

PPL Corp
Form DEF 14A
April 03, 2012
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

PPL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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- No fee required.
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(4) Date Filed:

Table of Contents

PPL Corporation

Notice of Annual Meeting

May 16, 2012

and

Proxy Statement

Table of Contents

PPL CORPORATION

Two North Ninth Street

Allentown, Pennsylvania 18101

Notice of Annual Meeting of Shareowners

Time and Date	10:00 a.m., Eastern Daylight Time, on Wednesday, May 16, 2012.
Place	Zoellner Arts Center 420 East Packer Ave. Bethlehem, Pennsylvania
Items of Business	To elect eleven directors, as listed in this Proxy Statement, for a term of one year. To approve the PPL Corporation 2012 Stock Incentive Plan. To ratify the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2012. To conduct an advisory vote to approve named executive officer compensation. To consider one shareowner proposal, if properly presented. 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 29, 2012.
Proxy Voting	It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares by completing and returning your proxy card or by voting on the Internet or by telephone. See details under the headings "General Information - How do I vote as a shareowner of record?" and "How do I vote as a beneficial owner?"

By Order of the Board of Directors,

Robert J. Grey

Senior Vice President,

General Counsel and Secretary

April 3, 2012

Important Notice Regarding the Availability of Proxy

Materials for the Shareowner Meeting to Be Held on May 16, 2012:

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

<http://www.pplweb.com/PPLCorpProxy>

Table of Contents**TABLE OF CONTENTS**

<u>PROXY STATEMENT</u>	1
<u>GENERAL INFORMATION</u>	1
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	6
<u>Nominees for Directors</u>	7
<u>GOVERNANCE OF THE COMPANY</u>	11
<u>Board of Directors</u>	11
<u>Attendance</u>	11
<u>Independence of Directors</u>	11
<u>Executive Sessions: Presiding and Lead Director</u>	12
<u>Board Leadership Structure</u>	12
<u>Guidelines for Corporate Governance</u>	13
<u>Communications with the Board</u>	13
<u>Code of Ethics</u>	13
<u>Board Committees</u>	13
<u>Executive Committee</u>	13
<u>Compensation, Governance and Nominating Committee</u>	14
<u>Compensation Processes and Procedures</u>	14
<u>Director Nomination Process</u>	16
<u>Compensation Committee Interlocks and Insider Participation</u>	17
<u>Finance Committee</u>	17
<u>Nuclear Oversight Committee</u>	18
<u>Audit Committee</u>	18
<u>Report of the Audit Committee</u>	18
<u>The Board's Role in Risk Oversight</u>	20
<u>Compensation of Directors</u>	21
<u>Annual Retainer</u>	21
<u>Committee Chair Retainers</u>	21
<u>Presiding Director Retainer</u>	21
<u>Other Fees</u>	21
<u>Directors Deferred Compensation Plan</u>	21
<u>2011 Director Compensation</u>	22
<u>STOCK OWNERSHIP</u>	23
<u>Directors and Executive Officers</u>	23
<u>Principal Shareowners</u>	24
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	25
<u>TRANSACTIONS WITH RELATED PERSONS</u>	25
<u>EXECUTIVE COMPENSATION</u>	27
<u>Compensation Committee Report</u>	27
<u>Compensation Discussion and Analysis (CD&A)</u>	27
<u>Executive Compensation Tables</u>	54
<u>Summary Compensation Table</u>	54

Table of Contents

<u>Grants of Plan-Based Awards During 2011</u>	56
<u>Outstanding Equity Awards at Fiscal Year-End 2011</u>	58
<u>Option Exercises and Stock Vested in 2011</u>	61
<u>Pension Benefits in 2011</u>	61
<u>Nonqualified Deferred Compensation in 2011</u>	67
<u>Change-in-Control Arrangements</u>	68
<u>Retention Agreements</u>	71
<u>Termination Benefits</u>	71
<u>Severance</u>	72
<u>Employment and Severance Agreement for Mr. Staffieri</u>	73
<u>SERP and PPL Executive Deferred Compensation Plan</u>	74
<u>Annual Cash Incentive Awards</u>	74
<u>Long-term Incentive Awards</u>	75
<u>Potential Payments upon Termination or Change in Control of PPL Corporation</u>	77
<u>PROPOSAL 2: APPROVAL OF THE PPL CORPORATION 2012 STOCK INCENTIVE PLAN</u>	81
<u>PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	90
<u>Fees to Independent Auditor for 2011 and 2010</u>	90
<u>Approval of Fees</u>	91
<u>PROPOSAL 4: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u>	92
<u>SHAREOWNER PROPOSAL</u>	92
<u>PROPOSAL 5: DIRECTOR ELECTION MAJORITY VOTE STANDARD PROPOSAL</u>	93
<u>PPL S STATEMENT IN RESPONSE</u>	93
<u>ANNEX A</u>	A-1
<u>DIRECTIONS TO ANNUAL MEETING</u>	

Table of Contents

PPL CORPORATION

Two North Ninth Street

Allentown, Pennsylvania 18101

Proxy Statement

Annual Meeting of Shareowners

May 16, 2012

10:00 a.m. (Eastern Daylight Time)

We are providing these proxy materials in connection with the solicitation by the Board of Directors of PPL Corporation of proxies to be voted at the company's Annual Meeting of Shareowners to be held on May 16, 2012, and at any adjournment or postponement of the Annual Meeting. Directors, officers and other company employees may also solicit proxies by telephone or otherwise. Brokers, banks and other holders of record will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable expenses. We first released this proxy statement and the accompanying proxy materials to shareowners on or about April 3, 2012.

GENERAL INFORMATION

On what matters am I voting?

There are five proposals scheduled to be voted on at the meeting:

the election of eleven directors for a term of one year, as listed in this proxy statement;

the approval of the PPL Corporation 2012 Stock Incentive Plan;

the ratification of the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2012;

an advisory vote to approve named executive officer compensation; and

the consideration of one shareowner proposal, if properly presented to the meeting.

Who can vote?

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Holders of PPL Corporation common stock as of the close of business on the record date, February 29, 2012, may vote at the Annual Meeting, either in person or by proxy. Each share of PPL Corporation common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What is the difference between holding shares as a shareowner of record and as a beneficial owner?

If your shares are registered directly in your name with PPL Corporation's transfer agent, Wells Fargo Bank, N.A., you are considered, with respect to those shares, the shareowner of record. The Notice of Annual Meeting, Proxy Statement, 2011 Annual Report, proxy card and accompanying documents have been sent directly to you by PPL Corporation.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name, and the shareholder of record of your shares is your broker, bank or other holder of record. The Notice of Annual Meeting, Proxy Statement, 2011 Annual Report, proxy card and accompanying documents have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record to vote your shares by using the

Table of Contents

voting instruction card included in their mailing or by following their instructions for voting by telephone or on the Internet, if offered. The company urges you to instruct your broker, bank or other holder of record on how to vote your shares. Please understand that, if you are a beneficial owner the company does not know that you are a shareowner, or how many shares you own.

How do I vote as a shareowner of record?

If you are a shareowner of record, or registered holder, you can vote by mail, by telephone, on the Internet or in person at the Annual Meeting.

By mail

Be sure to complete, sign and date the proxy card and return it in the postage-paid envelope we have provided. If you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

If the postage-paid envelope is missing, please mail your completed proxy card to PPL Corporation, c/o Shareowner Services, P.O. Box 64873, St. Paul, MN 55164-0873.

By telephone or on the Internet

The telephone and Internet voting procedures we have established are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

By telephone: You can vote by calling the toll-free telephone number on your proxy card. Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

On the Internet: Please access the website indicated on your proxy card and be sure to have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded.

The telephone and Internet voting facilities for shareowners of record will be available 24 hours a day and will close at 11:59 p.m., Central Daylight Time, on May 15, 2012.

In person at the Annual Meeting

You may come to the Annual Meeting and cast your vote there, either by proxy or by ballot. Please bring your admission ticket with you to the Annual Meeting.

If you mail to us your properly completed and signed proxy card, or vote by telephone or on the Internet, your shares of PPL Corporation common stock will be voted according to the choices that you specify. If you sign and mail your proxy card without marking any choices, your proxy will be voted:

FOR the election of all nominees listed for director;

FOR the approval of the PPL Corporation 2012 Stock Incentive Plan;

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FOR the ratification of the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2012;

FOR the advisory vote to approve named executive officer compensation; and

AGAINST the shareowner proposal.

Table of Contents

We do not expect that any other matters will be brought before the Annual Meeting. By giving your proxy, however, you appoint the persons named as proxies as your representatives at the meeting. If an issue comes up for vote at the Annual Meeting that is not included in the proxy material, the proxy holders will vote your shares in accordance with their best judgment.

How do I vote as a beneficial owner?

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive from them. You may vote shares held in street name at the Annual Meeting only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares. Please see the attendance requirements discussed under **Who can attend the Annual Meeting?**

As a participant in the PPL Corporation Employee Stock Ownership Plan, how do I vote shares held in my plan account?

If you are a participant in our Employee Stock Ownership Plan, you have the right to provide voting directions to the plan trustee, Fidelity Investments, by submitting your ballot card for those shares of our common stock that are held by the plan and allocated to your account. Plan participant ballots are treated confidentially. Full and fractional shares credited to your account under the plan as of February 29, 2012 will be voted by the trustee in accordance with your instructions. Participants may not vote in person at the Annual Meeting. Similar to the process for shareowners of PPL Corporation common stock, you may vote by mail, telephone or on the Internet. To allow sufficient time for voting by the trustee of the plan, your ballot must be returned by the close of business on May 11, 2012 if by mail and, if voting by telephone or on the Internet, by 11:59 p.m., Central Daylight Time, on May 11, 2012. Please follow the ballot instructions specific to the participants in the Employee Stock Ownership Plan.

