Chairman and the Chair of the CGNC review the results and share them with the entire Board in executive session at the next Board meeting. Our Chairman also periodically meets individually with each Board member to seek additional input as to Board processes, strategy and other suggestions. While every Board member is encouraged to provide comments as to the structure and operation of Board committees, each committee conducts its own annual assessment as well.

Guidelines for Corporate Governance. The full text of our *Guidelines for Corporate Governance* can be found in the Corporate Governance section of our website (*www.pplweb.com/governance*).

Communications with the Board. Shareowners or other parties interested in communicating with the lead director, with the Board or any member of the Board or with the independent directors as a group may write to such person or persons at the following address:

c/o Corporate Secretary s Office

PPL Corporation

Two North Ninth Street

Allentown, Pennsylvania 18101

The Corporate Secretary s Office forwards all correspondence to the respective Board members, with the exception of commercial solicitations, advertisements or obvious junk mail. Concerns relating to accounting, internal controls or financial statement fraud are to be brought immediately to the attention of the Corporate Audit group and are handled in accordance with procedures established by the Audit Committee with respect to such matters.

Code of Ethics. We maintain a code of business conduct and ethics, our *Standards of Integrity,* which is applicable to all Board members and employees of the company and its subsidiaries, including the principal executive officer, the principal financial officer and the principal accounting officer of the company. You can find the full text of the *Standards of Integrity* in the Corporate Governance section of our website *(www.pplweb.com/governance)*.

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Shareowner Engagement. We engage with our shareowners throughout the year in a variety of forums involving our directors, senior management, investor relations, sustainability officer and legal department. We meet with our shareowners in person, by telephone and at external venues, and attend conferences and other forums at which shareowners are present. Our Chair of the CGNC regularly accompanies management in its governance-focused outreach with our larger investors. Our engagement covers a broad range of governance and business topics, including business strategy and execution, board composition and refreshment, executive compensation practices, risk oversight, climate change, sustainability, employee engagement and culture and workforce development. These meaningful exchanges provide us with a valuable understanding of our shareowners perspectives as well as an opportunity to share our views with shareowners.

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BOARD COMMITTEES

The Board of Directors has four standing committees:

- Audit Committee;
- Compensation, Governance and Nominating Committee;
- Executive Committee; and
- Finance Committee.

Each non-employee director usually serves on one or more of these committees. All of our committees, with the exception of the Executive Committee, are composed entirely of independent directors. Each committee has a charter, all of which are available in the Corporate Governance section of the company s website (*www.pplweb.com/governance*).

The following table shows the directors who are currently members or chairs of each of the standing Board Committees and the number of meetings each committee held in 2018.

Board Committee Membership

Director		Audit	Compensation, Governance and Nominating	Executive	Finance
Rodney C. Adkins	**I**				
John W. Conway	**I/LD**				
Steven G. Elliott[1]	**I**	Chair			

Raja Rajamannar[1]	**I**				
Craig A. Rogerson[1]	**I**		Chair		
William H. Spence				Chair	
Natica von Althann	**I**				Chair
Keith H. Williamson[1]	**I**				
Phoebe A. Wood[2]	**I**				
Armando Zagalo de Lima[1]	**I**				
Number of Meetings in 2018		**5**	**5**	**3**	**6**

I Independent Director **LD** Lead Director Chairman of the Board

(1) Designated as an audit committee financial expert as defined by the rules and regulations of the Securities and Exchange Commission, or SEC.

(2) Joined the Compensation, Governance and Nominating Committee on January 18, 2018.

Audit Committee. The primary function of the Audit Committee is to assist the Board in the oversight of:

- the integrity of the financial statements of the company and its subsidiaries;
- the effectiveness of the company s disclosure controls and procedures and internal control over financial reporting;
- the identification, assessment and management of risk;
- the company s compliance with legal and regulatory requirements and the company s compliance and ethics program;
- the independent registered public accounting firm s, or independent auditor s, qualifications, independence and selection; and
- the performance of the company s independent auditor and internal audit function.

