Cardium Therapeutics, Inc.
Form POS AM
May 16, 2007
Table of Contents

As filed with the U.S. Securities and Exchange Commission on May 16, 2007

Registration No. 333-131104

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 2

TO

FORM SB-2

ON

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CARDIUM THERAPEUTICS, INC.

(Name of small business issuer in its charter)

Delaware	**2836**	**27-0075787**
(State or jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

3611 Valley Centre Drive, Suite 525

San Diego, California 92130

(858) 436-1000

(Address and telephone number of principal executive offices)

Tyler M. Dylan, Chief Business Officer

Cardium Therapeutics, Inc.

3611 Valley Centre Drive, Suite 525

San Diego, California 92130

(858) 436-1000

(Name, address and telephone number of agent for service)

Copies to:

David A. Fisher

Fisher Thurber LLP

4225 Executive Square, Suite 1600

La Jolla, California 92037

(858) 535-9400

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act of 1933, check the following box: ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box: ¨

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. Our selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 16, 2007

30,021,059 Shares

of

Common Stock

This prospectus relates to resales of shares common stock and shares of common stock underlying warrants previously issued by Cardium Therapeutics, Inc. to the selling stockholders in connection with a private placement of securities and a reverse merger, each of which was completed on October 20, 2005.

The selling stockholders identified in this prospectus, or their pledgees, donees, transferees or other successors-in-interest, may offer the shares from time to time through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. We will receive none of the proceeds from the sale of the shares by the selling stockholders. However, if the warrants are exercised, we will receive cash for the exercise price of the warrants.

The selling stockholders may resell the common stock to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions. The selling stockholders will bear all commissions and discounts, if any, attributable to the sales of shares. We will bear all costs, fees and expenses in connection with the registration of the shares.

Our common stock is quoted on the OTC Bulletin Board under the symbol CDTP . On May 15, 2007, the closing sale price of our common stock was $2.90 per share. You are urged to obtain current market quotations for the common stock.

An investment in our common stock involves a high degree of risk. Please carefully review the section titled Risk Factors beginning on page 4.

The selling stockholders and any broker-dealer executing sell orders on behalf of the selling stockholders may be deemed to be underwriters within the meaning of the Securities Act of 1933 with respect to the shares sold by them. Commissions received by any broker-dealer may be deemed to be underwriting commissions under the Securities Act of 1933.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____ __, 2007

Table of Contents

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from the information contained or incorporated by reference in this prospectus. This prospectus may only be used where it is legal to sell these securities. This prospectus is not an offer to sell, or a solicitation of an offer to buy, in any state where the offer or sale is prohibited. The information contained in this prospectus is accurate on the date of this prospectus and may become obsolete later. Neither the delivery of this prospectus, nor any sale made under this prospectus, will under any circumstances, imply that the information in this prospectus is correct as of any date after the date of this prospectus. References to Cardium, we, us or our refer to Cardium Therapeutics, Inc.

Table of Contents

BUSINESS SUMMARY

This summary highlights certain information about Cardium and its business. This summary does not contain all of the information that is important to an investment decision. You should read the entire prospectus carefully, including Risk Factors beginning below on page 4, before deciding to invest in our common stock.

Our Business

We are a medical technology company primarily focused on the development and commercialization of novel biologic therapeutics and medical devices for cardiovascular and ischemic disease. Since we were initially funded in October 2005, we have made three strategic acquisitions and assembled a portfolio of innovative late-stage cardiovascular and regenerative medicine product candidates, together with medical devices having U.S. Food and Drug Administration (FDA) clearances that are marketed and sold through our direct sales force. We have established a pipeline of innovative products that are divided into three operating units, Cardium Biologics, InnerCool Therapies, Inc. and the Tissue Repair Company.

As our current products and product candidates become successfully advanced, we intend to continue to pursue opportunistic acquisitions designed to enhance long-term stockholder value. At the same time, as technologies and product candidates are advanced and businesses are further developed, we may consider various corporate development transactions to enhance and monetize stockholder value such as corporate partnerings, spin-out transactions and equity distribution.

Cardium Biologics

The following describes the leading product candidates in Cardium Biologic s drug development pipeline:

- ***Generx™ (alferminogene tadenovec).*** Our lead product candidate, Generx, is a late-stage DNA-based growth factor therapeutic that is in a new class of cardiovascular biologics being developed to leverage the body s natural healing processes in response to repeated ischemic stress (insufficient blood flow and myocardial oxygen supply due to coronary heart disease). Generx is being developed as a one-time treatment to promote and stimulate the growth of collateral circulation in the hearts of patients with ischemic conditions such as recurrent angina. The natural biologic response to repeated transient ischemia is angiogenesis, the growth of new collateral blood vessels, which is orchestrated by a complex and not fully understood cascade involving many myocardial-derived growth factors. These newly formed vessels can effectively augment blood flow and oxygen delivery to parts of the patient s heart downstream from a blockage in a coronary artery. In many patients however, including those with recurrent angina, coronary collateral vessel formation is insufficient to meet the heart s needs during stress. Currently available anti-anginal drugs, which may provide symptomatic relief, are generally designed to alter the oxygen demand of the heart muscle or dilate vessels to temporarily relieve angina. Generx is an angiogenic therapeutic that is designed to promote the heart s natural response of collateral growth and to increase blood flow in the microcirculation. Generx is expected to commence a Phase 3 clinical study in the first half of 2007 that will be a randomized, placebo-controlled, double blind trial in approximately 300 women at multiple medical centers in the U.S. An additional follow-up study of Generx in men with recurrent angina due to myocardial ischemia is expected to commence later. Generx is the first and only DNA-based cardiovascular therapeutic to be advanced to Phase 3, and is believed to be the only current Phase 3 product candidate for the potential treatment of stable angina, a chronic medical condition affecting millions of patients in the U.S. and elsewhere.

- ***Corgentin [Ad5IGF-I].*** Corgentin, our lead pre-clinical product candidate, is a next-generation DNA-based therapeutic based on myocardial produced insulin-like growth factor-I (ad5IGF-I) which

Table of Contents

could be developed for administration in an acute care setting by interventional cardiologists as a treatment for heart attack patients immediately following percutaneous coronary intervention. Corgentin is designed to enhance myocardial healing in and around the infarct zone when used as an adjunct to existing vascular-directed pharmacologic and interventional therapies. To further confirm the utility of the Corgentin approach and establish its commercialization potential, we are planning additional pre-clinical studies in the porcine acute myocardial infarction model, closely mimicking the clinical setting. If confirmatory, we may seek to initiate clinical studies on our own or with a corporate development partner.

- ***Genvascor [Ad5eNOS].*** Genvascor is a pre-clinical, DNA-based, endothelial nitric oxide synthase (eNOS) therapeutic. This product candidate is being designed to induce production of nitric oxide directed at mediating the effects of multiple growth factors to enhance neovascularization and increased blood flow for the treatment of patients with critical limb ischemia due to advanced peripheral vascular disease. We may seek to develop additional pre-clinical information through sponsored studies and, if confirmatory, we may consider the further development of Genvascor either alone or through a corporate collaboration.

Innercool Therapies

Our InnerCool Therapies subsidiary is focused on the emerging field of temperature modulation or therapeutic hypothermia, which is designed to rapidly and controllably cool the body in order to reduce cell death and damage following acute ischemic events such as cardiac arrest or stroke, and to potentially lessen or prevent associated injuries such as adverse neurological outcomes. InnerCool s Celsius Control System has received FDA 510(k) clearance for use in inducing, maintaining and reversing mild hypothermia in neurosurgical patients, both in surgery and in recovery or intensive care. The system has also received FDA clearance for use in cardiac patients in order to achieve or maintain normal body temperatures during surgery and in recovery/intensive care, and as an adjunctive treatment for fever control in patients with cerebral infarction and intracerebral hemorrhage. InnerCool has also received a CE mark allowing the Celsius Control System to be marketed in the European Community, and a TGA approval allowing the system to be marketed in Australia.

Studies for additional indications with InnerCool s Celsius Control System are expected to be conducted in collaboration with the National Institutes of Health and other collaborating institutions. Potential future applications of the technology include endovascular cooling for cardiac arrest, acute ischemic stroke and myocardial infarction (heart attack), and acute traumatic injury. We plan to accelerate the commercialization of the Celsius Control System and broaden and expand its temperature modulation technology into other medical indications and applications. Since its acquisition by Cardium, InnerCool s sales force has been expanded, a new cGMP manufacturing facility has been secured to increase production capabilities, and a next-generation console for the Celsius Control System have been developed and a new external temperature modulation system are both being developed for planned launches in mid-2007. InnerCool is also in the process of finalizing a new external temperature modulation system, which is designed to provide a complementary tool for use in less-acute patients and in clinical settings that do not require very rapid cooling or re-warming, or which are best suited to prolonged temperature management. Both the new Celsius Control System and the new external temperature modulation system are expected to be launched in mid-2007.

Tissue Repair Company

Excellarate™ is the lead product candidate of the Tissue Repair Company, our wholly-owned subsidiary. Excellarate is a DNA-activated collagen gel for topical treatment formulated with an adenovector delivery carrier encoding human platelet-derived growth factor-B (PDGF-B) and is designed to stimulate angiogenesis and granulation tissue formation through the recruitment and proliferation of chemotactic cells such as monocytes

Table of Contents

and fibroblasts, which are necessary for the stimulation of a variety of wound healing processes. Excellarate is initially being developed as a single administration for the treatment of non-healing, neuropathic diabetic foot ulcers. Based on the prior pre-clinical and toxicology database, and results from the Phase 1/2 clinical study, we anticipate that Excellarate may be advanced into a randomized, double-blind, placebo-controlled, multi-center Phase 2b clinical study commencing in the second half of 2007.

Excellarate is based on Tissue Repair Company s Gene Activated Matrix™ technology, which is a technology designed to provide a therapeutic level of protein synthesis at a particular site in the body and can be used in soft tissue such as skin, ligament, tendons and cartilage, as well as hard tissue such as bone. The technology is distinctive in that it is an immobilized form of local gene delivery that allows for control of gene uptake. Gene Activated Matrix technology consists of a biocompatible matrix comprising a gene or DNA vector encoding a growth factor or other therapeutic protein. Other potential applications of Gene Activated Matrix technology include therapeutic angiogenesis (cardiovascular ischemia, peripheral arterial disease) and orthopedic products, including hard tissue (bone) and soft tissue (ligament, tendon, cartilage) repair.

Corporate Information

Our principal executive offices are located at 3611 Valley Centre Drive, Suite 525, San Diego, California 92130, and our telephone number is (858) 436-1000. Our website is located at www.cardiumthx.com. Information on our website is not part of this prospectus.

Table of Contents

RISK FACTORS

You should carefully consider the risks described below, as well as the other information in this prospectus, when evaluating our business and future prospects. If any of the following risks actually occur, our business, financial condition and results of operations could be seriously harmed. In that event, the market price of our common stock could decline and you could lose all or a portion of the value of your investment in our common stock.

Risks Related to Our Business and Industry

We are a development stage company formed in December 2003. We have incurred losses since inception and expect to incur significant net losses in the foreseeable future and may never become profitable.