If you do not return your ballot, or return it unsigned, or do not vote by phone or on the Internet, the plan provides that the trustee will vote your shares in the same percentage as shares held by participants for which the trustee has received timely voting instructions. The plan trustee will follow participants' voting directions and the plan procedure for voting in the absence of voting directions, unless it determines that to do so would be contrary to the Employee Retirement Income Security Act of 1974.

May I change or revoke my vote?

Any shareowner giving a proxy has the right to revoke it at any time before it is voted by:

giving notice in writing to our Corporate Secretary, provided such statement is received not later than the close of business on May 15, 2012;

providing a later-dated vote using the telephone or Internet voting procedures; or

attending the Annual Meeting and voting in person.

Will my shares be voted if I do not provide my proxy?

It depends on whether you hold your shares in your own name or as the beneficial owner in the name of a broker, bank or other holder of record. If you hold your shares directly in your own name, they will not be voted unless you provide a proxy or vote in person at the Annual Meeting. Brokerage firms, banks or other holders of record generally have the authority to vote customers' unvoted shares on certain routine matters. For example, if your shares are held in the name of a

Table of Contents

brokerage firm, bank or other holder of record, such firm can vote your shares for the ratification of the appointment of Ernst & Young LLP, as this matter is considered routine under the applicable rules. The company urges you to instruct your broker, bank or other holder of record on how to vote your shares.

Who can attend the Annual Meeting?

If you are a shareowner of record, your admission ticket is enclosed with your proxy card. If you hold shares through the Employee Stock Ownership Plan, your admission ticket is the letter enclosed with your ballot card. You will need to bring your admission ticket, along with picture identification, to the meeting. If you own shares as a beneficial owner (in street name), please bring to the meeting proof of your PPL common stock ownership, such as your most recent brokerage statement, or an ownership confirmation letter from your broker, or a portion of your PPL voting instruction card sent to you by your broker, along with picture identification. PPL will use your brokerage document to verify your ownership of PPL common stock and admit you to the meeting.

What constitutes a quorum?

As of the record date, there were 579,283,630 shares of common stock outstanding, and each share of common stock is entitled to one vote. No shares of preferred stock of the company were outstanding. In order to conduct the Annual Meeting, a majority of the outstanding shares entitled to vote must be present, in person or by proxy, in order to constitute a quorum. If you submit a properly executed proxy card or vote by telephone or on the Internet, you will be considered part of the quorum. Abstentions, broker non-votes and votes withheld from director nominees will be counted as shares present and entitled to vote at the meeting for purposes of determining a quorum. A broker non-vote occurs when a broker, bank or other holder of record who holds shares for another person has not received voting instructions from the beneficial owner of the shares and, under New York Stock Exchange, or NYSE, listing standards, does not have discretionary authority to vote on a proposal.

What vote is needed for these proposals to be adopted?

Election of Directors (Proposal 1)

The nominees receiving the highest number of votes, up to the number of directors to be elected, will be elected. Authority to vote for any individual nominee can be withheld by writing the number, which is beside that person's name in the list of nominees, in the box provided to the right of such list on the accompanying proxy or by following the instructions if voting by telephone or on the Internet.

In any uncontested election of directors (an election in which the number of nominees is the same as the number of directors to be elected), any incumbent director nominee who receives a greater number of votes withheld from his or her election than votes for such election must promptly tender his or her resignation following the final tabulation of shareowner votes. Your Board of Directors will decide whether to accept the resignation within 90 days following the final vote tabulation, through a process managed by the Compensation, Governance and Nominating Committee, excluding any director in question. Thereafter, your Board of Directors promptly will disclose its decision whether to accept the director's resignation (and the reasons for rejecting the resignation, if applicable) in a Form 8-K filed with the Securities and Exchange Commission.

All Other Proposals

Each other matter to be submitted to shareowners requires the affirmative vote of a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class.

Table of Contents

Proposal 1 (election of directors) is not considered a routine matter as to which a broker, bank or other holder of record may vote in their discretion on behalf of clients who have not furnished voting instructions with respect to an uncontested director election. Because the company has a plurality voting standard for the election of directors, broker non-votes and abstentions will not affect the outcome of the vote on this proposal.

Proposals 2, 4 and 5 are non-routine matters under NYSE rules, and brokerage firms, banks or other holders of record are prohibited from voting on each of these proposals without receiving instructions from the beneficial owners of the shares. Broker non-votes will not be considered as votes cast and will have no effect on the outcome of the vote. Abstentions will likewise not be treated as votes cast for purposes of these proposals and will have no effect on the outcome of the vote.

Proposal 3 (ratification of auditors) is considered to be a routine matter under NYSE rules, and brokers, banks or other holders of record may vote in their discretion on behalf of clients who have not furnished voting instructions. Abstentions will not be treated as votes cast and will have no effect on the outcome of the vote on this proposal.

Who conducts the proxy solicitation and how much will it cost?

PPL Corporation will pay the cost of soliciting proxies on behalf of the Board of Directors. In addition to the solicitation by mail, a number of regular employees may solicit proxies in person, over the Internet, by telephone or by facsimile. We have retained Innisfree M&A Incorporated to assist in the solicitation of proxies for the Annual Meeting, and we expect that the remuneration to Innisfree for its services will not exceed \$15,000, plus reimbursement for out-of-pocket expenses. Brokers, dealers, banks and other holders of record who hold shares for the benefit of others will be asked to send proxy material to the beneficial owners of the shares, and we will reimburse them for their expenses.

Who can assist me if I have questions about the annual meeting or need help voting my shares?

Your vote is important! If you need any help voting your shares or have questions about the annual meeting, please call the firm assisting us with the solicitation of proxies:

INNISFREE M&A INCORPORATED

Shareowners may call toll-free at 877-825-8730

Banks and Brokers may call collect at 212-750-5833

How does the company keep voter information confidential?

To preserve voter confidentiality, we voluntarily limit access to shareowner voting records to certain designated employees of PPL Services Corporation. These employees sign a confidentiality agreement that prohibits them from disclosing the manner in which a shareowner has voted to any employee of PPL affiliates or to any other person (except to the Judges of Election or the person in whose name the shares are registered), unless otherwise required by law.

What is householding, and how does it affect me?

Beneficial owners of common stock in street name may receive a notice from their broker, bank or other holder of record stating that only one proxy statement and/or other shareowner communications and notices will be delivered to multiple security holders sharing an address. This practice, known as householding, will reduce PPL's printing, shipping and postage costs. Beneficial owners who participate in householding will continue to receive separate proxy forms.

Table of Contents

If any beneficial owner wants to revoke consent to this practice and wishes to receive his or her own documents and other communications, however, then he or she must contact the broker, bank or other holder of record with a notice of revocation. Any shareowner may obtain a copy of such documents now or in the future from PPL promptly upon request to the address and phone number for PPL listed on the back cover page of this proxy statement. If beneficial owners sharing an address wish to receive single copies of such materials in the future, they should contact their broker, banker or other holder of record.

When are the 2013 shareowner proposals due?

To be included in the proxy material for the 2013 Annual Meeting, any proposal intended to be presented at that Annual Meeting by a shareowner must be received by the Secretary of the company in writing no later than December 4, 2012:

Corporate Secretary's Office

PPL Corporation

Two North Ninth Street

Allentown, Pennsylvania 18101

To be properly brought before the Annual Meeting, any other proposal must be received no later than 75 days in advance of the date of the 2013 Annual Meeting.

PROPOSAL 1: ELECTION OF DIRECTORS

Eleven members of our Board are standing for re-election, 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, but, if 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 these nominees, unless you indicate otherwise on the proxy or ballot card.

The following pages contain biographical information about the nominees. See also [Director Nomination Process](#) on page 16 regarding information concerning the particular experience, qualifications, attributes and/or skills that led the Compensation, Governance and Nominating Committee 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 with additional board leadership and governance experience, exposure to best practices, and substantial knowledge and skills that further enhance the functioning of our Board.

Table of Contents

Nominees for Directors:

FREDERICK M. BERNTHAL, 69, is the retired President of Universities Research Association (URA), a position he held from 1994 until March 2011. Located in Washington, D.C., URA is a consortium of 87 research universities engaged in the construction and operation of major research facilities on behalf of the U.S. Department of Energy and the National Science Foundation. Dr. Bernthal served from 1990 to 1994 as Deputy Director of the National Science Foundation, from 1988 to 1990 as Assistant Secretary of State for Oceans, Environment and Science, and from 1983 to 1988 as a member of the U.S. Nuclear Regulatory Commission. He received a Bachelor of Science degree in chemistry from Valparaiso University and a Ph.D. in nuclear chemistry from the University of California at Berkeley. Dr. Bernthal is chair of the Nuclear Oversight Committee and a member of the Audit and Executive Committees. He has been a director since 1997.

JOHN W. CONWAY, 66, is Chairman of the Board, President and Chief Executive Officer of Crown Holdings, Inc. of Philadelphia, Pennsylvania, a position he has held since 2001. Prior to that time, he served as President and Chief Operating Officer. 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. He received his B.A. in Economics from the University of Virginia and his law degree from Columbia Law School. He is a member of the Executive and Finance Committees. He also serves as the lead director and presiding director who chairs executive sessions of the independent directors. He has been a director since 2000.

STEVEN G. ELLIOTT, 65, 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 had 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. He served as a director of Mellon Financial Corporation from 2001 until the July 2007 merger and then as a director of BNY Mellon through July 2008. He also serves as a director of Huntington Bancshares Incorporated and AllianceBernstein Corporation. Mr. Elliott earned a bachelor's degree in finance from the University of Houston and a master's degree in business administration from Northwestern University's Kellogg School of Management. He is a certified public accountant. He also serves on the board of the Pittsburgh Cultural Trust. He is chair of the Audit Committee and a member of the Finance Committee and has been a director since January 2011.