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The members of the Audit Committee are not employees of the company, and the Board of Directors has determined that each of its Audit Committee members has met the independence and expertise requirements of the NYSE, the rules of the SEC and the company s independence standards described under the heading Independence of Directors.

Compensation, Governance and Nominating Committee. The principal functions of the Compensation, Governance and Nominating Committee, or CGNC, are to:

- oversee corporate governance for the company;
- review management s succession planning;
- oversee the company s policies and practices to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives;
- establish and administer programs for evaluating the performance of Board members and committees;
- review and evaluate at least annually the performance of the CEO and other executive officers of the company, including setting goals and objectives, and to set their compensation, including incentive awards;
- review the fees and other compensation paid to outside directors for their services on the Board and its committees; and
- identify and recommend to the Board candidates for election to the Board.

All of the members of the CGNC are independent under the listing standards of the NYSE, including those rules applicable to board and committee service, and the company s standards of independence described under the heading Independence of Directors. In addition, each member of the CGNC is a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and is an outside director as defined under Section 162(m) of the Internal Revenue Code.

Compensation Processes and Procedures

Role of the Compensation, Governance and Nominating Committee

As part of its duties, there are a number of activities the CGNC undertakes each year in reviewing the operation and effectiveness of PPL s compensation programs. One of the primary roles of the CGNC is to approve the compensation of each of our executive officers, including the named executive officers, or NEOs, included in this proxy statement.

The CGNC has the exclusive authority to grant equity awards to executive officers and delegates specified administrative functions to certain officers, including the CEO and the Chief Human Resources Officer, or CHRO. The CGNC has strategic and administrative responsibilities for our executive compensation arrangements, including the design of, and adoption of performance measures and award opportunities for, the executive incentive programs. The CGNC regularly reviews the company s executive compensation program and practices, monitors new rules and regulations and assesses evolving best practices concerning executive compensation and corporate governance. A key concern of the CGNC is to ensure that PPL compensates executive officers effectively and in a manner consistent with our stated compensation and corporate strategies.

The Chair of the CGNC determines the agenda for committee meetings, with the assistance of the CHRO, who serves as the liaison to the CGNC. Meetings of the CGNC are attended by a representative of Frederic W. Cook & Co., Inc., or FW Cook, the committee s independent compensation consultant, the CEO, the CHRO, the General Counsel and other representatives of management as appropriate. The CGNC regularly meets in executive session, without management present. The Chair reports the CGNC s actions to the Board after each committee meeting. Each year, the CGNC determines the elements of compensation and the financial and other measures to be used to measure performance for the upcoming year, as well as sets annual goals and targets for each executive officer, including the NEOs. The CGNC evaluates the performance and leadership of the CEO, seeking input from all independent directors, and reviews the performance of the other executive officers against their established goals and objectives. Based on these evaluations, the CGNC determines and approves the annual compensation of the executive officers.

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Role of Advisers to the Committee

Independent Advisers. The CGNC has retained FW Cook as its independent compensation consultant since July 1, 2014. FW Cook provides additional information to the CGNC so that the CGNC can determine whether the company s executive compensation program is reasonable and consistent with competitive practices. A representative of FW Cook regularly participates in CGNC meetings, providing expertise and guidance as to executive compensation program design, market trends and best pay practices.

The CGNC regularly requests FW Cook to provide the following information and analyses:

- Utility Industry Executive Compensation Trends provides a report on current trends in utility industry executive compensation.

- Director Pay Analysis reviews the pay program for PPL s non-employee directors relative to a group of utility companies and to a broad spectrum of general industry companies.

- Executive Compensation Analysis provides a review of compensation for the executive officer positions at PPL, including each of the NEOs. This review includes information for both utility and general industry, and it results in a report on the compensation of executive officers and competitive market data. A detailed discussion of the competitive market comparison process is provided in the CD&A, beginning on page 27.

Annually, the CGNC requests that FW Cook present emerging issues and trends in executive compensation among the largest U.S. utilities at its July meeting and provide a detailed analysis of competitive pay levels and practices at its year-end meeting. The CGNC uses this analysis to provide a general understanding of current market practices when it assesses performance and considers salary levels and incentive awards at its January meeting following the conclusion of the performance year.