We have sustained operating losses to date and will likely continue to sustain losses as we seek to accelerate our product development efforts. We expect these losses to be substantial in the early years of our operations because our product development and other costs, including significant amounts we expect to spend on development activities and clinical trials for Generx , Excellarate and other product candidates, cannot be offset by our limited revenues during our development stage. As of December 31, 2006, our accumulated deficit was approximately $24 million, and our cash equivalents were approximately $5.9 million. To date, we have generated limited revenues, consisting of revenues from sales of our InnerCool Celsius Control System and associated disposables, as well as interest income. A large portion of our expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, we expect our net losses from operations to continue for at least the next five years. Our ability to generate additional revenues and potential to become profitable will depend largely on our ability, alone or with potential collaborators, to efficiently and successfully complete the development of our product candidates, successfully complete pre-clinical and clinical tests, obtain necessary regulatory approvals, and manufacture and market our products. There can be no assurance that any such events will occur or that we will ever become profitable. Even if we do achieve profitability, we cannot predict the level of such profitability. If we sustain losses over an extended period of time, we may be unable to continue our business.

Our business prospects are difficult to evaluate because we are a new company and are developing complex and novel medical products.

Since we have a short operating history and our product candidates rely on complex technologies, it may be difficult for you to assess our growth, partnering and earnings potential. It is likely we will face many of the difficulties that new technology companies often face. These include, among others: limited financial resources; developing, testing and marketing new products for which a market is not yet established and may never become established; challenges related to the development, approval and acceptance of a new technology or product; delays in reaching our goals; lack of substantial revenues and cash flow; high product development costs; competition from larger, more established companies; and difficulty recruiting qualified employees for management and other positions. We will likely face these and other difficulties in the future, some of which may be beyond our control. If we are unable to successfully address these difficulties as they arise, our future growth and earnings will be negatively affected. We cannot be certain that our business strategies will be successful or that we will successfully address any problems that may arise.

We will need substantial additional capital to develop our products and for our future operations. If we are unable to obtain such funds when needed, we may have to delay, scale back or terminate our product development or our business.

Conducting the costly and time consuming research, pre-clinical and clinical testing necessary to obtain regulatory approvals and bring our products to market will require a commitment of substantial funds in excess of our current capital. Our future capital requirements will depend on many factors, including, among others: the progress of our current and new product development programs; the progress, scope and results of our pre-clinical and clinical testing; the time and cost involved in obtaining regulatory approvals; the cost of

Table of Contents

manufacturing our products and product candidates; the cost of prosecuting, enforcing and defending against patent claims and other intellectual property rights; competing technological and market developments; and our ability and costs to establish and maintain collaborative and other arrangements with third parties to assist in potentially bringing our products to market.

We will need to raise substantial additional capital to fund our future operations. We cannot be certain that additional financing will be available on acceptable terms, or at all. In recent years, it has been difficult for companies to raise capital due to a variety of factors, which may or may not continue. To the extent we raise additional capital through the sale of equity securities or we issue securities in connection with another transaction, the ownership position of existing stockholders could be substantially diluted. If additional funds are raised through the issuance of preferred stock or debt securities, these securities are likely to have rights, preferences and privileges senior to our common stock and may involve significant fees, interest expense, restrictive covenants and the granting of security interests in our assets. Fluctuating interest rates could also increase the costs of any debt financing we may obtain. Raising capital through a licensing or other transaction involving our intellectual property could require us to relinquish valuable intellectual property rights and thereby sacrifice long term value for short-term liquidity.

Our failure to successfully address ongoing liquidity requirements would have a substantially negative impact on our business. If we are unable to obtain additional capital on acceptable terms when needed, we may need to take actions that adversely affect our business, our stock price and our ability to achieve cash flow in the future, including possibly surrendering our rights to some technologies or product opportunities, delaying our clinical trials or curtailing or ceasing operations.

We acquired the assets and business of InnerCool Therapies, Inc. in March 2006 and rights to develop the Excellarate product candidate of the Tissue Repair Company in August 2006 and may, in the future, pursue acquisitions of other companies or product rights that, if not successful, could adversely affect our business, financial condition and results of operations.

On March 8, 2006, we completed our acquisition of the assets and business of InnerCool Therapies, Inc., a medical technology company focused on the emerging field of therapeutic hypothermia. On August 11, 2006, we acquired rights to develop the Excellarate product candidate of the Tissue Repair Company, a medical technology company focused on the development of growth factor therapeutics for the potential treatment of chronic wounds such as dermal ulcers. These businesses are subject to all of the operational risks that can affect medical technology companies, including those related to regulatory approvals and clinical studies, acceptance of technology, competing technology, intellectual property rights, profitability, suppliers and third party collaborators, adverse publicity, litigation, and retention of key personnel.

In the future, we may pursue additional acquisitions of other companies, technologies or products. Acquisitions of businesses or product rights, including the InnerCool and Tissue Repair Company transactions, involve numerous risks, including:

- our limited experience in evaluating businesses and product opportunities and completing acquisitions;
- the use of our existing cash reserves or the need to obtain additional financing to pay for all or a portion of the purchase price of such acquisitions and to support the ongoing operations of the businesses acquired;
- the potential need to issue convertible debt, equity securities, stock options and stock purchase warrants to complete an acquisition, which would dilute our stockholders and could adversely affect the market price of our common stock;
- potential difficulties related to integrating the technology, products, personnel and operations of the acquired company;

requirements of significant capital infusions in circumstances under which the acquired business, its products and/or technologies may not generate sufficient revenue or any revenue to offset acquisition costs or ongoing expenses;

Table of Contents

entering markets in which we have no or limited prior direct experience and where competitors have stronger market or intellectual property positions;

disruptions to our ongoing business, diversion of resources, increases in our expenses and distraction of management s attention from the normal daily operations of our business;

the potential to negatively impact our results of operations because an acquisition may require us to incur large one-time charges to earnings, amortize or write down amounts related to goodwill and other intangible assets, or incur or assume substantial debt or liabilities, or cause adverse tax consequences, substantial depreciation or deferred compensation charges;

an uncertain sales and earnings stream, or greater than expected liabilities and expenses, associated with the acquired company, product or product rights;

failure to operate effectively and efficiently as a combined organization utilizing common information and communication systems, operating procedures, financial controls and human resources practices;

potential loss of key employees of the acquired company; and

disruptions to our relationships with existing collaborators who could be competitive with the acquired business.

There can be no assurance that our InnerCool or Tissue Repair transactions, or other transactions that we may pursue, will ultimately prove successful. If we pursue an acquisition but are not successful in completing it, or if we complete an acquisition but are not successful in integrating the acquired company s employees, products or operations successfully, our business, financial condition or results of operations could be harmed.

We are an early stage company and, other than InnerCool s Celsius Control System and related disposables that are approved for limited uses, we have no other products available for sale or use. Our product candidates require additional research, development, testing, and regulatory approvals before marketing. We may be unable to develop, obtain regulatory approval or market any of our product candidates or expand the market of our existing products and technology. If our product candidates are delayed or fail, our business and stockholder value will be negatively impacted, and we may have to curtail or cease our operations.

We are in the early stage of product development and, other than InnerCool s Celsius Control System and related disposables that are approved only for limited uses, we currently do not sell any other products and may not have any other products commercially available for several years, if at all. Our product candidates, and the potential expansion of our therapeutic hypothermia products into other medical indications and applications, require additional research and development, clinical testing and regulatory clearances before we can market them. To our knowledge, the U.S. Food and Drug Administration, or FDA, has not yet approved any gene therapy or similar product and there can be no assurance that it will. There are many reasons that our products and product candidates may fail or not advance beyond clinical testing, including the possibility that:

our products and product candidates may be ineffective, unsafe or associated with unacceptable side effects;

our product candidates may fail to receive necessary regulatory approvals or otherwise fail to meet applicable regulatory standards;

our product candidates may be too expensive to develop, manufacture or market;

physicians, patients, third-party payers or the medical community in general may not accept or use our products;

our potential collaborators may withdraw support for or otherwise impair the development and commercialization of our products or product candidates;

Table of Contents

other parties may hold or acquire proprietary rights that could prevent us or our potential collaborators from developing or marketing our products or product candidates; or

others may develop equivalent, superior or less expensive products.

In addition, our product candidates are subject to the risks of failure inherent in the development of biologics, gene therapy and other products based on innovative technologies. As a result, we are not able to predict whether our research, development and testing activities will result in any commercially viable products or applications. If our product candidates are delayed or we fail to successfully develop and commercialize our product candidates, or if we are unable to expand the market of our existing products or related technology, our business, financial condition or results of operations will be negatively affected, and we may have to curtail or cease our operations.

We may experience delays in our clinical trials that could adversely affect our business, financial results and commercial prospects.

To obtain regulatory approvals for new products or to expand indications for existing ones, we must, among other things, initiate and successfully complete multiple clinical trials demonstrating to the satisfaction of the FDA that our product candidates are sufficiently safe and effective for a particular indication. We are in ongoing discussions with the FDA regarding clinical trials of our Generx product candidate, and expect to soon be in discussions regarding our recently acquired Excellarate product candidate. While we expect both product candidates to be in clinical trials in 2007, there is no assurance that they will be since the timing of clinical trials is dependent on, among other things, FDA reviews, clinical site approvals, successful manufacturing of clinical materials, sufficient funding and other factors outside of our control. Furthermore, there can be no assurance that our clinical trials will in fact demonstrate to the satisfaction of the FDA and others that our products are sufficiently safe or effective.

The FDA or we may also restrict or suspend our clinical trials at any time if either believes that we are exposing the subjects participating in the trials to unacceptable health risks. We expect to continue to rely on third party clinical investigators at medical institutions and healthcare facilities to conduct and monitor our clinical trials, and, as a result, we may face additional delaying factors outside of our control. Product development costs to us and our potential collaborators will increase, and our business may be negatively impacted, if we experience delays in testing or approvals or if we need to perform more or larger clinical trials than planned, for reasons such as the following:

the FDA or other health regulatory authorities, or institutional review boards, do not approve a clinical study protocol or place a clinical study on hold;

suitable patients do not enroll in a clinical study in sufficient numbers or at the expected rate, or data is adversely affected by trial conduct or patient drop out;

patients experience serious adverse events, including adverse side effects of our drug candidate or device;

patients die during a clinical study for a variety of reasons that may or may not be related to our products, including the advanced stage of their disease and medical problems;

patients in the placebo or untreated control group exhibit greater than expected improvements or fewer than expected adverse events;

third-party clinical investigators do not perform the clinical studies on the anticipated schedule or consistent with the clinical study protocol and good clinical practices, or other third-party organizations do not perform data collection and analysis in a timely or accurate manner;

service providers, collaborators or co-sponsors do not adequately perform their obligations in relation to the clinical study or cause the study to be delayed or terminated;

Table of Contents

regulatory inspections of manufacturing facilities, which may, among other things, require us or a co-sponsor to undertake corrective action or suspend the clinical studies;

the interim results of the clinical study are inconclusive or negative;

the clinical study, although approved and completed, generates data that is not considered by the FDA or others to be sufficient to demonstrate safety and efficacy; and

changes in governmental regulations or administrative actions affect the conduct of the clinical trial or the interpretation of its results.