Table of Contents

LOUISE K. GOESER, 58, is President and Chief Executive Officer of Grupo Siemens S.A. de C.V. and is responsible for Siemens Mesoamérica. Siemens Mesoamérica is the Mexican, Central American and Caribbean unit of multinational Siemens AG, a global engineering company operating in the industry, energy and healthcare sectors. Before accepting this position in March 2009, Ms. Goeser served as President and Chief Executive Officer of Ford of Mexico from January 2005 until November 2008. Ford of Mexico manufactures cars, trucks and related parts and accessories. Prior to this position, she served as Vice President, Global Quality for Ford Motor Company, a position she had held since 1999. In that position, she was responsible for ensuring superior quality in the design, manufacture, sale and service of all Ford cars, trucks and components worldwide. Prior to 1999, she served as Vice President for Quality at Whirlpool Corporation, and served in various leadership positions with Westinghouse Electric Corporation. Ms. Goeser received a bachelor's degree in mathematics from Pennsylvania State University and a master's degree in business administration from the University of Pittsburgh. She also serves as a director of MSC Industrial Direct Co., Inc. and of HSBC Mexico. She is a member of the Compensation, Governance and Nominating Committee and has been a director since 2003.

STUART E. GRAHAM, 66, retired in April 2008 as President and Chief Executive Officer of Sweden-based Skanska AB, an international project development and construction company. He continued to serve as chairman of Skanska USA Inc., a U.S. subsidiary, until May of 2011. Mr. Graham was named President and CEO of Skanska AB and was elected to its board of directors in 2002. From 2000 to 2002, Mr. Graham served as executive vice president and as a member of the senior executive team of Skanska AB. Mr. Graham's career includes more than four decades of experience in the infrastructure and construction industry, including executive management responsibilities for Skanska's business units in the United States, the United Kingdom, Hong Kong and South America. He is past chairman of the Engineering and Construction Governors Council of the World Economic Forum and founded the Engineering and Construction Risk Institute. He also serves as a member of the board of directors of Harsco Corporation, Industrivärden AB and Skanska AB, and formerly served on the Board of Securitas AB. Mr. Graham graduated from Holy Cross College with a B.S. in economics. He is a member of the Compensation, Governance and Nominating Committee, the Executive Committee and the Nuclear Oversight Committee. He has been a director since 2008.

STUART HEYDT, 72, retired in 2000 as Chief Executive Officer of the Geisinger Health System, a nonprofit healthcare provider, a position he held since 1991. He is past president and a Distinguished Fellow of the American College of Physician Executives. Dr. Heydt attended Dartmouth College and received an M.D. from the University of Nebraska. He is a member of the Audit, Compensation, Governance and Nominating, Executive and Nuclear Oversight Committees. Dr. Heydt has been a director since 1991.

Table of Contents

RAJA RAJAMANNAR, 50, is Executive Vice President, Senior Business, and Chief Transformation Officer of WellPoint, Inc., one of the nation's largest health benefits companies. Prior to joining WellPoint in March of 2012, he served as Senior Vice President & Chief Innovation and Marketing Officer for Humana Inc., a health care 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. Mr. Rajamannar served as Executive Vice President and Chief Marketing Officer of the Global Cards division of Citigroup from 2006 to 2008, managing the bank's value, cash and rewards businesses, as well as the automotive and telecommunications sectors. He also headed the new product development and new payment technologies groups. From 2004 to 2006, he was Chairman and Chief Executive Officer of Diners Club North America. From 1994 to 2004, he served in other senior marketing and sales positions at Citigroup in London and Dubai. 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. Mr. Rajamannar earned a bachelor of technology degree in chemical engineering from Osmania University in Hyderabad, India, and a master's degree in business administration from the Indian Institute of Management in Bangalore, India. He is a member of the Audit and Finance Committees. Mr. Rajamannar has been a director since July 2011.

CRAIG A. ROGERSON, 55, is Chairman, President and Chief Executive Officer of Chemtura Corporation, a position he has held since December 2008. Chemtura, located in Middlebury, Connecticut, is a global manufacturer and marketer of specialty chemicals, crop protection and pool, spa and home care products. 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. Located in Wilmington, Delaware, 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, including president of the FiberVisions and Pinova Divisions, Vice President of Global Procurement and Chief Operating Officer. Mr. Rogerson serves on the boards of the American Chemistry Council and the Society of Chemical Industry. He holds a chemical engineering degree from Michigan State University. He is chair of the Compensation, Governance and Nominating Committee, and is also a member of the Executive and Nuclear Oversight Committees. He has been a director since 2005.

Table of Contents

WILLIAM H. SPENCE, 55, is Chairman, President and Chief Executive Officer of PPL Corporation. Prior to his current 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 of 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. He served as Senior Vice President of Pepco Holdings from August 2002 and as Senior Vice President of Conectiv Holdings since September 2000. He joined Delmarva Power in 1987 in that company's regulated gas business, where he held various management positions before being named Vice President of Trading in 1996. Mr. Spence also serves on the boards of several wholly owned subsidiaries of PPL Corporation. Mr. Spence earned a bachelor's degree in petroleum and natural gas engineering from Penn State University and a master's degree in business administration from Bentley College. He is chair of the Executive Committee and chair of the Corporate Leadership Council, an internal committee comprised of the senior officers of PPL Corporation. Mr. Spence has been a director since November 2011.

NATICA VON ALTHANN, 61, is currently a founding partner of C&A Advisors, a consulting firm in the financial services and risk management areas. She retired in June 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, Ms. von Althann served as managing director at IQ Venture Partners, an investment banking boutique. Previously, she 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 earned a bachelor's degree in political science from Bryn Mawr College and completed master's level work in Iberian and Latin American history at the University of Cologne, Germany. She serves as a director of TD Bank, N.A. and also serves on the board of Neighbors Link, a nonprofit organization in Mt. Kisco, New York. She is chair of the Finance Committee and is a member of the Audit and Nuclear Oversight Committees. She has been a director since 2009.

KEITH H. WILLIAMSON, 59, is Senior Vice President, Secretary and General Counsel of Centene Corporation, a position he has held since 2006. Centene Corporation is located in St. Louis, Missouri and is a multi-line healthcare enterprise that provides programs and related services to individuals receiving benefits under Medicaid, including Supplemental Security Income and the State Children's Health Insurance Program. He previously served as President of the Capital Services Division of Pitney Bowes Inc., a position he held since 1999. Pitney Bowes is a global provider of integrated mail, messaging and document management solutions headquartered in Stamford, Connecticut. Mr. Williamson joined Pitney Bowes in 1988 and held a series of positions in the company's tax, finance and legal operations, including oversight of the treasury function and rating agency activity. Mr. Williamson earned a B.A. from Brown University, a J.D. and M.B.A. from Harvard University and an LL.M. in taxation from New York University Law School. He is a member of the Finance Committee and has been a director since 2005.

Your Board of Directors recommends that shareowners

vote FOR Proposal 1, the election of these nominees for director

Table of Contents

GOVERNANCE OF THE COMPANY

Board of Directors

Attendance. The Board of Directors met seven times during 2011. 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 2011 was 96%. Directors are expected to attend all meetings of shareowners, the Board, and the Committees on which they serve. All 10 of our then-serving directors attended the 2011 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 NYSE listing standards. In addition to applying these guidelines, which are summarized below and are available in the Corporate Governance section of our website (www.pplweb.com/about/corporate+governance), the Board considers all relevant facts and circumstances in making an independence determination. The Board determined that the following 10 directors (constituting all of PPL's non-employee directors) are independent from the company and management pursuant to its independence guidelines: Drs. Bernthal and Heydt, Messrs. Conway, Elliott, Graham, Rajamannar, Rogerson and Williamson, and Mmes. Goeser and von Althann.

In reaching this conclusion, the Board considered transactions and relationships between each director or any member of his or her immediate family and the company and its subsidiaries. From time to time, our subsidiaries have transacted business in the ordinary course with companies with which several of our directors are or were affiliated. In particular, with respect to each of the most recent three completed fiscal years, the Board considered that each of Mr. Conway and Mr. Rajamannar was an officer of a company with which PPL has engaged in business transactions in the ordinary course. The Board reviewed all transactions with each of these companies and determined that the annual amount of revenues received by PPL, with respect to Mr. Conway, or by Mr. Rajamannar's company in each fiscal year was significantly below one percent of the consolidated gross revenues of PPL and each of these companies. As part of its determination, the Board also considered that the transactions were competitively bid.

The Board determined that all of these relationships were immaterial. Under the categorical standard of independence that the Board adopted for the company, business transactions between the company (and its subsidiaries) and a director's employer or the employer of the director's immediate family member, as defined by the rules of the NYSE, not involving more than two percent of the employer's consolidated gross revenues in any fiscal year, will not impair the director's independence. All of the transactions considered were significantly below one percent of the consolidated gross revenues of any of the companies involved.

Also, pursuant to NYSE standards, a director is not independent from the company and management if, within the last three years, the director or an immediate family member of the director:

is or has been an employee of the company (and its subsidiaries), in the case of the director, or is or has been an executive officer of the company (and its subsidiaries), in the case of an immediate family member of the director;

has received more than \$120,000 in direct compensation from the company (and its subsidiaries) during any 12-month period (excluding director or committee fees);

is or was a partner or employee of any of the auditors of the company, subject to certain exceptions;

is or was employed as an executive officer of another company where any of the company's present executive officers at the same time serves or served on the other company's compensation committee; or

Table of Contents

is a current employee, in the case of the director, or is a current executive officer, in the case of an immediate family member, of a company that has made payments to, or received payments from, our company for property or services in an amount which exceeds the greater of \$1 million, or two percent of such other company's consolidated gross revenues.