Additionally, management may request data analyses, market assessment or other information in order to assist in the administration of the executive compensation programs, including competitive analyses on new executive positions and recommendations that the CEO may make to the CGNC concerning executive compensation other than his own. For all matters, however, FW Cook reports to the CGNC rather than management.

Although the CGNC considers analysis and advice from its independent consultant when making compensation decisions for the CEO and other NEOs, it uses its own independent judgment in making final decisions concerning compensation paid to the executive officers. The CGNC has the full authority to retain and terminate the services of FW Cook.

The CGNC annually reviews and approves total expenditures paid to the independent compensation consultant. FW Cook and its affiliates did not provide any services to the company or any of the company s affiliates other than advising the CGNC on director and executive officer compensation during 2018. In addition, the CGNC evaluates whether any work provided by FW Cook may present a conflict of interest, and for 2018, determined that there was no conflict of interest.

Internal Advisers. The CGNC can seek the input of management to inform decision-making. Each year, senior management develops a strategic business plan, which includes recommendations on the proposed goals for the annual cash incentive and long-term incentive programs. The CGNC takes this into account when establishing and setting all incentive goals for executive officers.

The CGNC may choose to invite certain members of management to attend meetings or contribute written materials. Such individuals may review and comment on market compensation data, including the composition of market comparison groups and the description of comparable officer positions. They may also present proposals relating to the executive compensation program and policies for review and approval by the CGNC, including base salary, performance goals and goal weightings for short-term and long-term incentive awards, and the mix of compensation components for each executive officer. No individual is present when matters pertaining to their own compensation are being discussed, and neither the CEO nor any of the other executive officers discusses their own compensation with the CGNC or the CGNC s independent compensation consultant.

Director Nomination Process and Proxy Access

The CGNC establishes guidelines for new directors and evaluates director candidates. In considering candidates, the CGNC seeks individuals who possess strong personal and professional ethics, high standards of integrity and values,

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independence of thought and judgment and who have senior corporate leadership experience. The Board believes that prior business experience at a senior executive level is strongly desired, and it seeks candidates who have diverse experience relevant to serving on the Board, such as financial, operating, executive management, technology and regulated industry experience.

In addition, the CGNC seeks individuals who have a broad range of demonstrated abilities and accomplishments beyond corporate leadership. These abilities include the skill and expertise sufficient to provide sound and prudent guidance with respect to all of the company s operations and interests. While the CGNC does not have a formal diversity policy, in selecting a director nominee, the CGNC considers skills, expertise, background, professional experience, education, and other individual characteristics, such as race, gender and ethnicity, as well as a variety of attributes that contribute to the Board s collective strength. Finally, the CGNC seeks individuals who are capable of devoting the required amount of time to serve effectively, including preparation time and attendance at Board, committee and shareowner meetings.

Nominations for the election of directors may be made by the Board of Directors, the CGNC or any shareowner entitled to vote in the election of directors generally. The CGNC screens all candidates in the same manner regardless of the source of the recommendation. The CGNC s review is typically based on any written materials provided with respect to a candidate. The CGNC determines whether a candidate meets the company s general qualifications and specific qualities and skills sought at that time for directors and whether requesting additional information or an interview is appropriate.

When considering whether the Board s directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities effectively in light of the company s business and structure, the Board focused primarily on the information discussed in each of the Board members biographical information set forth beginning on page 5, their past contributions to the company s success and their expected future engagement and contributions in furtherance of PPL s strategic goals. Ms. Wood was recommended by the CGNC after it considered a group of potential candidates provided by advisers of the company and utilized services from a third-party search firm in connection with her nomination.