Significant delays may adversely affect our financial results and the commercial prospects for our product candidates and delay our ability to become profitable.

If we cannot successfully complete the clinical trial process for our product candidates, or products for which we seek expanded approvals, then we will not be able to market them. Even successful clinical trials may not result in a marketable product and may not be predictive of a product s safety or efficacy in a larger and more diverse patient population.

Our Celsius Control System acquired from InnerCool Therapies has received FDA 510(k) clearance for certain specified indications but we may elect to pursue other indications, which would generally require that collaborators or we conduct additional clinical studies and/or testing. Our Generx and Excellarate product candidates are currently in the clinical stage. Other product candidates are in the pre-clinical stage and there can be no assurance they will ever advance to clinical trials. For product candidates that advance to clinical testing, we cannot be certain that a collaborator or we will successfully complete the clinical trials necessary to receive regulatory product approvals. This process is lengthy, unpredictable and expensive. To obtain regulatory approvals, a collaborative partner or we must ultimately demonstrate to the satisfaction of the FDA and others that our product candidates are sufficiently safe and effective for their proposed use.

Many factors, known and unknown, can adversely impact clinical trials and the ability to evaluate a product s safety and efficacy. Such factors may have a negative impact on our business by making it difficult to advance product candidates or by reducing or eliminating their potential or perceived value. Further, if we are forced to contribute greater financial and clinical resources to a study, valuable resources will be diverted from other areas of our business.

Clinical trials for products such as ours are often conducted with patients who have more advanced forms of a particular disease. For example, in clinical trials for our lead product candidate Generx, we expect to study patients who are not only suffering from severe forms of heart disease but are also older and much more likely to develop cancers and other serious adverse conditions. During the course of treatment, these patients could die or suffer other adverse events for reasons that may or may not be related to the proposed product being tested. Our clinical trials may also be adversely impacted by patient deaths or problems that occur in other trials. However, even if unrelated to our product, such events can nevertheless adversely impact our clinical trials. As a result, our business and ability to ultimately develop and market the products and obtain revenues would suffer.

Deaths and other adverse events that occur in the conduct of clinical trials may also result in an increase in governmental regulations or litigation, and could result in delays or halts being imposed upon clinical trials, including our own. In addition, patients involved in clinical trials such as ours often have unknown as well as known health risks and pre-existing conditions. An adverse event may therefore appear to have been caused or exacerbated by the administration of study product, even if it was not actually related. Such consequences can also increase the risk

that any potential adverse event in our trial could give rise to claims for damages against us, or could cause further delays or halt our clinical trial, any of which results would negatively impact us. In addition, fears regarding the potential consequences of gene therapy trials or the conduct of such trials could dissuade investigators or patients from participating in our trials, which could substantially delay or prevent our product development efforts.

Table of Contents

Even promising results in pre-clinical studies and initial clinical trials do not ensure successful results in later clinical trials, which test broader human use of our products. Many companies in our industry have suffered significant setbacks in advanced clinical trials, despite promising results in earlier trials. Even successful clinical trials may not result in a marketable product or be indicative of the efficacy or safety of a product in the broader patient population. Many factors or variables could affect the results of clinical trials and cause them to appear more promising than they may otherwise be. Product candidates that successfully complete clinical trials could ultimately be found to be unsafe or ineffective or to have poorer risk to benefit or cost to benefit profiles as compared to other potential products or therapies.

Our ability to complete clinical trials depends on many factors, including obtaining adequate clinical supplies and having a sufficient rate of patient recruitment. For example, patient recruitment is a function of many factors, including: the size of the patient population; the proximity of patients to clinical sites; the eligibility criteria for the trial; the perceptions of investigators and patients regarding safety; and the availability of other treatment options. Even if patients are successfully recruited, we cannot be sure they will complete the treatment process. Delays in patient enrollment or treatment in clinical trials may result in increased costs, program delays, or failure, any of which can substantially affect our business or perceived value.

In addition, DNA-based therapies such as those being developed by us are relatively new and are only beginning to be tested in humans. Regulatory authorities may require us or our potential collaborators to demonstrate that our products are improved treatments relative to other therapies or may significantly modify the requirements governing gene therapies, which could result in regulatory delays or rejections that negatively impact our business. Compliance with these regulatory requirements is also time consuming and expensive. If we fail to comply with regulatory requirements, either before approval or in marketing our products after approval, we could be subject to regulatory or judicial enforcement actions. These actions could result in withdrawal of existing approvals, product recalls, injunctions, civil penalties, criminal prosecution, and enhanced exposure to product liabilities.

Ethical, social and legal concerns about gene therapy and genetic research could also result in additional regulations restricting or prohibiting our products and processes we may use. More restrictive government regulations or negative public opinion may have a negative effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates.

With respect to markets in other countries, we or a partner will also be subject to regulatory requirements governing clinical trials in those countries. Even if we complete clinical trials, we may not be able to submit a marketing application. If we submit an application, the regulatory authorities may not review or approve it in a timely manner, if at all.

Our technologies and product candidates may have unacceptable side effects that could delay or prevent product approval.

Possible side effects of therapeutic technologies may be serious and life threatening. The occurrence of any unacceptable side effects during or after pre-clinical and clinical testing of our product candidates, or the perception or possibility that our products cause or could cause such side effects, could delay or prevent approval of our products and negatively impact our business. For example, possible serious side effects of viral vector-based gene transfer could potentially include viral or gene product toxicity resulting in inflammation or other injury to the heart or other parts of the body. In addition, the development or worsening of cancer in a patient could potentially be a perceived or actual side effect of gene therapy technologies such as our own. Furthermore, there is a possibility of side effects or decreased effectiveness associated with an immune response toward any viral vector or gene used in gene therapy. The possibility of such response may increase if there is a need to deliver the viral vector more than once.

Table of Contents

Even if approved for marketing, our technologies and product candidates are relatively novel and unproven and they may fail to gain market acceptance.

Our ongoing business and future depends on the success of our technologies and product candidates. Gene-based therapy and endovascular temperature control therapy are new and rapidly evolving medical approaches that have not been shown to be effective on a widespread basis. Biotechnology and pharmaceutical companies have successfully developed and commercialized only a limited number of biologic-based products to date and no gene therapy has yet been successfully commercialized. Our product candidates, and the technology underlying them, are new and unproven and there is no guarantee that health care providers or patients will be interested in our products even if they are approved for use. Our success will depend in part on our ability to demonstrate sufficient clinical benefits, reliability, safety and cost effectiveness of our product candidates and technology relative to other approaches, as well as on our ability to continue to develop our product candidates to respond to competitive and technological changes. If the market does not accept our products or product candidates, when and if we are able to commercialize them, then we may never become profitable. It is difficult to predict the future growth of our business, if any, and the size of the market for our product candidates because the market and technology are continually evolving. There can be no assurance that our technologies and product candidates will prove superior to technologies and products that may currently be available or may become available in the future or that our technologies or research and development activities will result in any commercially profitable products.

We may not successfully establish and maintain collaborative and licensing arrangements, which could adversely affect our ability to develop and commercialize our product candidates.

Our strategy for the development, testing, manufacturing and commercialization of our product candidates generally relies on establishing and maintaining collaborations with corporate partners, licensors and other third parties. For example, we have licenses from New York University and the University of California relating to the use and delivery of our Generx product candidates for the treatment of vascular disease, as well as a relationship with Schering AG Group (Germany) regarding the transfer of information about certain manufacturing and regulatory matters concerning our product candidates. We may not be able to maintain or expand these licenses and collaborations or establish additional licensing and collaboration arrangements necessary to develop and commercialize our product candidates. Even if we are able to maintain or establish licensing or collaboration arrangements, these arrangements may not be on favorable terms and may contain provisions that will restrict our ability to develop, test and market our product candidates. Any failure to maintain or establish licensing or collaboration arrangements on favorable terms could adversely affect our business prospects, financial condition or ability to develop and commercialize our product candidates.

We expect to rely at least in part on third party service providers and collaborators to perform a number of activities relating to the development and commercialization of our product candidates, including the manufacture of product materials, the design and conduct of clinical trials, and potentially the obtaining of regulatory approvals and the marketing and distribution of any successfully developed products. Our collaborative partners also may have or acquire rights to control aspects of our product development and clinical programs. As a result, we may not be able to conduct these programs in the manner or on the time schedule we currently contemplate. In addition, if any of these collaborative partners withdraw support for our programs or product candidates or otherwise impair their development, our business could be negatively affected. To the extent we undertake any of these activities internally, our expenses may increase.

Our success hinges on the proper and effective performance of our service providers and collaborators of their responsibilities under their arrangements with us. Our existing or potential collaborators may not perform their obligations in a timely fashion or in a manner satisfactory to us. We and our present and future collaborators may fail to develop or effectively commercialize products covered by our present and future collaborations if, among other things:

- we do not achieve our objectives under our collaboration agreements;

we or our collaborators are unable to obtain patent protection for the products or proprietary technologies we develop in our collaborations;

Table of Contents

- we are unable to manage multiple simultaneous product discovery and development collaborations;
- our collaborators become competitors of ours or enter into agreements with our competitors;
- we or our collaborators encounter regulatory hurdles that prevent commercialization of our products; or
- we develop products and processes or enter into additional collaborations that conflict with the business objectives of our other collaborators.

In addition, conflicts may arise with our collaborators, such as conflicts concerning the interpretation of clinical data, the achievement of milestones, the interpretation of financial provisions or the ownership of intellectual property developed during the collaboration. If any conflicts arise with our existing or future collaborators, they may act in their self-interest, which may be adverse to our best interest. If we or our collaborators are unable to develop or commercialize products, or if conflicts arise with our collaborators, we will be delayed or prevented from developing and commercializing products, which will harm our business and financial results.

We will rely on third parties to manufacture our product candidates. There can be no guarantee that we can obtain sufficient and acceptable quantities of our product candidates on acceptable terms, which may delay or impair our ability to develop, test and market such products.

Our business strategy relies on third parties to manufacture and produce our products and product candidates and the catheters used to deliver the products in accordance with good manufacturing practices established by the FDA and other regulators. For example, we entered into a Production Service Agreement with Molecular Medicine Bioservices, Inc. pursuant to which Molecular Medicine agreed to manufacture our lead product candidate, Generx, for late-stage clinical development. These third party manufacturers are subject to extensive government regulation and must receive FDA approval before they can produce clinical material or commercial product.

Our products and product candidates may be in competition with other products for access to these facilities and may be subject to delays in manufacture if third parties give other products greater priority than our products. These third parties also may not deliver sufficient quantities of our products, manufacture our products in accordance with specifications, or comply with applicable government regulations. Successful large-scale manufacturing of gene-based therapy products has been accomplished by very few companies, and it is anticipated that significant process development changes will be necessary before commercializing and manufacturing any of our biologic product candidates. Additionally, if the manufactured products fail to perform as specified, our business and reputation could be severely impacted.