In addition to the independence requirements set forth above, the Board evaluates additional independence requirements under applicable Securities and Exchange Commission, or SEC, rules for directors who are members of the audit committee. If a director is considered independent pursuant to the standards set forth above, the director also will be deemed to be independent for purposes of being a member of our Audit Committee if:

the director does not directly or indirectly, including through certain family members, receive any consulting, advisory or other compensatory fee from the company (and its subsidiaries) except in such person's capacity as a director or committee member; and

the director is not an affiliated person of the company (or any of its subsidiaries), meaning that the director does not directly or indirectly (through one or more intermediaries) control, is not controlled by or is not under common control with the company (and its subsidiaries), all within the meaning of applicable securities laws.

Executive Sessions; Presiding and Lead Director. The independent directors meet in regular executive sessions during each Board meeting without management present. Effective May 18, 2011, the Board designated Mr. Conway as the presiding director to chair these executive sessions. Mr. Conway also serves as the lead director of the Board.

E. Allen Deaver, who retired from the Board on May 18, 2011, served as the presiding and lead director prior to his retirement.

Board Leadership Structure. The positions of Chairman and Chief Executive Officer, or CEO, are held by Mr. Spence. Mr. Conway has served as an independent lead director since May 2011. 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. Of our 11 directors, 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 the 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 if it were 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;

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;

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; and

Table of Contents

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

The Corporate Secretary's Office, together with any other key employees requested by the lead director, provides support to the lead director in fulfilling his role.

Guidelines for Corporate Governance. You can find the full text of our *Guidelines for Corporate Governance* in the Corporate Governance section of our website (www.pplweb.com/about/corporate+governance).

Communications with the Board. Shareowners or other parties interested in communicating with the lead director, with the Board or with the independent directors as a group may write to the following address:

The Lead Director or the Board of Directors

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 auditing matters are to be brought immediately to the attention of the company's Office of Business Ethics and Compliance 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 are 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* in the Corporate Governance section of our website (www.pplweb.com/about/corporate+governance).

Board Committees

The Board of Directors has five standing committees:

the Executive Committee;

the Compensation, Governance and Nominating Committee;

the Finance Committee;

the Nuclear Oversight Committee; and

the Audit 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/about/corporate+governance).

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

Table of Contents

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). The Executive Committee met six times in 2011. The members of the Executive Committee are Mr. Spence (chair), Drs. Bernthal and Heydt, and Messrs. Conway, Graham and Rogerson. Mr. Miller retired from the Board on March 31, 2012, and Mr. Spence was appointed to the Executive Committee effective April 1, 2012.

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

to review and evaluate at least annually the performance of the chief executive officer and other senior officers of the company and its subsidiaries, and to set their remuneration, including incentive awards;

to review management's succession planning;

to identify and recommend to the Board of Directors candidates for election to the Board;

to review the fees paid to outside directors for their services on the Board of Directors and its Committees;

to establish and administer programs for evaluating the performance of Board members; and

to develop and recommend to the Board corporate governance guidelines for the company.

All of the members of the CGNC 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." 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 in Section 162(m) of the Internal Revenue Code. This committee met five times in 2011. The members of the CGNC are Mr. Rogerson (chair), Ms. Goeser, Mr. Graham and Dr. Heydt. Mr. Rogerson became the chair in May 2011.

Compensation Processes and Procedures

Decisions regarding the compensation of our executive officers are made by the CGNC. Specifically, the CGNC has strategic and administrative responsibility for a broad range of issues, including ensuring that we compensate executive officers effectively and in a manner consistent with our stated compensation strategy. The CGNC also oversees the administration of our executive compensation plans, including the design of, and performance measures and award opportunities for, the executive incentive programs, and some employee benefits.

The CGNC periodically reviews executive officer compensation to ensure that compensation is consistent with our compensation philosophy, company and personal performance, changes in market practices and changes in an individual's responsibilities. At the CGNC's January in-person meeting each year, the CGNC reviews the performance of executive officers and makes awards for the just-completed calendar year.

To assist in its efforts to meet the objectives outlined above, the CGNC retains Pay Governance, LLC, an independent consulting firm, to advise it on a regular basis on executive compensation programs. Pay Governance provides additional information to the CGNC so that it can determine whether the company's executive compensation programs are reasonable and consistent with competitive practices. Representatives of Pay Governance regularly participate in CGNC meetings and provide advice as to compensation trends and best practices, plan design and competitive market comparisons.

Table of Contents

The CGNC regularly engages Pay Governance to provide the following information and analyses:

Utility Industry Executive Compensation Trends Presentation 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 all of the named executive officers. This review includes both utility and general industry medians, 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 below, in Compensation Discussion and Analysis Market Compensation Analysis.

Change in Control Analysis conducted annually to prepare calculations of severance benefit and tax gross-up values for named executive officers for disclosure in the proxy statement (see Termination Benefits beginning on page 71 and Potential Payments upon Termination or Change in Control of PPL Corporation table on page 77).

Additionally, management may request analyses or information from Pay Governance in order to assist it in the administration of the executive compensation programs, including competitive analysis on new executive positions and valuation support for the company's stock award program such as Black-Scholes calculations for stock options and the valuation of performance unit grants for accounting purposes.

The vice president of Human Resources and Services is management's liaison to the CGNC, and his staff provides support for the CGNC and regularly interacts with Pay Governance.

Annually, the CGNC requests that Pay Governance present emerging issues and trends in executive compensation among the largest U.S. utilities at its July meeting and continues with 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 performance year.

Based on a business plan approved by the Board of Directors, the CGNC considers the related goals for the annual cash incentive program and the long-term incentive program for the upcoming year, based on industry and market conditions and other factors. All incentive goals for executive officers are reviewed and approved by the CGNC.

The CGNC has the authority to review and approve annually the compensation structure, including goals and objectives, of the chief executive officer, or CEO, and other executive officers who are subject to Section 16 of the Exchange Act, including all of the executive officers named in this proxy statement. The CEO reviews with the CGNC his evaluation of the performance and leadership of: (1) the executive officers who report directly to him, including the presidents of the major business lines; and (2) the treasurer and the controller, with input from the chief financial officer. The CEO presents his compensation recommendations to the CGNC, and based in large part on such recommendations, the CGNC approves the annual compensation, including salary, incentive compensation and other remuneration of such executive officers. In preparing his recommendations, the CEO may discuss his evaluations and potential recommendations with the vice president of Human Resources and Services and representatives of Pay Governance. The CEO does not discuss his own compensation with Pay Governance or with the CGNC.

The CGNC manages a process for the Board of Directors to evaluate our CEO. Each director, other than the CEO, completes an evaluation of the CEO and submits the evaluation to the Chair of the

Table of Contents

CGNC. The evaluation is presented to the outside directors of the Board and discussed at the January meeting.

A summary evaluation is compiled by the Chair of the CGNC, who then discusses the evaluation with the CEO. The CGNC determines the CEO's salary and incentive awards at its January meeting, based on the Board's evaluation.

The Board of Directors, with recommendations from the CGNC, determines the amount and form of director compensation. Pay Governance also assists the CGNC with this determination.

The CGNC has retained Pay Governance to provide executive compensation consulting services as an independent consultant. The CGNC annually reviews and approves total expenditures paid to Pay Governance.

Director Nomination Process

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, independence of thought and judgment and who have senior corporate leadership experience. The company believes that prior business experience is valuable, and it seeks candidates who have certain prior experience relevant to serving on the Board, such as financial, operating and nuclear.

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. The CGNC believes that, while diversity and variety of experiences and viewpoints represented on the board should always be considered, a director nominee should not be chosen solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the CGNC focuses on skills, expertise or background that would complement the existing board, recognizing that the company's businesses and operations are diverse and global in nature. Our directors come from diverse backgrounds including industrial, financial, non-profit and healthcare. 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 the candidate. The CGNC determines whether the candidate meets the company's general qualifications and specific qualities and skills for directors and whether requesting additional information or an interview is appropriate.

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 usually retains a third-party search firm to identify a candidate or candidates. The CGNC seeks prospective nominees through personal referrals, independent inquiries by directors and search firms. 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, if available, then interview the prospective candidates 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 the 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.

Table of Contents

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' or nominees' biographical information set forth on pages 7 to 10. In particular, in connection with the nominations of each director for election as directors at the 2012 Annual Meeting of Shareowners, the Board considered their contributions to the company's success during their previous years of Board service. With regards to Dr. Bernthal, the Board considered his service with the U.S. Nuclear Regulatory Commission and his governmental and leadership experience. For Mr. Conway, the Board considered his general business background and his leadership expertise as a CEO of a publicly traded company. With regards to Mr. Elliott, the Board considered his broad experience in the financial services industry, and his accounting and risk management expertise. For Ms. Goeser, the Board considered her leadership and business experience in a variety of industry and international positions. With regards to Mr. Graham, the Board considered his international construction and development experience, as well as his leadership skills from serving as a CEO of a publicly traded company. For Dr. Heydt, the Board considered his business experience and leadership expertise from serving as CEO of a large healthcare system. With regards to Mr. Rajamannar, the Board considered his general business and marketing experience in a variety of industry and senior executive positions. For Mr. Rogerson, the Board considered his general business background and his leadership expertise as a CEO of several publicly traded companies. With regards to Mr. Spence, the Board considered his broad-ranging operating experience in the energy industry, as well as his leadership skills. For Ms. von Althann, the Board considered her financial and risk management experience, as well as senior management experience. With regards to Mr. Williamson, the Board considered his general business, finance and legal background.

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 receive nominations by shareowners at least 75 days prior to the 2013 Annual Meeting. 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/about/corporate+governance).

Compensation Committee Interlocks and Insider Participation. None of the members of the CGNC during 2011 or as of the date of this proxy statement is or has been an officer or employee of the company, and no executive officer of the company served on the compensation committee or board of any company while that company employed any member of the CGNC.

