

PPL Corp  
Form DEF 14A  
April 06, 2011

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**PPL CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

PPL Corporation

Notice of Annual Meeting  
May 18, 2011

and

Proxy Statement

---

**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 18, 2011.
- Place** Zoellner Arts Center  
420 East Packer Ave.  
Bethlehem, Pennsylvania
- Items of Business**
- To elect ten directors for a term of one year, as listed in this Proxy Statement.
  - To approve an Internal Revenue Code Section 162(m) compliant annual cash incentive compensation plan, called the Short-term 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, 2011.
  - To conduct an advisory vote on executive compensation.
  - To conduct an advisory vote on the frequency of future executive compensation votes.
  - To consider two shareowner proposals, 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 28, 2011.
- 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 heading "General Information - How do I vote?"

By Order of the Board of Directors,

Robert J. Grey  
Senior Vice President,  
General Counsel and Secretary

April 6, 2011

**Important Notice Regarding the Availability of Proxy  
Materials for the Shareowner Meeting to Be Held on May 18, 2011:**

**This Proxy Statement and the Annual Report to Shareowners are available at  
<http://www.pplweb.com/PPLCorpProxy>**

---

**TABLE OF CONTENTS**

<b><u>PROXY STATEMENT</u></b>	1
<b><u>GENERAL INFORMATION</u></b>	1
<b><u>PROPOSAL 1: ELECTION OF DIRECTORS</u></b>	6
<u>Nominees for Directors</u>	7
<b><u>GOVERNANCE OF THE COMPANY</u></b>	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>	20
<u>Annual Retainer</u>	20
<u>One-time Grant of Restricted Stock Units</u>	21
<u>Committee Retainers</u>	21
<u>Presiding Director Retainer</u>	21
<u>Other Fees</u>	21
<u>Directors Deferred Compensation Plan</u>	22
<u>2010 Director Compensation</u>	22
<b><u>STOCK OWNERSHIP</u></b>	24
<u>Directors and Executive Officers</u>	24
<u>Principal Shareowners</u>	25
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	26
<b><u>TRANSACTIONS WITH RELATED PERSONS</u></b>	26
<b><u>EXECUTIVE COMPENSATION</u></b>	28

<u>Compensation Committee Report</u>	28
<u>Compensation Discussion and Analysis ( CD&amp;A )</u>	28
<u>Executive Compensation Tables</u>	52
<u>Summary Compensation Table</u>	52

(i)

---

<u>Grants of Plan-Based Awards During 2010</u>	54
<u>Outstanding Equity Awards at Fiscal Year-End 2010</u>	56
<u>Option Exercises and Stock Vested in 2010</u>	58
<u>Pension Benefits in 2010</u>	58
<u>Nonqualified Deferred Compensation in 2010</u>	64
<u>Change-in-Control Arrangements</u>	65
<u>Retention Agreements</u>	68
<u>Termination Benefits</u>	68
<u>Severance</u>	69
<u>Employment and Severance Agreement for Mr. Staffieri</u>	69
<u>SERP and PPL Officers Deferred Compensation Plan</u>	71
<u>Annual Cash Incentive Awards</u>	71
<u>Long-term Incentive Awards</u>	71
<u>Potential Payments upon Termination or Change in Control of PPL Corporation</u>	73
<b><u>PROPOSAL 2: APPROVAL OF SHORT-TERM INCENTIVE PLAN</u></b>	77
<b><u>PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	80
<u>Fees to Independent Auditor for 2010 and 2009</u>	80
<u>Approval of Fees</u>	80
<b><u>PROPOSAL 4: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	81
<b><u>PROPOSAL 5: ADVISORY VOTE ON FREQUENCY OF FUTURE EXECUTIVE COMPENSATION VOTES</u></b>	82
<b><u>SHAREOWNER PROPOSALS</u></b>	82
<b><u>PROPOSAL 6: DIRECTOR ELECTION MAJORITY VOTE STANDARD PROPOSAL</u></b>	83
<b><u>PPL S STATEMENT IN RESPONSE TO PROPOSAL 6</u></b>	83
<b><u>PROPOSAL 7: SPECIAL SHAREOWNER MEETINGS</u></b>	85
<b><u>PPL S STATEMENT IN RESPONSE TO PROPOSAL 7</u></b>	85
<b><u>ANNEX A</u></b>	A-1
<b><u>DIRECTIONS TO ANNUAL MEETING</u></b>	Inside back cover



**PPL CORPORATION**  
**Two North Ninth Street**  
**Allentown, Pennsylvania 18101**

**Proxy Statement**  
**Annual Meeting of Shareowners**  
**May 18, 2011**  
**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 18, 2011, 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 6, 2011.