If the CGNC or management identifies a need to add a new Board member to fulfill a special requirement or to fill a vacancy, the CGNC may retain a third-party search firm to identify a candidate or candidates. The CGNC also seeks prospective nominees through personal referrals and independent inquiries by directors. Once the CGNC has identified a prospective nominee, it generally requests the third-party search firm to gather additional information about the prospective nominee s background and experience. The CEO, the chair of the CGNC and other members of the CGNC, as well as additional directors, if available, then interview the prospective candidate in person. After completing the interview and evaluation process, which includes evaluating the prospective nominee against the standards and qualifications set out in the company s *Guidelines for Corporate Governance*, the CGNC makes a recommendation to the full Board as to any persons who should be nominated by the Board. The Board then votes on whether to approve the nominee after considering the recommendation and report of the CGNC.

The Board of Directors adopted proxy access in 2015. Pursuant to the Bylaws, a shareowner, or a group of up to 25 shareowners, owning 3% or more of PPL s outstanding common stock continuously for at least three years, may nominate, and include in PPL s proxy materials, directors constituting up to the greater of (1) 20% of the Board or (2) two directors, provided that the shareowner(s) and the nominee(s) satisfy the requirements specified in the Bylaws.

Shareowners interested in recommending nominees for directors should submit their recommendations in writing to:

Corporate Secretary

PPL Corporation

Two North Ninth Street

Allentown, Pennsylvania 18101

In order to be considered, we must generally receive nominations by shareowners at least 75 days prior to the 2020 Annual Meeting. In order to be included in our proxy statement under the proxy access provisions of our Bylaws, the nominations must be received by the company no earlier than November 5, 2019 and no later than December 5, 2019.

The nominations must also contain the information required by our Bylaws, such as the name and address of the shareowner making the nomination and of the proposed nominees and certain other information concerning the shareowner and the nominee. The exact procedures for making nominations are included in our Bylaws, which can be found at the Corporate Governance section of our website *(www.pplweb.com/governance).*

Succession Planning

CEO and Other Management Succession

At least annually, consistent with its charter, the CGNC reviews the company s plan for management succession, both in the ordinary course of business and in response to emergency situations, recognizing the importance of continuity of leadership to ensure a smooth transition for its employees, customers and shareowners. As part of this process, the CGNC reviews the top and emerging talent internally, their level of readiness and development needs. This process is conducted not only for the CEO position but also for other critical senior level positions in the company. The CGNC also reviews external successor candidates for the CEO position, with assistance periodically from an independent third-party consultant.

Lead Director Succession

Annually, the Chairman and the Chair of the CGNC also review Lead Director succession. The review covers key skills and competencies of the Lead Director position, the risk of loss of the current Lead Director, an assessment of the current board members relative to key skills and competencies and the identification of potential Lead Director successors. As part of the regular review of attributes and skills for any potential director candidate, they also consider possible qualification as a future Lead Director in the succession pipeline.

Compensation Committee Interlocks and Insider Participation. During 2018, none of the members of the CGNC was an officer or employee of the company, and no executive officer of PPL served on the compensation committee or board of any company while that company employed any member of the CGNC.

Executive Committee. During periods between Board meetings, the Executive Committee may exercise all of the powers of the Board of Directors, except that the Executive Committee may not elect directors, change the membership of or fill vacancies in the Executive Committee, fix the compensation of the directors, change the Bylaws or take any action restricted by the Pennsylvania Business Corporation Law or the Bylaws (including actions committed to another Board committee).

Finance Committee. The principal functions of the Finance Committee are to:

- review and approve annually the business plan (for not less than three years), which includes the annual financing plan, as well as the five-year capital expenditure plan for the company and its subsidiaries;

- approve company financings, guarantees or other credit or liquidity support in excess of $100 million, to the extent not contemplated by the annual financing plan approved by the Finance Committee;

- approve reductions of the outstanding securities of the company in excess of $100 million;
- authorize capital expenditures in excess of $100 million;
- authorize acquisitions and dispositions in excess of $100 million; and
- review, approve and monitor the policies and practices of the company and its subsidiaries in managing financial risk.

All of the members of this committee are independent within the meaning of the listing standards of the NYSE and the company s standards of independence described above under the heading Independence of Directors.