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

to review and approve annually the business plan for the company;

to approve company financings and corporate financial policies;

to authorize certain capital expenditures;

to authorize acquisitions and dispositions in excess of \$75 million; and

to review, approve and monitor the policies and practices of the company and its subsidiaries in managing financial risk.

Table of Contents

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." The Finance Committee met six times in 2011. The members of the Finance Committee are Ms. von Althann (chair), and Messrs. Conway, Elliott, Rajamannar and Williamson. Mr. Rajamannar joined the Finance Committee in July 2011 when he was elected to the Board of Directors.

Nuclear Oversight Committee. The principal functions of the Nuclear Oversight Committee are:

to assist the Board of Directors in the fulfillment of its responsibilities for oversight of the company's nuclear operations;

to advise company management on nuclear matters; and

to provide advice and recommendations to the Board of Directors concerning the future direction of the company and management performance related to nuclear operations.

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." The Nuclear Oversight Committee met three times in 2011. The members of the Nuclear Oversight Committee are Dr. Bernthal (chair), Messrs. Graham and Rogerson, Dr. Heydt and Ms. von Althann.

Audit Committee. The primary function of the Audit Committee is to assist the company's Board of Directors in the oversight of:

the integrity of the financial statements of the company and its subsidiaries;

the effectiveness of the company's internal control over financial reporting;

the identification and management of risk;

the company's compliance with legal and regulatory requirements;

the independent auditor's qualifications and independence; and

the performance of the company's independent auditor and internal audit function.

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 above under the heading "Independence of Directors." The Audit Committee met eight times during 2011. The members of the Audit Committee are Mr. Elliott (chair), Dr. Bernthal, Dr. Heydt, Mr. Rajamannar and Ms. von Althann. Mr. Rajamannar joined the Audit Committee in July 2011 when he was elected to the Board of Directors. Our Board of Directors has determined that Mr. Elliott and Ms. von Althann are audit committee financial experts as defined by the rules and regulations of the SEC.

Report of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to, among other items, the integrity of the company's financial statements. Company management is responsible for the preparation and integrity of the company's financial statements, the financial reporting process and the associated system of internal controls over financial reporting and assessing the effectiveness of such

controls. Ernst & Young LLP, the company's principal independent registered

Table of Contents

public accounting firm, or independent auditor, is responsible for auditing the company's annual financial statements, expressing an opinion as to whether the financial statements present fairly, in all material respects, the company's financial position and results of operations in conformity with U.S. generally accepted accounting principles, and expressing an opinion as to the effectiveness of internal control over financial reporting in accordance with the Standards of the Public Company Accounting Oversight Board (PCAOB). The Audit Committee's responsibility is to monitor and review these processes. The Audit Committee has reviewed and discussed the audited financial statements with management and the independent auditor.

In its capacity as a Committee of the Board of Directors, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor. The independent auditor reports directly to the Audit Committee, and the Audit Committee is responsible for preapproving all audit and permitted non-audit services to be provided by the independent auditor. The Audit Committee has a policy to periodically solicit competitive proposals for audit services from independent accounting firms. The Audit Committee has discussed with the independent auditor the matters required to be discussed by applicable Auditing Standards as periodically adopted or amended, and the rules of the Securities and Exchange Commission (SEC) including the appropriateness and application of accounting principles.

The Audit Committee has received the written disclosures and the letter from the company's independent auditor required by applicable requirements of the PCAOB and the American Institute of Certified Public Accountants (AICPA) regarding the independent auditor's communications with the Audit Committee concerning independence, and has had discussions with Ernst & Young LLP about its independence. The Audit Committee also considered whether the provision of non-audit services by Ernst & Young LLP is compatible with maintaining the independence of such independent auditor.

In the performance of its responsibilities, the Audit Committee met periodically with the internal auditor and the independent auditor, with and without management present, to discuss the results of their examinations, their evaluations of the company's internal controls, and the overall quality of the company's financial reporting.

The Audit Committee has reviewed and discussed, together with management and the independent auditor, management's assessment of internal controls relating to the adequacy and effectiveness of financial reporting. The Audit Committee has also reviewed the process utilized in connection with the certifications of the company's principal executive officer and principal financial officer under the Sarbanes-Oxley Act of 2002 and related SEC rules for the company's annual and quarterly filings with the SEC.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board approved, that the audited financial statements and management's assessment of the effectiveness of the company's internal control over financial reporting be included in the company's Annual Report on Form 10-K for the year ended December 31, 2011.

The Audit Committee has a Committee Charter that specifies its responsibilities. The Committee Charter, which has been approved by the Board of Directors, is available on the company's website (www.pplweb.com/about/corporate+governance). Also, the Audit Committee's procedures and practices comply with the requirements of the SEC and the NYSE applicable to corporate audit committees.

The Audit Committee

Steven G. Elliott, Chair

Frederick M. Bernthal

Stuart Heydt

Raja Rajamannar

Natica von Althann

Table of Contents

The Board's Role in Risk Oversight

The Board provides oversight of the company's risk management practices. The Board reviews material risks associated with the company's business plan periodically as part of its consideration of the ongoing operations and strategic direction of the company. At meetings of the Board and its committees, directors receive periodic updates from management regarding 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, the General Counsel and the chief risk officer, or CRO.

Each of the committees of the Board, other than the Executive Committee, reports regularly to the full Board on risk-related matters. The committees also oversee the management of material risks that fall within such committee's areas of responsibility. In performing this function, each committee has full access to management as well as the ability to engage advisers. The CRO communicates key risks to the Audit and Finance Committees. This communication includes the identification of key risks and emerging risks and how these risks are being measured and managed.

A primary function of the Audit Committee is to assist the Board in the oversight of the identification and management of risk. More specifically, the Audit Committee is responsible for the review of the company's process for identifying, assessing and managing business risks and exposures and discussing related guidelines. The Audit Committee regularly reviews risk management activities related to the financial statements, legal and compliance matters, tax, information technology and other key areas. The Audit Committee also periodically meets in executive session with representatives from the company's independent registered public accounting firm, the Executive Director-Corporate Audit Services and the Senior Director-Business Ethics and Compliance.

The Audit Committee also oversees the company's enterprise risk management process. The CRO has responsibility for leading the company's enterprise risk management process. The company's Risk Management group and Corporate Audit Services department report to the Audit Committee regarding key risk matters. The Executive Director-Corporate Audit Services reports directly to the Audit Committee.

The Finance Committee is responsible for, among other items provided in its Charter, reviewing, approving and monitoring the policies and practices to be followed by the company and its subsidiaries in managing market risk, credit risk, liquidity risk and currency risk. The company's internal Risk Management Committee is chaired by the CRO. The Risk Management Committee and the CRO serve at the direction of the Finance Committee to provide oversight of risk management activities related to buying and selling electric energy and gas, fuel procurement, foreign currency exchange and translation and the issuance of corporate debt.

The Compensation, Governance and Nominating Committee considers various risks including those related to the attraction and retention of talent, the design of compensation programs, succession planning, governance matters and the identification of qualified individuals to become board members. 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 Nuclear Oversight Committee considers risks in connection with its responsibilities for oversight of the company's nuclear function, including various risks related to ensuring the company has appropriate systems in place to protect the health and safety of the public and maintain compliance with applicable laws and regulations.

Table of Contents
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 of Directors. During 2011, directors who were not employees of PPL received an annual retainer of \$156,500, of which a minimum of \$104,500 was mandatorily allocated to a deferred stock account under the Directors Deferred Compensation Plan, or DDCP. The remaining \$52,000 portion of the annual retainer was paid in cash in monthly installments to each director, unless voluntarily deferred to their stock account or to their deferred cash account of the DDCP (as discussed below with respect to all retainers and other fees). The deferred stock portion of the annual retainer was allocated in monthly installments to each director's deferred stock account.

Each deferred stock unit represents the right to receive a share of PPL common stock and is fully vested upon grant, but does not have voting rights. Deferred stock units accumulate quarterly dividend-equivalent payments, which are reinvested in additional deferred stock units, and are not paid to the director until retirement.

Effective January 1, 2012, the annual retainer increased to \$190,000 for all directors, of which \$125,000 is mandatorily allocated to the deferred stock account.

Committee Chair Retainers. During 2011, each committee chair, except for the Audit Committee Chair, received an additional annual cash retainer of \$10,000, which was paid in monthly installments. The Audit Committee Chair received an additional annual cash retainer of \$15,000 during 2011, which was paid in monthly installments.

Presiding Director Retainer. During 2011, the presiding director, who is also our lead independent director, received a pro rata additional annual cash retainer of \$30,000, which was paid in monthly installments.

Other Fees. During 2011, each non-employee director also received a fee of \$2,000 for attending each Board of Directors meeting, \$1,500 for attending each committee meeting and other meetings at the company's request, and a fee of \$1,000 for participating in meetings held by telephone conference call. PPL also reimburses each director for usual and customary travel expenses.

Directors Deferred Compensation Plan. Pursuant to the DDCP, non-employee directors may elect to defer all or any part of the fees and 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. The brokerage account option that is available to employees is not available to directors. For 2011, two directors elected to defer some of their cash retainer or fees into a deferred cash account. These directors deferred cash for a rate of return as if it were invested in one or more of the following Fidelity funds, with the annual return shown for each fund: Fidelity Freedom 2020 Class K (-1.24%); JPM Core Bond R5 Fund (7.42%); Spartan Total Market Index (-12.12%); and a blended interest rate fund managed by Fidelity (2.23%). Payment of the amounts allocated to the deferred cash account and accrued earnings, together with the deferred stock units and accrued dividend equivalents, is deferred until after the directors retirements from the Board of Directors, at which time they receive the deferred cash and stock in one or more annual installments for a period of up to 10 years as previously elected by the director.

Table of Contents

The following table summarizes all compensation earned during 2011 by our non-employee directors.