**GENERAL INFORMATION**

***What am I voting on?***

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

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

the approval of an Internal Revenue Code Section 162(m) compliant annual cash incentive compensation plan, referred to as the company's Short-term 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, 2011;

an advisory vote on executive compensation;

an advisory vote on the frequency of future executive compensation votes; and

the consideration of two shareowner proposals, if properly presented to the meeting.

***Who can vote?***

Holders of PPL Corporation common stock as of the close of business on the record date, February 28, 2011, 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?***

Edgar Filing: PPL Corp - Form DEF 14A

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, 2010 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, 2010 Annual Report, proxy card and accompanying documents have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the shareowner of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the 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 in this case, the company does not know that you are a shareowner, or how many shares you own.

### ***How do I vote?***

If you are a shareowner of record, 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 are a shareowner of record and 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 you are a shareowner of record, and the postage-paid envelope is missing, please mail your completed proxy card to PPL Corporation, c/o Shareowner Services<sup>sm</sup>, P.O. Box 64873, St. Paul, MN 55164-0873.

#### **By telephone or on the Internet**

The telephone and Internet voting procedures we have established for shareowners of record 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:** The website for Internet voting is at [www.eproxy.com/ppl/](http://www.eproxy.com/ppl/). Please 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 Time, on May 17, 2011.

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.

#### **In person at the Annual Meeting**

If you are a shareowner of record, 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. 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?

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 Short-term Incentive Plan;

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, 2011;

FOR the advisory vote on executive compensation;

For 1 YEAR with respect to the frequency of future advisory votes on executive compensation; and

AGAINST the two shareowner proposals.

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.

***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 28, 2011 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 13, 2011 if by mail and, if voting by telephone or on the Internet, by 11:59 p.m., Central Daylight Time, on May 13, 2011. 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 17, 2011;

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 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 election of directors is no longer 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. 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 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, to the meeting. 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 484,431,366 shares of common stock outstanding and entitled to vote, and 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 the 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.





### **Approval of Short-term Incentive Plan (Proposal 2)**

In order to approve the company's Short-term Incentive Plan, the proposal must receive a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class.

### **Ratification of the Appointment of Ernst & Young LLP (Proposal 3)**

In order to approve the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm, the proposal must receive a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class.

### **Advisory Vote on Executive Compensation (Proposal 4)**

In order to approve, on an advisory basis, the compensation paid to the company's named executive officers, the proposal must receive a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class.

### **Advisory Vote on the Frequency of Future Executive Compensation Votes (Proposal 5)**

This item offers three alternatives plus abstention. The alternative which receives a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class will be approved on an advisory basis.

### **Shareowner Proposals (Proposals 6 and 7)**

In order to approve either shareowner proposal, the proposal must receive a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class. The two shareowner proposals are advisory votes, which require further action by the company to implement any changes.

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, 5, 6 and 7 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.

***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. 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 2012 shareowner proposals due?***

To be included in the proxy material for the 2012 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 8, 2011:

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 2012 Annual Meeting.

**PROPOSAL 1: ELECTION OF DIRECTORS**

Ten members of our Board are standing for re-election, to hold office until the next Annual Meeting of Shareowners. Because the shareowners approved the company's proposal at last year's annual meeting to amend the company's bylaws to eliminate the classification of the terms of the Board of Directors, all 10 directors will stand for election at this year's 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.

**Nominees for Directors:**

**FREDERICK M. BERNTHAL**, 68, is the former 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**, 65, 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 has been a director since 2000.

**STEVEN G. ELLIOTT**, 64, is the retired senior vice chairman of The Bank of New York Mellon Corporation, an asset management and securities 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 and a member of the American Institute of Certified Public Accountants and Financial Executives Institute. He also serves on the board of the Pittsburgh Cultural Trust. He is a member of the Audit and Finance Committees.

**LOUISE K. GOESER**, 57, 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. She is a member of the Compensation, Governance and Nominating Committee and has been a director since 2003.

**STUART E. GRAHAM**, 65, retired in April 2008 as President and Chief Executive Officer of Sweden-based Skanska AB, an international project development and construction company. He continues to serve as chairman of Skanska USA Inc., a U.S. subsidiary. 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, Securitas AB and Skanska 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, Executive Committee, and the Nuclear Oversight

Committee. He has been a director since 2008.