If any manufacturing agreement is terminated or any third party service provider or collaborator experiences a significant problem that could result in a delay or interruption in the supply of product materials to us, there are very few contract manufacturers who currently have the capability to produce our product candidates. There can be no assurance that manufacturers on whom we depend will be able to successfully produce our products or product candidates on acceptable terms, or on a timely or cost-effective basis, or in accordance with our product specifications and applicable FDA or other governmental regulations. We must have sufficient and acceptable quantities of our product materials to conduct our clinical trials and to market our product candidates, if and when such products have been approved by the FDA for marketing. If we are unable to obtain sufficient and acceptable quantities of our product material, we may be required to delay the clinical testing and marketing of our products, which would negatively impact our business.

If we do not comply with applicable regulatory requirements in the manufacture and distribution of our products and product candidates, we may incur penalties that may inhibit our ability to commercialize our products and adversely affect our financial condition and ability to

become profitable.

Our failure or the failure of our potential collaborators or third party manufacturers to comply with applicable FDA or other product-related regulatory requirements including manufacturing, quality control,

Table of Contents

labeling, safety surveillance, promoting and reporting may result in criminal prosecution, civil penalties, recall or seizure of our products, total or partial suspension of production or an injunction, as well as other regulatory action against our products, product candidates or us. Discovery of previously unknown problems with a product, supplier, manufacturer or facility may result in restrictions on the sale of our products, including a withdrawal of such products from the market. The occurrence of any of these events would negatively impact our business and results of operations.

If we are unable to create and maintain sales, marketing and distribution capabilities or enter into agreements with third parties to perform those functions, we will not be able to commercialize our product candidates or market our products.

We currently have limited sales, marketing and distribution capabilities in connection with our InnerCool products and none with respect to our other product candidates, which are not yet approved for marketing. To commercialize our other product candidates, if and when such products have been approved and are ready for marketing, we expect either to collaborate with third parties to perform these functions or develop them internally.

We have little experience in developing, training or managing a sales force and will incur substantial additional expenses for any products that we market directly. Developing a marketing and sales force is also time consuming and could delay the launch of new products or expansion of existing product sales. We expect that we will need to develop additional marketing and sales personnel, and/or work with outside providers, to achieve increased sales of our InnerCool products. In addition, we will compete with many companies that currently have extensive and well-funded marketing and sales operations. Our marketing and sales efforts may be unable to compete successfully against these companies, in which event our business prospects may suffer.

We face intense and increasing competition and must cope with rapid technological change, which may adversely affect our financial condition and/or our ability to successfully commercialize and/or market our products and product candidates.

Our competitors and potential competitors include large pharmaceutical and medical device companies and more established biotechnology companies. These companies have significantly greater financial and other resources and greater expertise than us in research and development, manufacturing, pre-clinical and clinical testing, obtaining regulatory approvals and marketing. This may make it easier for them to respond more quickly than us to new or changing opportunities, technologies or market needs. Small companies may also prove to be significant competitors, particularly through collaborative arrangements with large pharmaceutical companies or through acquisition or development of intellectual property rights. Our larger competitors may be able to devote greater resources to research and development, marketing, distribution and other activities that could provide them with a competitive advantage. Many of these competitors operate large, well-funded research and development programs and have significant products approved or in development. Our potential competitors also include academic institutions, governmental agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for product and clinical development and marketing.

We are engaged in DNA-based therapies and temperature control therapy. Our industry is characterized by extensive research and development, rapid technological change, frequent innovations and new product introductions, and evolving industry standards. Existing products and therapies to treat vascular and cardiovascular disease, including drugs and surgical procedures, as well as competitive approaches to temperature control therapy such as those being developed by Alsius Corporation, Radiant Medical, Medivance, Gaymar Industries and Cincinnati Sub-Zero, will compete directly or indirectly with the products that we are seeking to develop and market. In addition, our competitors may develop more effective or more affordable products, or achieve earlier patent protection or product commercialization and market penetration than us. As these competitors develop their technologies, they may develop proprietary positions that prevent us from

12

Table of Contents

successfully commercializing our future products. To be successful, we must be able to adapt to rapidly changing technologies by continually enhancing our products and introducing new products. If we are unable to adapt, products and technologies developed by our competitors may render our products and product candidates uneconomical or obsolete, and we may not be successful in marketing our products and product candidates against competitors. We may never be able to capture and maintain the market share necessary for growth and profitability and there is no guarantee we will be able to compete successfully against current or future competitors.

Changes and reforms in the health care system or reimbursement policies may adversely affect the sale of our products and future products or our ability to obtain an adequate level of reimbursement or acceptable prices for our products or future products.

Other than InnerCool s Celsius Control System and associated disposables, we currently have no products approved for marketing. Our ability to earn sufficient returns on our products and future products, if and when such products are approved and ready for marketing, will depend in part on the extent to which reimbursement for our products and related treatments will be available from government health administration authorities, private health coverage insurers, managed care organizations and other third-party payers. If we fail to obtain appropriate reimbursement, it could prevent us from successfully commercializing and marketing our products and future products.

There have been and will continue to be efforts by governmental and third-party payers to contain or reduce the costs of health care through various means, including limiting coverage and the level of reimbursement. We expect that there will continue to be a number of legislative proposals to implement government controls and other reforms to limit coverage and reimbursement. Additionally, third-party payers, including Medicare, are increasingly challenging the price of medical products and services and are limiting the reimbursement levels offered to consumers for these medical products and services. If purchasers or users of our products or future products are not able to obtain adequate reimbursement from third-party payers for the cost of using the products, they may forego or reduce their use. Significant uncertainty exists as to the reimbursement status of newly approved health care products, including gene therapy and therapeutic hypothermia treatments, and whether adequate third-party coverage will be available. The announcement or considerations of these proposals or reforms could impair our ability to raise capital and negatively affect our business.

If we are unable to attract and retain key personnel and advisors, it may adversely affect our ability to obtain financing, pursue collaborations or develop or market our products or product candidates.

Our future success depends on our ability to attract, retain and motivate highly qualified management and scientific and regulatory personnel and advisors, as well as production, marketing and sales personnel in connection with our InnerCool products. The loss of any of our senior management team, in particular Christopher J. Reinhard, our Chairman of the Board, Chief Executive Officer, President and Treasurer, Tyler M. Dylan, our director, Chief Business Officer, General Counsel, Executive Vice President and Secretary, and Dennis M. Mulroy, our Chief Financial Officer, or our vice presidents, or the operating officers of our subsidiaries, could harm our business.

To pursue our business strategy, we will need to hire or otherwise engage qualified scientific personnel and managers, including personnel with expertise in clinical trials, government regulation, manufacturing, marketing and other areas. Competition for qualified personnel is intense among companies, academic institutions and other organizations. If we are unable to attract and retain key personnel and advisors, it may negatively affect our ability to successfully develop, test, commercialize and market our products and product candidates.

Our facilities are located in or near seismic zones, and an earthquake or other natural disaster or resource shortage could delay our research and development efforts and adversely affect our business.

Our headquarters and research and development facilities in San Diego, California, and our third party manufacturing facilities in Carlsbad, California, are both located in or near seismic zones, and there is a constant

Table of Contents

possibility that an earthquake or other natural disaster or resource shortage could be disruptive to our operations and result in delays in our research and development efforts. In the event of a natural or other disaster such as earthquake, fire, flood or terrorist attack, if our facilities or the equipment in our facilities, or our clinical supplies, are significantly damaged or destroyed, we may not be able to rebuild or relocate our facility or replace any damaged equipment, records or clinical supplies in a timely manner and our business, financial condition and results of operations could be materially and adversely affected.

We will use hazardous and biological materials in our business. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly.

Our products and processes will involve the controlled storage, use and disposal of certain hazardous and biological materials and waste products. We and our suppliers and other collaborators are subject to federal, state and local regulations governing the use, manufacture, storage, handling and disposal of materials and waste products. Even if we and these suppliers and collaborators comply with the standards prescribed by law and regulation, the risk of accidental contamination or injury from hazardous materials cannot be completely eliminated. In the event of an accident, we could be held liable for any damages that result, and any liability could exceed the limits or fall outside the coverage of any insurance we may obtain and exceed our financial resources. We may not be able to maintain insurance on acceptable terms, or at all. We may incur significant costs to comply with current or future environmental laws and regulations.

To the extent we enter markets outside the United States, our business will be subject to political, economic, legal and social risks in those markets, which could adversely affect our business.

There are significant regulatory and legal barriers in markets outside the United States that we must overcome to the extent we enter or attempt to enter markets in countries other than the United States. We will be subject to the burden of complying with a wide variety of national and local laws, including multiple and possibly overlapping and conflicting laws. We also may experience difficulties adapting to new cultures, business customs and legal systems. Any sales and operations outside the United States, including those associated with our InnerCool products, would be subject to political, economic and social uncertainties including, among others:

- changes and limits in import and export controls;
- increases in custom duties and tariffs;
- changes in currency exchange rates;
- economic and political instability;
- changes in government regulations and laws;
- absence in some jurisdictions of effective laws to protect our intellectual property rights; and

currency transfer and other restrictions and regulations that may limit our ability to sell certain products or repatriate profits to the United States.

Any changes related to these and other factors could adversely affect our business to the extent we enter markets outside the United States.

Risks Related to Our Intellectual Property and Potential Litigation

If our products and product candidates are not effectively protected by valid, issued patents or if we are not otherwise able to protect our proprietary information, or if our right to use intellectual property that we license from third parties is terminated or adversely affected, our financial condition, operations or ability to develop and commercialize our product candidates may be harmed.

The success of our operations will depend in part on our ability and that of our licensors to: obtain patent protection for our gene therapy, therapeutic genes and/or gene-delivery methods, temperature control devices and

Table of Contents

procedures, and other methods or components on which we rely both in the United States and in other countries with substantial markets; defend patents once obtained; maintain trade secrets and operate without infringing upon the patents and proprietary rights of others; and obtain appropriate licenses upon reasonable terms to patents or proprietary rights held by others that are necessary or useful to us in commercializing our technology, both in the United States and in other countries with substantial markets.

Our business substantially relies on our own or in-licensed intellectual property related to various technologies that are material to our products and processes. We depend on our and our licensors abilities to successfully prosecute and enforce the patents, file patent applications and prevent infringement of those patents and patent applications. The licenses and other intellectual property rights we acquire may or may not provide us with exclusive rights. To the extent we do not have exclusive rights, others may license the same technology and may develop the technology more successfully or may develop products similar to ours and that compete with our products. Even if we are provided with exclusive rights, the scope of our rights under our licenses may be subject to dispute and termination or reduction by our licensors or third parties. Our licenses also contain milestones that we must meet and/or minimum royalty or other payments that we must make to maintain the licenses. There is no assurance that we will be able to meet such milestones and/or make such payments. Our licenses may be terminated if we fail to meet applicable milestones or make applicable payments.

If we are not able to maintain adequate patent protection for our products and product candidates, we may be unable to prevent our competitors from using our technology or technology that we license.