2011 DIRECTOR COMPENSATION

Name of Director	Fees Earned or Paid in Cash				Total
	Paid in Cash ⁽³⁾	Deferred into Restricted Stock Units ⁽⁴⁾	Stock Awards ⁽⁵⁾	All Other Compensation ⁽⁶⁾	
Frederick M. Bernthal		\$94,500	\$104,500	\$ 537	\$ 199,537
John W. Conway		92,000	104,500	537	197,037
E. Allen Deaver ⁽¹⁾	\$ 57,855		43,542	224	101,621
Steven G. Elliott	91,500		104,500	4,537	200,537
Louise K. Goeser	70,000		104,500	537	175,037
Stuart E. Graham	84,000		104,500	537	189,037
Stuart Heydt	108,500		104,500	1,037	214,037
Raja Rajamannar ⁽²⁾	40,000		52,250	269	92,519
Craig A. Rogerson	87,833		104,500	537	192,870
Natica von Althann	97,000		104,500	537	202,037
Keith H. Williamson	74,000		104,500	537	179,037

(1) Mr. Deaver retired from the Board immediately prior to the 2011 Annual Meeting of Shareowners on May 18, 2011.

(2) Mr. Rajamannar joined the Board on July 1, 2011.

(3) This column reports the amount of retainers and fees actually paid in cash or deferred into cash accounts in 2011 for Board and committee service by each director, including a prorated portion of the \$30,000 annual cash retainer for the five months that Mr. Deaver served as presiding director, and the cash retainers for the committee chairs: Dr. Heydt (Audit \$15,000), Dr. Bernthal (Nuclear Oversight \$10,000), Mr. Deaver (CGNC \$4,167 for five months), Mr. Rogerson (CGNC \$5,833 for seven months) and Ms. von Althann (Finance \$10,000). Messrs. Deaver and Rogerson voluntarily deferred \$45,333 and \$87,833, respectively, of cash fees into their deferred cash accounts under the DDCP, and these amounts are included in this column for each such director.

(4) This column reports the dollar amount of retainers and fees voluntarily deferred into deferred stock accounts under the DDCP. Dr. Bernthal and Mr. Conway voluntarily deferred all of their cash retainers and fees into their deferred stock accounts under the DDCP, including a prorated portion of the \$30,000 annual cash retainer for the seven months that Mr. Conway served as presiding director.

(5) This column represents the grant date fair value of the mandatorily deferred portion of the annual retainer during 2011 as calculated under ASC Topic 718 as described below under Executive Compensation CD&A Tax and Accounting Considerations. The grant date fair value for the deferred stock units was calculated using the closing price of PPL common stock on the NYSE on the date of grant. As of December 31, 2011, all deferred stock units held in each director's deferred stock account were vested.

(6) This column shows the dollar value of life insurance premiums paid by the company during 2011 for each director. The company provides life insurance to each director equal to twice the amount of the annual retainer fee. This column also reflects contributions made under our charitable matching gift program. Non-employee directors are eligible to participate in our charitable matching gift program on the same basis as employees, pursuant to which we will contribute, on a 100% basis, from \$50 up to \$4,000 per year per person to certain charitable institutions.

Table of Contents**STOCK OWNERSHIP****Directors and Executive Officers**

All directors and executive officers as a group hold less than one percent of PPL's common stock. The table below shows the number of shares of our common stock beneficially owned by each of our directors and each named executive officer as of March 2, 2012 for whom compensation is disclosed in the Summary Compensation Table, as well as the number of shares beneficially owned by all of our directors and executive officers as a group. The table also includes information about stock options, stock units, restricted stock, restricted stock units granted to executive officers under the company's Incentive Compensation Plan, or ICP, and stock units credited to the accounts of our directors under the Directors Deferred Compensation Plan, or DDCP.

Name	Shares of Common Stock Owned ⁽¹⁾
F. M. Bernthal	68,840 ⁽²⁾
J. W. Conway	76,388 ⁽³⁾
D. G. DeCampi	213,802 ⁽⁴⁾
S. G. Elliott	4,622 ⁽⁵⁾
P. A. Farr	511,585 ⁽⁶⁾
L. K. Goeser	35,477 ⁽⁷⁾
S. E. Graham	18,847 ⁽⁸⁾
R. J. Grey	421,634 ⁽⁹⁾
S. Heydt	85,321 ⁽¹⁰⁾
J. H. Miller	2,061,076 ⁽¹¹⁾
R. Rajamannar	2,571 ⁽¹²⁾
C. A. Rogerson	26,258 ⁽¹³⁾
W. H. Spence	545,841 ⁽¹⁴⁾
V. A. Staffieri	164,573 ⁽¹⁵⁾
N. von Althann	8,988 ⁽¹⁶⁾
K. H. Williamson	25,583 ⁽¹⁷⁾
All 20 executive officers and directors as a group	4,942,398 ⁽¹⁸⁾

(1) The number of shares owned includes: (a) shares directly owned by certain relatives with whom directors or officers share voting or investment power; (b) shares held of record individually by a director or officer or jointly with others or held in the name of a bank, broker or nominee for such individual's account; (c) shares in which certain directors or officers maintain exclusive or shared investment or voting power, whether or not the securities are held for their benefit; and (d) with respect to executive officers, shares held for their benefit by the Trustee under PPL's Employee Stock Ownership Plan, or ESOP.

(2) Consists of 68,840 shares credited to Dr. Bernthal's deferred stock account under the DDCP.

(3) Includes 73,291 shares credited to Mr. Conway's deferred stock account under the DDCP.

(4) Includes 30,000 shares of restricted stock, 38,170 restricted stock units and 123,353 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.

(5) Consists of 4,622 shares credited to Mr. Elliott's deferred stock account under the DDCP.

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- (6) Includes 40,000 shares of restricted stock, 78,500 restricted stock units and 360,349 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.
- (7) Consists of 35,477 shares credited to Ms. Goeser's deferred stock account under the DDCP.

Table of Contents

- (8) Includes 13,847 shares credited to Mr. Graham's deferred stock account under the DDCP.
- (9) Includes 43,050 restricted stock units and 377,740 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.
- (10) Consists of 81,189 shares credited to Dr. Heydt's deferred stock account under the DDCP and 4,132 shares of additional deferred stock credited to his account in connection with the termination of the Directors Retirement Plan in 1996.
- (11) Includes 285,280 restricted stock units and 1,687,020 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.
- (12) Consists of 2,571 shares credited to Mr. Rajamannar's deferred stock account under the DDCP.
- (13) Includes 26,258 shares credited to Mr. Rogerson's deferred stock account under the DDCP.
- (14) Includes 114,120 restricted stock units and 417,076 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.
- (15) Consists of 117,730 restricted stock units and 46,843 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP.
- (16) Consists of 8,988 shares credited to Ms. von Althann's deferred stock account under the DDCP.
- (17) Consists of 25,583 shares credited to Mr. Williamson's deferred stock account under the DDCP.
- (18) Includes 70,000 shares of restricted stock, 782,910 restricted stock units, 3,511,871 shares of common stock that may be acquired within 60 days upon the exercise of stock options granted under the ICP, 4,132 additional shares credited to a director's account in connection with the termination of a retirement plan, and 340,666 shares credited to the directors' deferred stock accounts under the DDCP.

Principal Shareowners

Based on filings made under Sections 13(d) and 13(g) of the Exchange Act, as of February 14, 2012, the only persons known by the company to be beneficial owners of more than 5% of PPL's common stock are:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. ⁽¹⁾ 40 East 52 nd Street New York, NY 10022	38,350,652	6.63%
	29,148,181	5.00%

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State Street Corporation⁽²⁾
One Lincoln Street
Boston, MA 02111

- ⁽¹⁾ Based solely on a review of the Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 13, 2012. As reported on the Schedule 13G, as of December 31, 2011, BlackRock, Inc. had sole voting and dispositive power with respect to 38,350,652 shares held by BlackRock Japan Co. Ltd., BlackRock Advisors (UK) Limited, BlackRock Asset Management Deutschland AG, BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, BlackRock Asset Management Canada Limited, BlackRock Asset Management Australia Limited, BlackRock Advisors, LLC, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited,

Table of Contents

BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock Fund Managers Limited, BlackRock Asset Management Ireland Limited, BlackRock International Limited and BlackRock Investment Management (UK) Limited.

- (2) Based solely on a review of the Schedule 13G jointly filed with the SEC by State Street Corporation on February 9, 2012. As reported on the Schedule 13G, as of December 31, 2011, State Street Corporation shared voting and dispositive power with respect to 29,148,181 shares held by State Street Global Advisors France S.A., State Street Bank and Trust Company, SSGA Funds Management, Inc., State Street Global Advisors Limited, State Street Global Advisors Ltd., State Street Global Advisors, Australia Limited, State Street Global Advisors Japan Co., Ltd., and State Street Global Advisors, Asia Limited.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

To our knowledge, our directors and executive officers met all filing requirements under Section 16(a) of the Exchange Act during 2011, except for one Form 4 filed for William H. Spence on July 27, 2011 to report grants of performance units and stock options which was inadvertently filed late by one day.

TRANSACTIONS WITH RELATED PERSONS

The Board of Directors has adopted a written related-person transaction policy to recognize the process the Board will use to identify potential conflicts of interest arising out of financial transactions, arrangements or relations between PPL and any related persons. This policy applies to any transaction or series of transactions in which PPL Corporation or a subsidiary is a participant, the amount exceeds \$120,000 and a related person has a direct or indirect material interest. A related person includes not only the company's directors and executive officers, but others related to them by certain family relationships, as well as shareowners who own more than 5% of any class of PPL Corporation's voting securities.

Under the policy, each related-person transaction must be reviewed and approved or ratified by the disinterested independent members of the Board, other than any employment relationship or transaction involving an executive officer and any related compensation, which must be approved by the Compensation, Governance and Nominating Committee, or CGNC.