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THE BOARD S ROLE IN RISK OVERSIGHT

Overview. The Board, together with its committees, and with the aid and input of our senior management and professional advisors, oversees the company s risk management practices. The Board regularly reviews the material risks associated with the company s business plans and activities as part of its consideration of the ongoing operations and strategic direction of the company.

While systemic risk oversight is a function of the full Board, the Board recognizes that material risks may arise from or impact multiple areas of the organization. As such, the Board retains primary oversight of certain risks, including strategic, operational, legal, regulatory, cyber-related and physical security risks, and tasks its Audit Committee, Finance Committee and CGNC with principal oversight of the company s management of material risks within each respective committee s areas of responsibility. In turn, each committee reports to the Board regularly, including with respect to material risks within its purview, fostering awareness and communication of significant matters among all directors, and promoting a coordinated approach to risk oversight.

At meetings of the Board and its committees, directors receive updates from management regarding our risk profile and risk management activities. Outside of formal meetings, the Board, its committees and individual Board members have full access to senior executives and other key employees, including the CEO, CFO, General Counsel, Global Chief Compliance Officer, Chief Information Security Officer, or CISO, Vice President-Corporate Audit and Senior Director of Risk Management, or SDRM. In addition, the Board, and each committee, may request information from the company s professional advisors or engage its own independent advisors.

Oversight by the Audit Committee. The Audit Committee assists the Board in its oversight of the identification and management of certain broad-based enterprise risks. More specifically, the Audit Committee periodically reviews the company s enterprise risk management program, including its processes for identifying, assessing and managing business risks and exposures, as well as formulating related guidelines and policies. To assist the Audit Committee in its oversight activities, the Vice President-Corporate Audit, who reports directly to the Audit Committee, and the Global Chief Compliance Officer, as well as their respective teams, the SDRM and the Risk Management group, and the CISO provide periodic reports to the Audit Committee, or the full Board, regarding key risk exposures and mitigation strategies.

Risks identified through the company s enterprise risk management function may be overseen directly by the Audit Committee or, when appropriate, by another committee or escalated to the full Board. The Audit Committee regularly reviews risk management activities related to our financial statements and disclosures, certain legal and compliance matters, tax, information technology, transition of the utility sector, and other key areas. The Audit Committee also periodically meets in executive session with representatives from Deloitte & Touche LLP, the company s independent registered public accounting firm, the CFO, the General Counsel, the Vice President and Controller, the Global Chief

Compliance Officer and the Vice President-Corporate Audit.

Oversight by the Finance Committee. The Finance Committee assists the Board in its oversight of the management of select financial risks to the company, including market risk, credit risk, liquidity risk and currency risk. The Finance Committee reviews and approves the company s annual business and financing plans, as well as any changes to these plans, and oversees the policies and practices employed by the company s Risk Management Committee, which is chaired by the SDRM. The Risk Management Committee and the SDRM serve at the direction of the Finance Committee and are responsible for identifying and managing risks related to capital raising activities, foreign currency hedging and interest rate exposures, as well as monitoring the company s liquidity position and counterparty credit exposure.

Oversight by the CGNC. The CGNC assists the Board in its oversight of risks relating to our compensation programs, human capital management, sustainability, and economic, social, and governance, or ESG, practices and positions. The CGNC regularly considers risks related to the attraction and retention of talent, the design of our compensation programs, and succession planning. Specifically, the CGNC annually reviews management s assessment of whether risks arising from our compensation policies and practices for all employees, including non-executive officers, are reasonably likely to have a material adverse effect on the company. To do so, the CGNC follows a risk assessment process that formally identifies and prioritizes compensation plan features that could induce excessive risk-taking, misstatement of financial results or fraudulent misconduct to enhance an employee s compensation and cause material harm to the company. Based on this detailed risk assessment process, the company has determined that any risks arising from its compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the company.

The CGNC also oversees risks related to the company s governance practices, the composition of the Board, and the identification of qualified individuals to become board members. Management provides periodic updates regarding emerging governance trends and practices, and reports on significant interactions with, and concerns of, shareowners related to our governance profile. More broadly, the CGNC has responsibility for overseeing PPL s practices and positions to further ESG performance and sustainability. PPL s sustainability strategy, commitments and priorities, including climate-related issues, are reviewed by corporate leadership and the CGNC at regularly scheduled meetings. The full Board also receives sustainability updates as significant issues arise.