The patent positions of the technologies being developed by us and our collaborators involve complex legal and factual uncertainties. As a result, we cannot be certain that we or our collaborators will be able to obtain adequate patent protection for our products or product candidates. There can be no assurance that (i) any patents will be issued from any pending or future patent applications of ours or our collaborators; (ii) the scope of any patent protection will be sufficient to provide us with competitive advantages; (iii) any patents obtained by us or our collaborators will be held valid if subsequently challenged; or (iv) others will not claim rights in or ownership of the patents and other proprietary rights we or our collaborators may hold. Unauthorized parties may try to copy aspects of our products and technologies or obtain and use information we consider proprietary. Policing the unauthorized use of our proprietary rights is difficult. We cannot guarantee that no harm or threat will be made to our or our collaborators intellectual property. In addition, changes in, or different interpretations of, patent laws in the United States and other countries may also adversely affect the scope of our patent protection and our competitive situation.

Due to the significant time lag between the filing of patent applications and the publication of such patents, we cannot be certain that our licensors were the first to file the patent applications we license or, even if they were the first to file, also were the first to invent, particularly with regards to patent rights in the United States. In addition, a number of pharmaceutical and biotechnology companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to our operations. Some of these technologies, applications or patents may conflict with our or our licensors technologies or patent applications. A conflict could limit the scope of the patents, if any, that we or our licensors may be able to obtain or result in denial of our or our licensors patent applications. If patents that cover our activities are issued to other companies, we may not be able to develop or obtain alternative technology.

Patents issued and patent applications filed internationally relating to gene therapy, temperature control therapy, and other of our technologies are numerous, and we cannot assure you that current and potential competitors or other third parties have not filed or received, or will not file or receive applications in the future for patents or obtain additional proprietary rights relating to products or processes used or proposed to be used by us.

Additionally, there is certain subject matter that is patentable in the United States but not generally patentable outside of the United States. Differences in what constitutes patentable subject matter in various

15

Table of Contents

countries may limit the protection we can obtain outside of the United States. For example, methods of treating humans are not patentable in many countries outside of the United States. These and other issues may prevent us from obtaining patent protection outside of the United States, which would have a material adverse effect on our business, financial condition and results of operations.

We may be subject to costly claims, and, if we are unsuccessful in resolving conflicts regarding patent rights, we may be prevented from developing, commercializing or marketing our products and/ or product candidates.

There has been, and will likely continue to be, substantial litigation regarding patent and other intellectual property rights in the biotechnology industry. As the biotechnology industry expands and more patents are issued, the risk increases that our processes, technology, products and product candidates may give rise to claims that they infringe on the patents of others. Others could bring legal actions against us claiming damages and seeking to stop clinical testing, manufacturing and marketing of the affected product or use of the affected process. Litigation may be necessary to enforce our or our licensors proprietary rights or to determine the enforceability, scope and validity of the proprietary rights of others. If we become involved in litigation, it could be costly and divert our efforts and resources. In addition, if any of our competitors file patent applications in the United States claiming technology also invented by us or our licensors, we may need to participate in interference proceedings held by the U.S. Patent and Trademark Office to determine priority of invention and the right to a patent for the technology. Like litigation, interference proceedings can be lengthy and often result in substantial costs and diversion of resources.

For example, in connection with our exclusive license to the University of California s technology for cardiovascular gene therapy (filed by Hammond et al., an international application of which was published as WO96/26742), we and our predecessor in interest Collateral Therapeutics have assisted the University of California in an interference proceeding against a patent application filed by Jeffrey Leiden et al. (a U.S. counterpart of international application PCT/US93/11133, which published as WO94/11506). In the interference, which is essentially a contest to determine priority of invention, a panel of Administrative Patent Judges of the U.S. Board of Patent Appeals and Interferences or BPAI issued judgment against the Leiden applicants, ordering that the interference count, which represents the disputed subject matter, be awarded to Hammond, and that Leiden et al. be held not entitled to any patent containing claims corresponding to those in the interference. However, the patent applicant, Arch Development Corporation, which had licensed the technology to Boston Scientific Corporation, subsequently appealed the decision against them. In May 2006, the U.S. Court of Appeals for the Federal Circuit, which hears appeals in U.S. patent cases, refused requests by Arch and Boston Scientific to reverse the prior decision of the BPAI regarding priority of invention. The Federal Circuit also refused requests to remand the case for reconsideration of previously contested matters such as the novelty, nonobviousness or validity of the Hammond patents, and it summarily issued final judgment against the Leiden applicants. Appeals from decisions of the Federal Circuit to the U.S. Supreme Court are rarely granted under such circumstances and were not sought. In a related matter, Collateral Therapeutics, with our assistance, successfully opposed a European counterpart to the Leiden PCT application (EP-B-668913), which led to a decision to revoke the patent grant in Europe. Although the patentee, Arch Development Corporation, subsequently appealed the adverse decision, a ruling following appeal to the European Patent Office s Technical Board of Appeal has now been rendered and the European patent grant to Arch (which had been licensed to Boston Scientific) has now been revoked. If we do not continue to be successful in defending against these and any other adverse claims, we could be compelled to seek licenses from one or more third parties who could be direct or indirect competitors and who might not make licenses available on terms that we find commercially reasonable or at all. In addition, such proceedings, even if decided in our favor, involve lengthy processes, are subject to appeals, and typically result in substantial costs and diversion of resources.

As more potentially competing patent applications are filed, and as more patents are actually issued, in the fields of gene therapy, wound healing, adenoviral vectors or therapeutic hypothermia or in other fields in which we may become involved and with respect to component methods or compositions that we may employ, the risk increases that we or our licensors may be subjected to litigation or other proceedings that claim damages or seek

Table of Contents

to stop our manufacturing, marketing, product development or commercialization efforts. Even if such patent applications or patents are ultimately proven to be invalid, unenforceable or non-infringed, such proceedings are generally expensive and time consuming and could consume a significant portion of our resources and substantially impair our marketing and product development efforts.

If there were an adverse outcome of any litigation or interference proceeding, we could have a potential liability for significant damages. In addition, we could be required to obtain a license to continue to make or market the affected product or use the affected process, or face an injunction to block our sale or marketing of affected products or use of the affected process. Costs of a license may be substantial and could include up-front payments as well as ongoing royalties. We may not be able to obtain such a license on acceptable terms, or at all, which could substantially impact our business.

We may not have adequate protection for our unpatented proprietary information, which could adversely affect our competitive position.

We also rely on trade secrets, know-how, continuing technological innovations and licensing opportunities to develop and maintain our competitive position. However, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. To protect our trade secrets, we may enter into confidentiality agreements with employees, consultants and potential collaborators. However, these agreements may not provide meaningful protection of our trade secrets or adequate remedies in the event of unauthorized use or disclosure of such information. Likewise, our trade secrets or know-how may become known through other means or be independently discovered by our competitors. Any of these events could prevent us from developing or commercializing our product candidates.

We face the risk of product liability claims, which could adversely affect our business and financial condition.

Our marketing and sale of therapeutic hypothermia products as well as our other operations will expose us to product liability risks that are inherent in the testing, manufacturing and marketing of biotechnology and medical device products. Failure to obtain or maintain sufficient product liability insurance or otherwise protect against product liability claims could prevent or delay the commercialization or marketing of our products or product candidates or expose us to substantial liabilities and diversions of resources, all of which can negatively impact our business. Regardless of the merit or eventual outcome, product liability claims may result in withdrawal of product candidates from clinical trials, costs of litigation, damage to our reputation, substantial monetary awards to plaintiffs and decreased demand for products.

Product liability may result from harm to patients using our products, such as a complication that was either not communicated as a potential side effect or was more extreme than communicated. We will require all patients enrolled in our clinical trials to sign consents, which explain various risks involved with participating in the trial. However, patient consents provide only a limited level of protection, and it may be alleged that the consent did not address or did not adequately address a risk that the patient suffered from. Additionally, we will generally be required to indemnify the clinical product manufacturers, clinical trial centers, medical professionals and other parties conducting related activities in connection with losses they may incur through their involvement in the clinical trials. We may not be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities.

Risks Related to Our Common Stock

The price of our common stock is expected to be volatile and an investment in our common stock could decline substantially in value.

In light of our small size and limited resources, as well as the uncertainties and risks that can affect our business and industry, our stock price is expected to be highly volatile and can be subject to substantial drops, with or even in the absence of news affecting our business. The following factors, in addition to the other risk

Table of Contents

factors described in this prospectus, and the potentially low volume of trades in our common stock, may have a significant impact on the market price of our common stock, some of which are beyond our control:

- anticipated or unanticipated changes in financial conditions, operating results or the perceived value of our business;
- developments concerning any research and development, clinical trials, manufacturing, and marketing efforts or collaborations;
- our announcement of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- announcements of technological innovations;
- new products or services that we or our competitors offer;
- the initiation, conduct and/or outcome of intellectual property and/or litigation matters;
- changes in financial or other estimates by securities analysts or other reviewers or evaluators of our business;
- conditions or trends in bio-pharmaceutical or other healthcare industries;
- regulatory developments in the United States and other countries;
- changes in the economic performance and/or market valuations of other biotechnology and medical device companies;
- additions or departures of key personnel;
- sales or other transactions involving our common stock; and
- global unrest, terrorist activities, and economic and other external factors.

The stock market in general has recently experienced relatively large price and volume fluctuations. In particular, the market prices of securities of smaller biotechnology and medical device companies have experienced dramatic fluctuations that often have been unrelated or disproportionate to the operating results of these companies. Continued market fluctuations could result in extreme volatility in the price of the common stock, which could cause a decline in the value of the common stock. You should also be aware that price volatility may be worse if the trading volume of the common stock remains limited or declines.

We could be difficult to acquire due to anti-takeover provisions in our charter, our stockholder rights plan and Delaware law.

Our board of directors has adopted a stockholder rights plan in which preferred stock purchase rights were distributed as a dividend. These provisions may make it more difficult for stockholders to take corporate actions and may have the effect of delaying or preventing a change in control. These provisions also could deter or prevent transactions that stockholders deem to be in their interests. In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. Subject to specified exceptions, this section provides that a corporation may not engage in any business combination with any interested stockholder during the three-year period following the time that such stockholder becomes an interested stockholder. This provision could have the effect of delaying or preventing a change of control of our company. The foregoing factors could reduce the price that investors or an acquirer might be willing to pay in the future for shares of our common stock.

We have never paid cash dividends on our capital stock and we do not anticipate paying dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date, and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of any future debt or credit facility may preclude or limit our ability to pay any dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future.

Table of Contents

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus, including information incorporated by reference, are forward-looking statements within the meaning of Section 27A of the 33 Act, Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), and the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as may, will, should, could, would, expects, plans, believes, anticipates, intends, approximates, predicts, or projects, or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our business, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results, are forward-looking statements.

The forward-looking statements in this prospectus speak only as of the date of this prospectus and caution should be taken not to place undue reliance on any such forward-looking statements. Forward-looking statements are subject to certain events, risks, and uncertainties that may be outside of our control. When considering forward-looking statements, you should carefully review the risks, uncertainties and other cautionary statements in this prospectus as they identify certain important factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These factors include, among others, the risks described under Risk Factors and elsewhere in this prospectus, as well as in other reports and documents we file with the SEC.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares by the selling stockholders.