In connection with the review and approval or ratification of a related-person transaction, the Board, or the CGNC, as applicable, will consider the relevant facts and circumstances, including:

the approximate dollar value of the amount involved in the transaction, and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related-person transaction;

whether the related-person transaction complies with the terms of PPL's agreements governing its material outstanding indebtedness that limit or restrict PPL's ability to enter into a related-person transaction;

whether the related-person transaction will be required to be disclosed in PPL's applicable filings under the Securities Act of 1933, as amended, or the Exchange Act; and

whether the related-person transaction constitutes a personal loan for purposes of Section 402 of the Sarbanes-Oxley Act of 2002. In addition, in connection with any approval or ratification of a related-person transaction involving a non-employee director or nominee for director, the CGNC will consider whether such transaction would compromise such director's status as: (1) an independent director under the New York Stock Exchange Listing Standards or PPL's categorical independence standards, (2) an outside director

Table of Contents

under Section 162(m) of the Internal Revenue Code or a nonemployee director under Rule 16b-3 under the Exchange Act, as amended, if such non-employee director serves on the CGNC, or (3) an independent director under Rule 10A-3 under the Exchange Act, as amended, if such non-employee director serves on the Audit Committee of the Board.

We collect information about potential related-person transactions in annual questionnaires completed by directors and executive officers. We also review any payments made by the company or its subsidiaries to each director and executive officer and their immediate family members, and to or from those companies that either employ a director or an immediate family member of any director or executive officer. We also review any payments made by the company or its subsidiaries to, or any payments received by the company and its subsidiaries from, any shareowner who owns more than 5% of any class of PPL Corporation's voting securities. The company's Office of General Counsel determines whether a transaction requires review by the Board or the CGNC. Transactions that fall within the definition of the policy are reported to the Board or the CGNC. The disinterested independent members of the Board, or the CGNC, as applicable, review and consider the relevant facts and circumstances and determine whether to approve, deny or ratify the related-person transaction.

BlackRock, Inc. filed an amended Schedule 13G in February 2012, stating that it holds 6.63% of PPL's common stock. As a result of beneficially owning more than 5% of PPL's common stock, BlackRock is currently considered a related person under PPL's related-person transaction policy. After conducting a review of any relationships between BlackRock and its subsidiaries and our company and its subsidiaries, the company determined that the company invests its short-term cash overnight in money market funds managed by BlackRock Institutional Management Corporation, which received fees in the amount of about \$133,000 during 2011. Other subsidiaries of the company also invested in a variety of capital appreciation and liquidity funds managed by BlackRock affiliates, which received fees in the amount of about \$103,000 during 2011. In addition, several affiliates of BlackRock provided asset management investment services for the company's U.S. retirement plan trust and the company's legacy pension trusts in the United Kingdom, all of which are separate from the company and are managed by independent trustees. These relationships were reviewed and ratified by the Board of Directors in compliance with the company's related-person transaction policy.

State Street Corporation filed a Schedule 13G in February 2012, stating that it holds 5.00% of PPL's common stock. Although State Street Corporation did not beneficially own more than 5% of PPL's common stock at the time of its filing, the Board concluded that it was prudent for it to assess the relationship in light of the level of ownership. Until the end of 2011, an affiliate of State Street Corporation, State Street Bank and Trust Company, served as trustee for several of the company's subsidiary retirement plans. The State Street affiliate, which no longer serves as trustee, received fees of in the amount of about \$74,000 in 2011. During a part of 2011, an affiliate of State Street Corporation, State Street Global Advisors, also provided asset management investment services for State Street Bank and Trust Company as an independent trustee to several of the company's subsidiary retirement plans in the United States. These relationships were reviewed and ratified by the Board of Directors in compliance with the company's related-person transaction policy.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Committee Report

The Compensation, Governance and Nominating Committee has reviewed the following Compensation Discussion and Analysis and discussed the analysis with management. Based on its review and discussions with management, the committee recommended that the Compensation Discussion and Analysis be incorporated by reference into the company's Annual Report on Form 10-K for the year ended December 31, 2011 and included in this Proxy Statement.

Compensation, Governance and Nominating Committee

Craig A. Rogerson, Chair

Louise K. Goeser

Stuart E. Graham

Stuart Heydt

Compensation Discussion and Analysis (CD&A)

This Compensation Discussion and Analysis, or CD&A, provides an overview of PPL's executive compensation programs, our compensation philosophy and the objectives of our compensation programs, as well as a discussion of how executive compensation decisions affecting our named executive officers were made for 2011. The named executive officers for the 2011 performance period include (1) our Chairman, President and Chief Executive Officer, or CEO, William H. Spence; (2) our former Chairman, President and CEO, James H. Miller; (3) our Executive Vice President and Chief Financial Officer, or CFO, Paul A. Farr; (4) our Senior Vice President, General Counsel and Secretary, Robert J. Grey; (5) the Chairman of the Board, Chief Executive Officer and President of LG&E and KU Energy LLC, or LKE, Victor A. Staffieri; and (6) the former President of PPL Electric Utilities Corporation, who became the President of PPL Energy Supply, LLC on March 5, 2012, David G. DeCampi.

Overview

The discussion below outlines our approach to executive compensation, which is reviewed regularly by the Compensation, Governance and Nominating Committee of the PPL Corporation Board of Directors, or the Committee. The purpose of the program is to attract, retain and motivate highly qualified executives while aligning the compensation practices to the short- and long-term interests of shareowners.

The Committee believes that the strategic repositioning of PPL over the past two years, at a time of unprecedented market changes in the U.S. utility sector, underscores the value of an executive compensation program that attracts highly talented, experienced individuals who are focused on building sustainable value for shareowners.

In light of continued, significant downward pressure on current and future competitive-market energy prices, the top executives of PPL in the span of 18 months boldly completed two substantial acquisitions that fundamentally transformed the company. In doing so, the company's executive leadership displayed a sharp focus on long-term results for shareowners while putting their own financial interests at risk.

The post-acquisition results are impressive for shareowners:

PPL's asset base has nearly doubled since 2009; its annual revenues have increased by 70%; and its market capitalization is 40% higher than it was two years ago. We are now among the 12 largest investor-owned utilities in the United States.

Table of Contents

Despite financing the two acquisitions by issuing more than 200 million shares of common stock and \$2 billion in Equity Unit securities, our total return to shareowners in 2011 was 17.5%, a significantly higher return than that of the S&P 500 and comparable with that of the EEI Index of investor-owned utilities.

In 2012, we expect that approximately 70% of our forecasted earnings per share will come from our rate-regulated businesses. Two years ago, that same percentage of earnings came from our business influenced by the substantial volatility of energy and fuel prices in competitive markets.

As another result of this repositioning of the company, we are expecting compound annual rate base growth in our regulated businesses of nearly 8% over the next five years. That growth would result in an \$8 billion increase in our regulated asset base by 2016 the equivalent of adding another large regulated utility to our portfolio.

In addition, the business mix improvements over the past two years have earned PPL an excellent Business Risk Profile rating from Standard & Poor's, putting PPL in a category with only a handful of other companies in our sector. We have significantly improved our risk profile while retaining our high-quality competitive generating facilities, which provide us with important growth potential when energy markets eventually recover. In the meantime, the diverse fuel mix of our generation fleet differentiates us from many other power producers in the sector, providing us with competitive advantages that generators concentrated around a single fuel source do not have.

Our compensation program reflects the company's ongoing commitment to a pay-for-performance philosophy, under which executive compensation is aligned with shareowners' interests and is linked to short- and long-term company performance. Our primary compensation metrics are earnings per share from ongoing operations, or EPS, and total shareholder return, or TSR, results that are important to shareowners. At least 70% of each named executive officer's compensation is made up of incentive components that focus on stock price appreciation and growth in our dividend.

A detailed explanation of the program elements begins on page 32.

A true test of the design of an executive compensation program is whether its components reward both a focus on annual operational results and on longer-term strategy for the company. Reviewing the recent financial and operational performance and the strategic, transformative initiatives of the past two years, the Committee concluded that the company's executive compensation program contains the appropriate elements of compensation.

Organizational Changes

During 2011, PPL also experienced significant changes in its executive management.

On July 22, 2011, the Board of Directors of PPL promoted Mr. Spence, an internal candidate, to President of the company, consistent with the company's CEO succession process and providing valuable management continuity.

Mr. Miller, then PPL Chairman and CEO, announced his planned retirement and resigned from his position as CEO of the company on November 17, 2011, but continued to serve as Chairman of PPL's board of directors until his retirement on March 31, 2012.

PPL's Board of Directors elected Mr. Spence as CEO, and as a director, on November 17, 2011. He became Chairman on April 1, 2012, and now serves as Chairman, President and CEO.

The Committee decided to position Mr. Spence's total direct compensation significantly below market for comparable CEOs.

Table of Contents

Summary of Compensation Policy and Plan Changes after 2011 Say-on-Pay Vote

While a majority of our shareowners voted in favor of the compensation of our named executive officers in connection with our say-on-pay proposal at the company's 2011 annual meeting, we were not satisfied with the level of support. We listened to our shareowners and, during 2011, the Committee conducted a comprehensive review of the executive compensation program. Accordingly, we have instituted comprehensive changes to the program for 2012 and 2013 due to this assessment.

As a result of the program improvements, even more of our named executive officers' long-term incentive program is tied directly to total shareowner return, and we have eliminated some aspects of the company's compensation program that may no longer be considered best pay practices.

1. ***Program Changes*** Program design improvements were made to further align pay with performance.

With respect to long-term incentive compensation, starting with the 2012 equity grants as referenced in Table 1 below, the company reduced the allocation of stock options from 40% to 20% of the long-term incentive target and increased the allocation of performance units from 20% to 40% of the mix, which will be based on 2012-2014 performance relative to TSR. The remaining 40% allocation represents performance-contingent restricted stock units, which were earned based on 2009-2011 EPS performance, all as illustrated below:

TABLE 1

Change in Mix of Long-term Incentive Opportunities

With respect to performance units, we changed the minimum payment under the award from 25% to 0% of target effective with the 2012 awards.