**STUART HEYDT**, 71, 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 chair of the Audit Committee and a member of the Compensation, Governance and Nominating Committee, as well as the Executive and Nuclear Oversight Committees. Dr. Heydt has been a director since 1991.

**JAMES H. MILLER**, 62, is Chairman, President and Chief Executive Officer of PPL Corporation. Prior to his current appointment in October 2006, Mr. Miller was named President in August 2005; Chief Operating Officer in September 2004, a position he held until the end of June 2006; Executive Vice President in January 2004; and also served as President of PPL Generation, LLC, a PPL Corporation subsidiary that operates power plants in the United States. He also serves on the boards of Crown Holdings, Inc., PPL Electric Utilities Corporation and PPL Energy Supply, LLC. Mr. Miller earned a bachelor's degree in electrical engineering from the University of Delaware and served in the U.S. Navy nuclear program. Before joining PPL Generation in February 2001, Mr. Miller served as Executive Vice President and Vice President, Production of USEC, Inc. from 1995, and prior to that time as President of ABB Environmental Systems, President of UC Operating Services, President of ABB Resource Recovery Systems and in various engineering and management positions at the former Delmarva Power and Light Co. 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. Miller has been a director since 2005.

**CRAIG A. ROGERSON**, 54, 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. Chemtura, which filed for protection under Chapter 11 of the United States Bankruptcy Code in March 2009, successfully completed its financial restructuring and emerged from bankruptcy in November 2010. From December 2003, Mr. Rogerson served as President, Chief Executive Officer and director of Hercules Incorporated 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 a member of the Compensation, Governance and Nominating Committee, the Executive Committee and the Nuclear Oversight Committee. He has been a director since 2005.



**NATICA VON ALTHANN**, 60, 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 a nonprofit organization, Neighbors Link in Mt. Kisco, New York. She is chair of the Finance Committee and is a member of the Audit Committee and the Nuclear Oversight Committee and has been a director since December 2009.

**KEITH H. WILLIAMSON**, 58, 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.

E. Allen Deaver, the company's Lead Director, in compliance with the company's Guidelines for Corporate Governance, will retire from the Board prior to the 2011 Annual Meeting of Shareowners, which follows his 75th birthday. Mr. Deaver retired in 1998 as Executive Vice President and a director of Armstrong World Industries, Inc., of Lancaster, Pennsylvania. He is also a director of the Geisinger Health System. He graduated from the University of Tennessee with a B.S. in Mechanical Engineering and is a former United States Army officer. He began his Armstrong career in 1960 and served as Executive Vice President for 10 years. Prior to that time, he gained experience in a variety of engineering and manufacturing positions in the United States and abroad. Mr. Deaver is chair of the Compensation, Governance and Nominating Committee and a member of the Executive, Finance and Nuclear Oversight Committees.

**Your Board of Directors recommends that shareowners  
vote FOR Proposal 1, the election of these nominees for director**

## GOVERNANCE OF THE COMPANY

### Board of Directors

**Attendance.** The Board of Directors met nine times during 2010. Each director attended at least 75% of the meetings held by the Board and the committees on which they served during the year, except for Mr. Conway. The average attendance of directors at Board and Committee meetings held during 2010 was 96%. Directors are expected to attend all meetings of shareowners, the Board, and the Committees on which they serve. All of our then-serving directors attended the 2010 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](http://www.pplweb.com/about/corporate+governance)), the Board considers all relevant facts and circumstances in making an independence determination. At its January 2011 meeting, 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, Deaver, Elliott, Graham, Rogerson and Williamson, and Ms. Goeser and Ms. 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 evaluated the following relationships:

Each of Mr. Conway and Mr. Graham were officers at companies 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 in each fiscal year was significantly below 1 percent of the consolidated gross revenues of PPL and each of these companies. As part of its determination, the Board also considered that most of 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 2 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 1 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

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 2 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. The Board has designated Mr. Deaver as the presiding director to chair these executive sessions. Mr. Deaver also serves as the lead director of the Board. At the time of Mr. Deaver's retirement, the Board will designate a new presiding and lead director.

***Board Leadership Structure.*** The positions of Chairman and Chief Executive Officer, or CEO, are held by Mr. Miller. Mr. Deaver has served as a strong independent lead director for a number of years. 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. Miller is not independent from the company. All of our committees, with the exception of the Executi