The selling stockholders will pay any discounts, commissions and expenses incurred by the selling stockholders for brokerage, accounting, tax or legal services or any other expenses incurred by the selling stockholders in connection with the sale of the shares of our common stock offered by this prospectus. We will bear all other costs, fees and expenses incurred in connection with the registration of the shares of our common stock offered by this prospectus, including, without limitation, all registration and filing fees and fees and expenses of our legal counsel and auditors.

A portion of the shares of common stock covered by this prospectus are issuable upon exercise of warrants to purchase common stock. Upon any cash exercise of the warrants, the selling stockholders will pay us the exercise price of the warrants. Under certain circumstances, the holders of our warrants may exercise their warrants on a cashless basis. If all of the warrants are exercised for cash at their initial exercise price, we would receive aggregate gross proceeds of approximately $4.5 million (2,856,818 shares at a weighted average exercise price of $1.57 per share). We expect to use any cash we receive upon the exercise of warrants for general corporate purposes.

Table of Contents

SELLING STOCKHOLDERS

The following table sets forth the common stock ownership and other information relating to the selling stockholders as of May 2, 2006. The selling stockholders obtained the 30,021,059 shares of common stock offered pursuant to this prospectus and/or the warrants which certain of those shares are underlying in connection with a private placement of securities and a reverse merger, each of which was completed on October 20, 2005.

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
A & S Levy Family Holdings, LLP	150,000	150,000	0	0
Nicholas Abbate	16,667	16,667	0	0
Alan B. Abrams	200,000	200,000	0	0
Dennis M. Abrams	33,334	33,334	0	0
Acclaim Financial Group, LLC	33,334	33,334	0	0
Wayne K. Adams	16,667	16,667	0	0
Joseph Agosta	33,334	33,334	0	0
Agriculture Benefits Assistance III, Inc.	66,666	66,666	0	0
John E. Ahern	33,334	33,334	0	0
Jeffrey C Allard	66,667	66,667	0	0
Marc Alvelo	33,334	33,334	0	0
Karl Ammann	33,334	33,334	0	0
Long Island Auto Realty	70,000	70,000	0	0
Oswald Baer	40,000	40,000	0	0
The Bahr Family Limited Partnership	50,000	50,000	0	0
Martin G Ballweg & Kathleen A Ballweg JTWROS	200,000	200,000	0	0
Robert Baratta IRA	20,000	20,000	0	0
Gregg Barbagallo IRA R/O	24,000	24,000	0	0
Robert W Barnwell	40,000	40,000	0	0
Raymond A Bartolacci III	50,000	50,000	0	0
Raymond A Bartolacci Jr	200,000	200,000	0	0
Charles B Beardsley	80,000	80,000	0	0
James T Bego & Linda J Bego JT TEN	33,334	33,334	0	0
Howard M Bergtraum	70,000	70,000	0	0
Paul F Berlin	66,667	66,667	0	0
David Berman & Murray Berman JTWROS	466,667	466,667	0	0
Louis Best & Madeline Best	33,334	33,334	0	0
Dennis R Biddy	16,667	16,667	0	0
Kevin J Bisceglia	33,334	33,334	0	0
A Lawrence Blahut	50,000	50,000	0	0
Sanfurd G Bluestein MD	200,000	200,000	0	0
Jerald A Blumberg	166,667	166,667	0	0
Anthony Bonanno & Tiscia Bonanno JT TEN	65,000	65,000	0	0
Eric J Bonanno	166,667	166,667	0	0
Marvin R Bortz & Darlene M Bortz TTEES Marvin R Bortz & Darlene M Bortz Liv Tr dtd 11/10/03	33,334	33,334	0	0
Kevin A Boyles	16,667	16,667	0	0
Robert B Brandt	16,667	16,667	0	0
Frank J Broos	33,500	33,500	0	0
Bobby H Bryan	20,000	20,000	0	0

Thomas Bullock	33,334	33,334	0	0

Table of Contents

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
John A Byrne	10,000	10,000	0	0
C Lane Company LLC	16,667	16,667	0	0
Arthur G. Caputo & Margaret M. Caputo JT TEN	70,000	70,000	0	0
Angelo J. Carrera	33,334	33,334	0	0
Joseph Cavegn	100,000	100,000	0	0
Che-Hong Chen	33,334	33,334	0	0
Maureen Chilelli	18,000	18,000	0	0
Henrik Vester Christensen Holding APS Attn: Henrik Vester Christensen	33,334	33,334	0	0
Richard E. Clack	50,000	50,000	0	0
Chuan Clark	43,334	43,334	0	0
Cleland C. Landolt M.D., Inc. Profit Sharing Plan	33,334	33,334	0	0
Robert L. Clement	15,334	15,334	0	0
Robert L. Clement IRA	52,667	52,667	0	0
Cline Agency, Inc.	66,667	66,667	0	0
Guy Collins	26,667	26,667	0	0
Christian F. Coluccio IRA	19,000	19,000	0	0
Magnus Coxner	33,334	33,334	0	0
Sharon Crowder	33,334	33,334	0	0
Maureen Crowe	13,334	13,334	0	0
Thomas H. Cruikshank[2]	733,333	733,333	0	0
CSL Associates, LP	100,000	100,000	0	0
Dale Stringfellow & Jean Srtringfellow TTEES Stringfellow Tr dtd 2/1/1999	400,000	400,000	0	0
Thomas P. Darmstadter	100,000	100,000	0	0
Jose A. Dasilva	23,334	23,334	0	0
Walter Daszkowski	17,000	17,000	0	0
Dan A. Davidson & Brenda T. Davidson JT TEN	33,334	33,334	0	0
John F. Davis & Carolyn L. Davis JT TEN	115,000	115,000	0	0
Michael Dazzo	27,000	27,000	0	0
Michael Dazzo IRA	16,000	16,000	0	0
Peter Debany	50,000	50,000	0	0
Michael A. Denicola & Cheryl A. Denicola JT TEN	26,667	26,667	0	0
Robert J. Des Marais[3]	733,333	733,333	0	0
Darshan Dhiman	40,000	40,000	0	0
Jitin Dhiman & Darshan Dhiman JT TEN	25,000	25,000	0	0
Rohan Dhiman & Darshan Dhiman JT TEN	10,000	10,000	0	0
Biagio Didino & Assunta Didino JTWROS	12,667	12,667	0	0
Emanuel J. Diteresi & Rose Diteresi JT TEN	33,334	33,334	0	0
Forrest P. Dixon	33,334	33,334	0	0
Thomas X. Dizio & Jill Dizio JT TEN	20,000	20,000	0	0
Pete A. Dlugosch & Patricia A. Dlugosch JT TEN	35,000	35,000	0	0
John L. Doan	16,667	16,667	0	0
David Drezner	23,334	23,334	0	0
Noah Drezner	23,334	23,334	0	0
Jerry D. Dunning	16,667	16,667	0	0
Tyler M. Dylan[4]	2,550,000	2,550,000	0	0

Table of Contents

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
John E. Ahern & Colleen S. Ahern TTEES Ahern Revocable Tr	33,334	33,334	0	0
East Coast Petroleum, Inc.	33,334	33,334	0	0
Dan Edgarton	16,667	16,667	0	0
Gershon Engel	33,334	33,334	0	0
Richard P. Epifania & Marianne Epifania JTWROS	16,667	16,667	0	0
Edward L. Erline	20,000	20,000	0	0
Irwin J. Eskanos & Vivian M. Eskanos JT TEN	100,000	100,000	0	0
Esta Products Co.	33,334	33,334	0	0
Roger A. Ewald	20,000	20,000	0	0
Carlton Block & Barbara Block TTEES Block Family Tr dtd 12/13/1982	200,000	200,000	0	0
Hugh Webb TTEE Webb Family Tr dtd 9/20/1999	33,334	33,334	0	0
MSB Family Trust dtd 6/25/93	166,667	166,667	0	0
Paul A. Felleti	33,000	33,000	0	0
Anthony Fiorello	26,667	26,667	0	0
Richard D. Fitzgerald & Judy A. Fitzgerald JTWROS	120,000	120,000	0	0
Mason Flemming	16,667	16,667	0	0
Sammie R. Ford IRA	16,667	16,667	0	0
Harry Forman	33,334	33,334	0	0
Denis Fortin	250,000	250,000	0	0
Dudley B. Frank	100,000	100,000	0	0
Thomas B. Frank	16,667	16,667	0	0
Scott A. Frey	16,667	16,667	0	0
Jay Fried	41,500	41,500	0	0
Mitchell A. Fried	33,334	33,334	0	0
Kenneth R. Fry	33,334	33,334	0	0
Salvatore C. Furnari	20,000	20,000	0	0
Edward W. Gabrielson[5]	33,334	33,334	0	0
Christopher J. Gahman	16,667	16,667	0	0
Barry J. Galt	33,334	33,334	0	0
Stephen A. Geppi & Melinda C. Geppi JTWROS[6]	743,600	743,600	0	0
Joseph Giardina IRA	22,000	22,000	0	0
Lawrence P. Giardina IRA	20,000	20,000	0	0
Louis M. Giardina IRA	17,000	17,000	0	0
Robert Giardina	29,000	29,000	0	0
Robert L. Giardina & Louis M. Giardina JTWROS	26,000	26,000	0	0
Dave Giobbia	16,667	16,667	0	0
James D. Giobbia	33,334	33,334	0	0
Saul L. Gitomer	16,000	16,000	0	0
Lisa H. Del Giudice	50,000	50,000	0	0
Mark E. Gonwa	40,000	40,000	0	0
John C. Grace	25,000	25,000	0	0
Lester R. Greenwood & Carol A. Greenwood JTWROS	33,334	33,334	0	0
Dean O. Gregg	33,334	33,334	0	0
Phillip S. Gurgone IRA	33,334	33,334	0	0
Brenda Bishop Haller	16,667	16,667	0	0
Lonnie A. Hanson	13,334	13,334	0	0