We replaced the payment of cash dividend equivalents on performance-contingent restricted stock units with equity dividend equivalents, which will be deferred until restrictions lapse on the underlying units, starting with grants to be made under the new 2012 Stock Incentive Plan discussed below which is subject to shareowner approval.

2. ***2012 Stock Incentive Plan (SIP)*** This new equity plan, which will replace the current Incentive Compensation Plan, or ICP, is being recommended for approval by shareowners and incorporates the following positive changes:

Will eliminate the potential to pay dividend equivalents on stock options;

Table of Contents

Will eliminate the automatic lapse of restrictions on all equity awards in the event of a potential change in control and a double trigger will require that a termination of employment occur in the event of a change in control before restrictions lapse; and

Will change the treatment of outstanding stock options upon retirement to limit the exercise period to the earlier of the end of the term (10 years from grant) or five years after retirement.

3. ***Change in Control Agreements*** The Committee approved a new form of change in control agreement to be used for those officers entering into such agreements after December 31, 2011. The new form of agreement:

Eliminates excise tax gross-ups;

Eliminates accrual of additional pension service and benefit credits;

Eliminates payment upon a potential change in control;

Reduces the protection period from three years to two years following a change in control and shortens the notice period from 15 months to six months advance notice to terminate an agreement;

Eliminates benefit continuation; we would pay a lump-sum payment equivalent to the cost of COBRA coverage that would be incurred for the 24-month period following termination of employment; and

Limits outplacement services to \$50,000.

4. ***Supplemental Executive Retirement Plan (SERP) and Qualified Pension Plan***

The SERP has been closed to executives hired after December 31, 2011.

For those executives who are participants as of December 31, 2011, the SERP has also been amended to require a double-trigger termination so that executives who are not otherwise vested or eligible to retire would not become vested following a change in control until their employment is terminated. This protection period is consistent with protections covered under our change in control agreements and the new SIP.

Effective January 1, 2012, the Pennsylvania defined benefit pension plan was closed to all new salaried employees. New salaried employees will be eligible to participate in an enhanced defined contribution pension arrangement that is provided for their business unit.

We believe these significant changes reflect the Board's ongoing objective to ensure executive compensation is aligned with shareowner interests and evolving corporate governance, while enabling the company to attract, retain and motivate executives.

Compensation Philosophy and Objectives of PPL's Executive Compensation Program

PPL's compensation philosophy includes compensation objectives that are intended to:

support a high-performance workplace to ensure our continued industry leadership, while rewarding executives for demonstrated excellence and the creation of long-term shareholder value; and

be affordable to the business and be competitive within our peer group of companies, enabling us to attract and retain those executives necessary for our long-term success.

Role of our Compensation, Governance and Nominating Committee,

Compensation Consultant, and Management in Setting Compensation

Please see discussion above at Board Committees Compensation, Governance and Nominating Committee Compensation Processes and Procedures for a more detailed description of the roles of the Committee, our compensation consultant and management of the company.

Compensation, Governance and Nominating Committee

Several of the principal functions of the Committee are to annually review and approve the compensation structure, including goals and objectives, of the CEO and the company's executive

Table of Contents

officers who are subject to Section 16 of the Exchange Act, to evaluate at least annually the performance and leadership of the CEO in light of these established goals and objectives, as well as to evaluate the performance of the executive officers against their established goals and objectives. Based on these evaluations, the Committee determines and approves the annual compensation, including salary, incentive compensation and other remuneration, of these officers, which include the named executive officers.

Compensation Consultant

Each year, the Committee retains an independent compensation consultant to provide expertise and guidance on executive compensation program design, market trends, regulatory requirements and best practices. The Committee's compensation consultant for 2011, Pay Governance, LLC, participates in Committee meetings and is accountable to the Committee. The consultant reviews and provides objective perspectives on all proposals regarding executive compensation presented to the Committee and identifies any issues or concerns.

Company Management

Our executive officers are also involved in the process of recommending executive compensation. Based on industry and market conditions, other business factors and analytical tools, senior management develops the annual strategic business plan and recommends to the Committee proposed goals for the annual cash incentive program and the long-term incentive program for the upcoming year. All incentive goals for executive officers are reviewed and approved by the Committee. For more detailed information on the role of the Committee, please see *Governance of the Company Board Committees Compensation, Governance and Nominating Committee Compensation Processes and Procedures* beginning on page 14.

Our CEO and our vice president of Human Resources and Services regularly attend Committee meetings. They 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 relative to executive compensation programs and policies for review and approval by the Committee, 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. The CEO does not discuss his own compensation with the Committee or the Committee's independent consultant.

Our Process for Setting Executive Compensation

The key steps the Committee follows in setting executive compensation are:

1. Review of the components of executive compensation, including base salary, short-term incentive compensation, long-term incentive compensation, retirement benefits and other benefits;
2. Review of the total compensation structure and the allocation of compensation components;
3. Review of the company's performance;
4. Review of executive officer performance, responsibility and experience to determine individual compensation levels; and
5. Analysis of executive compensation market data to assess the competitiveness of our compensation programs.

Market Compensation Analysis

In December of each year, Pay Governance prepares a market compensation analysis based on companies of similar size in terms of revenue scope, including those in the energy services industry and general industry other than energy services or financial services. This analysis assists the Committee in establishing the next year's executive officer compensation levels to allow us to remain competitive with other companies.

Table of Contents*Databases*

For 2011, Pay Governance used the following published compensation surveys for our market compensation analysis: Towers Watson's 2010 General Industry Executive Compensation Database, which includes pay data for 1,060 general industry companies; Towers Watson's 2010 Energy Services Industry Executive Compensation Database, which contains pay data for 102 companies in the energy/utility industry including nearly all U.S. investor-owned utilities; and Towers Watson's 2010 Energy Marketing and Trading Database, which includes pay data for approximately 60 companies with significant marketing and trading operations. Where possible and appropriate, regression analyses are performed to size-adjust the survey data to correlate with the appropriate revenue scope for the relevant PPL business line.

We do not generally review specific pay levels of individual survey companies, but rather review the statistical median of a large group of companies in order to better understand the market for executive-level positions with minimal year-to-year volatility that might exist when surveying a smaller group of companies. The result of these analyses produces a market median (50th percentile) reference point we refer to as the PPL competitive data, which we believe appropriately reflects the competitive marketplace in which we compete for executive talent. We use general industry data to determine the PPL competitive data used for staff positions and for purposes of maintaining internal equity and setting incentive levels across business lines and corporate positions; energy industry data are used as the PPL competitive data reference point for salaries of employees in business line positions.

2011 Total Direct Compensation

Total direct compensation awarded to our executive officers is composed of base salary, annual short-term cash incentives and long-term stock-based incentives. About 80% of total direct compensation of the CEO each year is at risk, while more than 70% of total direct compensation of all the executive officers each year is at risk in the form of annual cash and long-term incentive compensation.

Table 2 below provides our allocation of direct compensation for our executive officers for 2011, which is shown as percentages of targeted total direct compensation.

TABLE 2**Elements of Targeted Compensation as a Percentage of Total Direct Compensation 2011⁽¹⁾**

⁽¹⁾ Based on target award levels as a percentage of total direct compensation for the 2011 performance year. Values of performance-contingent restricted stock units, performance units and

Table of Contents

stock option awards shown in the Summary Compensation Table in this proxy statement reflect equity awards granted in 2011. Performance-contingent restricted stock unit awards granted in January 2011 were awarded based on part of the 2010 compensation package.

- (2) Includes the positions of Senior Vice President, General Counsel and Secretary; the president of LG&E and KU Energy LLC and the former president of PPL Electric Utilities Corporation.

Base Salary

We target base salary to be generally at the median of the PPL competitive data, with variations based on job scope, experience, value to the organization, sustained individual performance and internal parity. The objective of base salary is to provide a fixed compensation level to our executives. It rewards them for their level of competencies (the combination of skills, knowledge and behaviors required for superior performance) and for how well those competencies are applied to the job over time. Salaries are considered paid competitively if they are within 15% of the PPL competitive data median, which is considered the PPL competitive range for a particular position.

In January following a performance year, the Committee uses its judgment in assessing experience, responsibility and performance to determine the level of salary and validate whether an executive officer's base salary aligns to the market compensation data provided by Pay Governance.

In January 2011, except as otherwise noted, the Committee approved base salaries for the named executive officers as described below.

TABLE 3**2011 Salary Adjustments by Position****(effective January 1, 2011 unless otherwise noted)**

Name and Position	2010 Year-End Salary	PPL Competitive Range	2011 Salary	% Change
W. H. Spence ⁽¹⁾ Executive Vice President and Chief Operating Officer	\$ 693,000	\$607,750-\$822,250	\$ 734,600	6.0%
President and Chief Operating Officer		\$607,750-\$822,250	820,000	11.6%
President and Chief Executive Officer		\$986,000-\$1,334,000	1,000,000	21.9%
J. H. Miller Former Chairman, President and Chief Executive Officer	1,179,500	\$986,000-\$1,334,000	1,229,500	4.2%
P. A. Farr Executive Vice President and Chief Financial Officer	570,000	\$548,250-\$741,750	621,300	9.0%
R. J. Grey Senior Vice President, General Counsel and Secretary	437,000	\$412,250-\$557,750	450,100	3.0%
V. A. Staffieri Chairman of the Board, Chief	811,220	\$467,500-\$632,500	811,220	0.0%

Executive Officer and President of

LG&E and KU Energy LLC (LKE)

D. G. DeCampli⁽²⁾

Former President of PPL Electric

Utilities Corporation