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COMPENSATION OF DIRECTORS

Annual Retainer. Directors who are company employees do not receive any separate compensation for service on the Board of Directors or committees of the Board. During 2018, our non-employee directors received an annual retainer of $250,000, of which a minimum of $140,000 was mandatorily allocated in quarterly installments to each director s deferred stock account under the Directors Deferred Compensation Plan, or DDCP. The remaining $110,000 portion of the annual retainer was payable in cash in quarterly installments to each director, unless voluntarily deferred to his or her stock account or to his or her deferred cash account under the DDCP (as discussed below with respect to all retainers).

Each deferred stock unit represents the right to receive a share of PPL common stock and is fully vested upon grant but is not paid to the director until after retirement (as discussed below with respect to payments under the DDCP). Deferred stock units do not have voting rights, but accumulate quarterly dividend equivalents, which are reinvested in additional deferred stock units and are also not paid to the director until retirement.

The CGNC assesses the compensation of directors annually and, if applicable, makes recommendations to the Board. As part of this assessment, FW Cook, the CGNC s independent compensation consultant, provides a Director Pay Analysis, which reviews the pay program for PPL s non-employee directors relative to a group of utility companies and to a broad spectrum of general industry companies. Effective January 1, 2018, the CGNC recommended, and the Board authorized, an increase in the annual retainer to the current $250,000 from $235,000 for all non-employee directors. Prior to this change, director compensation had not been increased since January 2015.

Presiding Director Retainer. During 2018, the presiding director, who is also our independent lead director, received an additional annual cash retainer of $30,000, which was payable in quarterly installments unless voluntarily deferred under the DDCP.

Committee Chair Retainers. During 2018, the Audit Committee Chair received an additional annual cash retainer of $25,000, which was payable in quarterly installments unless voluntarily deferred under the DDCP. The CGNC Chair and the Finance Committee Chair each received an additional annual cash retainer of $20,000, which was payable in quarterly installments unless voluntarily deferred under the DDCP. Effective January 1, 2018, the Audit Committee Chair s annual cash retainer was increased to the current $25,000 from $20,000, while the annual cash retainer for the CGNC and Finance Committee Chairs was increased to $20,000 from $15,000.

Other Fees. PPL reimburses each director for usual and customary travel expenses. Directors are not paid meeting fees.

Directors Deferred Compensation Plan. Pursuant to the DDCP, non-employee directors may elect to defer all or any part of their fees or any retainer that is not part of the mandatory stock unit deferrals. Under this plan, directors can defer compensation other than the mandatory deferrals into a deferred cash account or the deferred stock account. The deferred cash account earns a return as if the funds had been invested in one or more of the core investment options offered to employees under the PPL Deferred Savings Plan at Fidelity Investments. These investment accounts include large, mid and small cap index and investment funds, international equity index funds, target date funds, bond funds and a stable value fund, with returns that ranged from -13.13% to 1.98% during 2018. Payment of the amounts allocated to a director s deferred cash account and accrued earnings, together with deferred stock units and accrued dividend equivalents, is deferred until after the director s retirement from the Board of Directors, at which time the deferred cash and stock is disbursed in one or more annual installments for a period of up to 10 years, as previously elected by the director.

Director Equity Ownership Guidelines. The Board requires directors to hold, within five years after their election to the Board, shares of company common stock (including deferred stock units held in the DDCP) with a value of at least five times the annual cash retainer fee. All directors who have been on the Board more than five years were in compliance with their equity ownership guidelines as of December 31, 2018. Mr. Zagalo de Lima and Ms. Wood, who have served on the Board less than five years, are currently on track to meet their equity ownership requirements.

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The following table summarizes all compensation earned during 2018 by our non-employee directors with respect to Board of Directors and committee service.

2018 DIRECTOR COMPENSATION

	Fees Earned or Paid in Cash
Name of Director	Paid in Cash(2)