Table of Contents

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
Jack Hart IRA	16,667	16,667	0	0
Raymon A. Heaton	13,334	13,334	0	0
Christer M. Hedstrom	16,667	16,667	0	0
Gary D. Heihn	36,467	36,467	0	0
Charles E. Helsley	63,000	63,000	0	0
Charles E. Helsley IRA	50,000	50,000	0	0
James K. Hendren	100,000	100,000	0	0
Henry A. S. Sandbach	33,334	33,334	0	0
The Henry H. Bahr Qtip Trust	40,000	40,000	0	0
Cesar Hernandez	13,334	13,334	0	0
Daniel H. Hildebrand	20,000	20,000	0	0
Victor Hochberg	16,667	16,667	0	0
Richard F. Houseweart IRA	20,000	20,000	0	0
Tracy L. Howell[7]	150,000	150,000	0	0
Robert N. Hyams	40,000	40,000	0	0
Italo A. Insalata	33,334	33,334	0	0
International Electronic Business, Inc.	66,000	66,000	0	0
Clayton J. Schultz c/f Ursula Schultz[8]	36,667	36,667	0	0
Robert J. Des Marais c/f Andre J. Des Marais[9]	36,667	36,667	0	0
Robert J. Des Marais c/f Daniel J. Des Marais[10]	36,667	36,667	0	0
Alan Jackson IRA	46,586	46,586	0	0
Andrew Jackson & Aura Whitney Jackson JT TEN	33,334	33,334	0	0
Allen F. Jacobson TTEE Allen F. Jacobson Rev Tr dtd 12/12/1996	33,334	33,334	0	0
R. William Jewell	33,334	33,334	0	0
JKG Investment Company, LP	26,000	26,000	0	0
Thomas L. Jones	25,000	25,000	0	0
Justin Kaplan	34,000	34,000	0	0
Hugh M. Kellogg	33,334	33,334	0	0
Christine H. Kempter[11]	36,667	36,667	0	0
Robert P. Kern & Burton Landsman TEN COMM	16,667	16,667	0	0
Stephen N. Kitchens & Martha M. Kitchens JT TEN	333,334	333,334	0	0
Robert O. Knight	40,000	40,000	0	0
Goswin G. Koerschen & Heide Koerschen JT TEN	16,667	16,667	0	0
Howard D. Kollinger & Melanie G. Kollinger JTWROS	86,667	86,667	0	0
Sterling G. Koonce	33,334	33,334	0	0
Mike Kooyman	166,667	166,667	0	0
Michael D. Kubersky	70,000	70,000	0	0
John E. Kyees	30,000	30,000	0	0
Lamon L. Bennett Jr. & Elaine Bennett TJ TEN	16,667	16,667	0	0
Ken Lehman & Karen Lehman JT TEN	66,667	66,667	0	0
Stephan J. Lenci & Barbara J. Lenci JT TEN	16,667	16,667	0	0
James A. Lesley & Judy B. Lesley JT TEN	50,500	50,500	0	0
Alex Lethen	33,334	33,334	0	0
Gerald J. Lewis[12]	33,334	33,334	0	0
Lind Family Investments, LP	20,000	20,000	0	0
Dale E Kann TTEE Dale E. Kann Liv Tr dtd 6/15/1995[13]	733,333	733,333	0	0

Table of Contents

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
Robert W. Pfeifer & Barbara B. Pfeifer TTEES Pfeifer Liv Tr dtd 12/20/1981	40,000	40,000	0	0
Scott A. Mcpherson & Jolene G. Mcpherson TTEES Scott A. Mcpherson Liv Tr dtd 4/5/2002	33,334	33,334	0	0
Michael D. Lococo	16,667	16,667	0	0
Jeff L. Loftsgaarden IRA	33,334	33,334	0	0
Donald E. Lord	40,000	40,000	0	0
Calmedica Capital, LP	100,000	100,000	0	0
Nite Capital, LP	166,667	166,667	0	0
R. Don Lumley	16,667	16,667	0	0
Lynn Adams Distributing Co., Inc.	65,000	65,000	0	0
Lisa M. Cumming IRA	16,667	16,667	0	0
Harry S. Madoff	50,000	50,000	0	0
George F. Manos	150,000	150,000	0	0
William Martinez	33,334	33,334	0	0
Robert W. Marvin	166,667	166,667	0	0
Robert J. Mastrolia Jr.	16,667	16,667	0	0
Anthony Matrone	33,334	33,334	0	0
Andreas Mauser	26,667	26,667	0	0
James R. Mcclarty & Janice K. Mcclarty JTWROS	20,667	20,667	0	0
Barry J. McDonald	35,000	35,000	0	0
Robert McEntire	133,334	133,334	0	0
James J. McNamara & Margarita McNamara JT TEN	30,000	30,000	0	0
Robert A. Mega	28,000	28,000	0	0
Robert A. Mega IRA	92,000	92,000	0	0
William A. Mega	108,667	108,667	0	0
William A. Mega IRA	28,000	28,000	0	0
Andrew S. Meltzer	67,000	67,000	0	0
Robert Mendelson	16,667	16,667	0	0
Marten J.M. Mertens	33,334	33,334	0	0
John J. Micek	33,334	33,334	0	0
Michael L. Cardinale Veronica C. Bonagura Joseph D. Pitta William S. Leavy Partnership	33,334	33,334	0	0
Paul Michelin & Louise Michelin JT TEN	33,334	33,334	0	0
Mike Miller & Terry Miller JTWROS	38,667	38,667	0	0
Patricia Mizerka & Eugene Mizerka JT TEN	17,000	17,000	0	0
Joseph A. Myers	40,000	40,000	0	0
National Securities Corporation[14]	332,411	332,411	0	0
Gary Nicoletti	66,667	66,667	0	0
Peter Nordin	50,000	50,000	0	0
Rustam Nurkhanov	11,000	11,000	0	0
Edward J. O Connell	16,667	16,667	0	0
Patrick O Leary IRA	20,000	20,000	0	0
Jane A. Osborne	100,000	100,000	0	0
Ryan Osborne	80,000	80,000	0	0
Lon E. Otremba[15]	33,334	33,334	0	0
Joseph B. Panella	34,000	34,000	0	0
Canzio Panichi & Franca Panichi JT TEN	11,167	11,167	0	0

Table of Contents

Selling Stockholder	Shares beneficially owned prior to the offering	Number of common shares registered in this prospectus	Shares beneficially owned after the offering[1]	
			Number	Percent
Vladimiro M. Panichi & Dana M. Panichi JTWROS	10,000	10,000	0	0
Gero G. Papst	26,667	26,667	0	0
Tim H. Parkes	33,334	33,334	0	0
Lee Roy Pearson	33,334	33,334	0	0
Nelson Penarreta & Patricia Davila JT TEN	13,334	13,334	0	0
Ralph A. Petrozzo & Madeline Petrozzo JT TEN	16,667	16,667	0	0
Sherra Pierre IRA	20,000	20,000	0	0
Tom Clotfelter Per PPT Trust	33,334	33,334	0	0
Nicholas V. Puccia & Barbara Puccia JT TEN	34,000	34,000	0	0
Ron A. Rasch & Janet E. Rasch JT TEN	16,667	16,667	0	0
George M. Reid	100,000	100,000	0	0
Christopher J. Reinhard[16]	2,791,924	2,791,924	0	0
Christopher J. Reinhard & Maureen F. Reinhard JT TEN[16]	71,334	71,334	0	0
Christopher Reinhard IRA[16]	90,000	90,000	0	0
Barry J. West Rev Trust	200,000	200,000	0	0
Frank R. Codispoti & Sarah C. Codispoti TTEES Frank R Codispoti Rev Tr dtd 11/12/2004	50,000	50,000	0	0
Isidore Siegel TTEE Isidore Siegel Rev Tr dtd 4/5/1991	66,667	66,667	0	0
John K. Garvey TTEE John K. Garvey Rev Tr dtd 12/31/1984	7,334	7,334	0	0
Barry Lind Revocable Trust UA dated 12/19/89	200,000	200,000	0	0
Nathaniel Silon TTEE Nathaniel Silon Rev Liv Tr dtd 6/2/1993	116,667	116,667	0	0
Richard & Virginia Shillington Family Trust	70,000	70,000	0	0
Huxley T. Richardson	16,667	16,667	0	0
Robho Properties, Inc.[17]	880,000	880,000	0	0
Bonnie Lewis Rodney & J. Michael Rodney JT TEN	8,334	8,334	0	0
Louis C. Rose	100,000	100,000	0	0
Louis M. Giardina Roth IRA	17,000	17,000	0	0
Eric W. Rothbarth	50,000	50,000	0	0
Parviz Roubeni & Rad Roubeni JT TEN	20,000	20,000	0	0
Claudia C. Rouhana	67,000	67,000	0	0
David G. Ruby	33,334	33,334	0	0
Albert J. Sabini IRA	33,334	33,334	0	0
Andrew H. Sabreen & Carol Sabreen JT TEN	33,334	33,334	0	0
Jose M. Saenz	33,334	33,334	0	0
Carl J. Sagasser TTEE Carl J. Sagasser Tr dtd 9/24/2003	20,000	20,000	0	0
Paul Sallwasser & Teri Sallwasser JT TEN	66,667	66,667	0	0
Hans H. Sammer	33,334	33,334	0	0
Douglas Saunders IRA	33,334	33,334	0	0
Joseph Scaletta	20,000	20,000	0	0
Julian S. Schmidt	16,667	16,667	0	0
Rainer Schmidt	66,667	66,667	0	0
John A. Schulman	34,000	34,000	0	0
Charles N. Schumann	50,000	50,000	0	0
Bernard Francis Schunicht	13,334	13,334	0	0
Christina Petrowski- Schwartz & Mark S. Schwartz JTWROS	16,667	16,667	0	0
Nicholas C. Scott	16,667	16,667	0	0
Suzette T. Seigel	16,667	16,667	0	0

Table of Contents

	Shares beneficially owned prior to the offering	Number common sh registered this prospe
EP IRA	66,667	66
EP IRA	21,000	21
RA	60,000	60
	10,000	10
	60,000	60
IRA	33,334	33
	25,000	25
	10,000	10
	16,667	16

STOCK OWNERSHIP

AREOWNERS

ade under Sections 13(d) and 13(g) of the Exchange Act, as of February 14, 2018, the only persons known by the eficial owners of more than 5% of PPL s common stock are:

s of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
055	52,036,440	7.60%
roup, Inc.(2) l. 5	50,341,910	7.31%

n a review of the Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 8, 2018. As reported on the A, as of December 31, 2017, BlackRock, Inc. beneficially owned, in the aggregate, 52,036,440 shares held by xembourg) S.A.; BlackRock (Netherlands) B.V.; BlackRock (Singapore) Limited; BlackRock Advisors (UK) Rock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management G; BlackRock Asset Management Ireland Limited; BlackRock Asset Management North Asia Limited; set Management Schweiz AG; BlackRock Capital Management, Inc.; BlackRock Financial Management, Inc.; nd Advisors; BlackRock Fund Managers Limited; BlackRock Institutional Trust Company, National Association;

ernational Limited; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management BlackRock Investment Management, LLC; BlackRock Japan Co., Ltd.; BlackRock Life Limited; FutureAdvisor, s (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen and had sole voting power over 46,125,113 dispositive power over 52,036,440 shares.

n a review of the Schedule 13G/A filed by The Vanguard Group with the SEC on February 9, 2018. As reported on 3G/A, as of December 31, 2017, The Vanguard Group beneficially owned, in the aggregate, 50,341,910 shares nguard Group and had sole voting power over 1,054,106 shares, shared voting power over 326,150 shares, shared ver over 1,249,090 shares and sole dispositive power over 49,092,820 shares. The Vanguard Group reported that ciary Trust Company and Vanguard Investments Australia, Ltd., wholly owned subsidiaries of The Vanguard e the beneficial owners of 744,299 shares or 0.10% and 809,957 shares or 0.11%, respectively, of the common ng of the company as a result of its serving as investment manager of collective trust accounts and as investment stralian investment offerings, respectively.

BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

our directors and executive officers met all filing requirements under Section 16(a) of the Exchange Act during

S WITH RELATED PERSONS

ctors has adopted a written related-person transaction policy to recognize the process the Board will use to identify of interest arising out of financial transactions, arrangements or relations between PPL and any related persons. to any transaction or series of transactions in which PPL Corporation or a subsidiary is a participant, the amount and a related person has a direct or indirect material interest. A related person includes not only the company s utive officers, but others related to them by certain family relationships, as well as shareowners who own more than PPL Corporation s voting securities.

ach related-person transaction must be reviewed and approved or ratified by the disinterested independent ard, other than any employment relationship or transaction involving an executive officer and any related ch must be approved by the CGNC.

its review and approval or ratification of a related-person transaction, the Board, or the CGNC, as applicable, will nt facts and circumstances, including:

of the transaction both to PPL and to the related person;

nsaction would likely impair the judgment of a director or executive officer to act in the best interest of PPL;

ue and the terms of the transaction are substantially similar as compared to those of similar transactions ered into by PPL with non-related persons, if any; and

ers that management or the disinterested directors deem appropriate.
nection with any approval or ratification of a related-person transaction involving a non-employee director or or, the CGNC will consider whether such transaction would compromise such director s status as: (1) an or under the NYSE Listing Standards, including those rules applicable to board and committee service, and PPL s ndence standards, (2) an outside director under Section 162(m) of the Internal Revenue Code or a non-employee le 16b-3 under the Exchange Act if such non-employee director serves on the CGNC, or (3) an independent director under the Exchange Act if such non-employee director serves on the Audit Committee of the Board.

tion about potential related-person transactions in annual questionnaires completed by directors and executive eview any payments made by the company or its subsidiaries to each director and executive officer and their members, and to or from those companies that either employ a director or an immediate family member of any ve officer. In addition, we review any payments made by the company or its subsidiaries to, or any payments mpany and its subsidiaries from, any shareowner who owns more than 5% of any class of PPL Corporation s voting mpany s Office of General Counsel determines whether a transaction requires review by the Board or the CGNC. all within the definition of the policy are reported to the Board or the CGNC. The disinterested independent ard, or the CGNC, as applicable, review and consider the relevant facts and circumstances and determine whether r ratify the related-person transaction.

ed an amended Schedule 13G in February 2018, stating that it holds 7.6% of PPL s common stock. As a result of g more than 5% of PPL s common stock, BlackRock is currently considered a related person under PPL s saction policy. After conducting a review of any relationships between BlackRock and its subsidiaries and our

bsidiaries, the company determined that the company invests its short-term cash overnight in money market funds Rock Institutional Management Corporation, which received fees in the amount of about $5,000 during 2017. A ompany also invested in a liquidity fund managed by a BlackRock affiliate, which received fees of approximately 7. In addition, several affiliates of BlackRock provided asset management investment services for the company s n trust and several of the company s pension trusts in the U.K., which are separate from the company and are endent trustees. In addition to the fees paid by these pension trusts, affiliates made payments of approximately l smaller pension trusts. These relationships were reviewed and ratified by the Board in compliance with the -person transaction policy.

MPENSATION
DVISORY VOTE TO APPROVE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

ng on? The Board of Directors is asking you to vote, in an advisory manner, to approve the 2017 compensation of our named executive officers, or NEOs, as described on pages 24-70. The company currently intends to hold such votes on an annual basis.

ends a vote **FOR** this proposal, because it believes our compensation policies and practices are effective in ectives to:

utive team to produce superior, sustainable financial and operating results.

ic initiatives that increase value for shareowners.

ation effectively with short- and long-term shareowner interests.

ain talented and experienced individuals.

pensation program reflects the company s ongoing commitment to pay for performance. Our NEOs compensation interests of shareowners and is linked to short- and long-term company performance. For 2017, compensation for the NEOs was primarily based on (1) earnings per share from ongoing operations, or EPS, n ongoing operations of each business segment, (3) corporate and business segment operational goals, (4) relative turn, or TSR, and (5) corporate return on equity, or ROE. As a result of our shareowner engagement meetings, we erational goals and ROE to align with our commitment to shareowners to deliver earnings growth and shareowner least 59% of each NEO s compensation is at-risk performance-based pay.

r vote, you may wish to review the information on PPL s compensation policies and decisions regarding the NEOs Compensation Discussion and Analysis and Executive Compensation Tables beginning on page 24, as well as the g Compensation Processes and Procedures beginning on page 13.

ts of the vote are non-binding and advisory in nature, the Board values the opinions of our shareowners and will me of the vote when making future decisions on the compensation of our NEOs and about our executive ram. In addition, the company is required at least once every six years to submit to shareowners the question of company is required to seek shareowner approval of executive compensation. We currently expect the next n frequency to occur at our 2023 Annual Meeting of Shareowners.

tors recommends approval of the following resolution:

the compensation paid to the company s named executive officers, as disclosed pursuant to Item 402 of Regulation Compensation Discussion and Analysis, compensation tables and narrative discussion, is approved.

Approval. The affirmative vote of a majority of the votes cast, in person or by proxy, by all shareowners voting as quired to approve the 2017 compensation of our NEOs.

Your Board of Directors recommends that you vote FOR Proposal 2

MPENSATION

N COMMITTEE REPORT

, Governance and Nominating Committee, or CGNC, has reviewed the following Compensation Discussion and and discussed it with management.

and discussions with management, the CGNC recommended to the Board that the CD&A be incorporated by ompany s Annual Report on Form 10-K for the year ended December 31, 2017 and included in this Proxy

overnance and Nominating Committee

Chair

n

N DISCUSSION AND ANALYSIS (CD&A)

TENTS

TIVE OFFICERS

ed executive officers, or NEOs, were:

e Officer	Title
	Chairman, President and Chief Executive Officer (CEO)
	Senior Vice President and Chief Financial Officer (CFO)
	Chairman of the Board and Chief Executive Officer of LG&E and KU Energy LLC (LKE)
	Chief Executive of Western Power Distribution (WPD)
	President of PPL Electric Utilities Corporation (PPL Electric)

ation of these NEOs is explained in the following sections and in the Summary Compensation Table that follows

ANCE ACHIEVEMENTS AND PAY ALIGNMENT

17 Performance

eliver on its commitments to shareowners and customers in 2017 as the company pursued its strategy for nd success.

r safely, reliably and affordably to more than 10 million customers, a central focus of PPL s mission. We provided tomer service and strengthened reliability. And with an eye toward the future, we invested $3.5 billion in ovements across our three regulated business segments.

ve delivered on key financial commitments to shareowners. We achieved the high end of our earnings from forecast range. We also increased our dividend to shareowners by 4 percent, our 15th increase in 16 years.

delivered strong operational performance in 2017, political and regulatory uncertainty in the U.K. affected our econd half of the year. This included uncertainty over whether U.K. utility regulator, the Office of Gas and , or Ofgem, will conduct a mid-period review of revenues set for U.K. distribution network operators, or DNOs, ight-year price control period RIIO-ED1. In addition, there is uncertainty over the potential framework Ofgem place RIIO-ED1 in April 2023 and whether changes could result in lower returns on equity for DNOs. Apart from rtainty over potential negative impacts of tax reform on regulated utilities also affected the broader utility sector.

ieve that PPL s WPD business in the U.K. is well positioned for long-term success under the RIIO regulatory U.K. remains a premium regulatory jurisdiction.

nts from PPL s 2017 performance are noted below under the key elements of PPL s strategy for long-term growth
trategy is simple: drive best-in-sector operational performance, invest responsibly in a sustainable energy future,
inancial foundation, and engage and develop our people.

or operational performance

D. Power awards for residential customer satisfaction at PPL Electric Utilities Corporation, or PPL Electric, and
ties Company, or KU. PPL Electric ranked highest among large utilities in the East region, while KU ranked
mid-sized utilities in the Midwest. Louisville Gas and Electric Company, or LG&E, finished second to KU.

customer service in the U.K., with WPD finishing the 2016/2017 regulatory year as the top-performing
Ofgem s broad measure of customer satisfaction. WPD was once again rated best at engaging
d addressing vulnerable customers. We also received the U.K. Government s Customer Service
ard for the 25th consecutive year.

MPENSATION

ities, we strengthened reliability for the customers who count on us each day, reducing outage frequency at our operations, while also reducing outage duration at PPL Electric, LG&E and KU. PPL Electric had its best year lity. These improvements reflect our continued efforts to make the grid more reliable and resilient, to incorporate y that allows us to respond more quickly, and to trim trees around our power lines.

in a sustainable energy future

ve continued to reinvest in our business in ways that grow value for shareowners and improve service to executed on more than $3.5 billion in infrastructure investments to modernize the grid and advance a future. This included more than $1 billion in investment at each of our regulated business segments.

a, we installed nearly 600,000 advanced meters as part of a multi-year project to install 1.4 million new meters. meters will give customers more usage information, enable us to more quickly detect and respond to power eliver additional customer benefits. PPL Electric also continued to expand and reinforce its transmission system, r substations and adding or rebuilding 110 miles of transmission lines. Additionally, we continued to add more ces to enhance our already robust distribution automation capabilities.

ve completed a multi-year 540-mile gas main replacement project in Louisville, replacing cast iron, wrought iron natural gas pipelines, which are more vulnerable to degradation over time, with more durable plastic natural gas also made progress on nearly $1 billion in environmental upgrades as part of a five-year project to cap and close r coal-fired power plants.

e implemented our asset replacement and fault management plans while taking steps to support a low-carbon anced nearly two dozen research and development projects to help networks increase adoption of distributed es. We also secured stakeholder feedback on a comprehensive strategy to transition WPD from a passive network istribution system operator, or DSO. As a DSO, WPD will enable utilization of more distributed energy resources tive solutions and additional smart grid technology.

o assess risks and opportunities associated with climate change through a robust enterprise risk management egrated resource planning. In November, we published a Climate Assessment report that can be found online at om/investors/climate-assessment. We participated in an Edison Electric Institute pilot to develop a consistent social and governance reporting template for our industry. We also laid the groundwork for a goal announced in o cut the company s carbon dioxide emissions 70 percent from 2010 levels by 2050.

financial foundation

a solid balance sheet and investment-grade credit ratings, and generated strong cash flow. In addition, we updated an to address the impacts of the December 2017 U.S. tax reform.

creased our annualized common stock dividend 4 percent from $1.52 to $1.58 per share.

e received approval from the Kentucky Public Service Commission for a combined $116 million ual base electricity and gas rates for LG&E and KU to support continued infrastructure investment.

17 regulatory year, WPD s strong performance earned £75 million in incentive revenues (approximately 80 percent m potential reward) that will be collected in the 2018/2019 rates.

op our people

es to lineman trainees to leaders at all levels throughout the business, we continued to invest in, and develop, our ver 12,000 employees.

perfect score of 100 percent on the Human Rights Campaign Foundation s Corporate Equality Index, a national survey and report on corporate policies and practices relating to lesbian, gay, bisexual and transgender workplace.

nized by Forbes magazine as one of America s best employers.

RATION 2018 Proxy Statement

EXECUTIVE COMPENSATION

results continue to demonstrate our management team s firm commitment to increasing value for shareowners in and long-term as we continue to make a positive contribution to society. This focus is supported by a utive compensation program and a pay-for-performance culture.

nce achievements resulted in:

centive awards ranging from 110.5% to 163.5% of target.

nit awards, reflecting a payout of 25% of target for the 2015-2017 performance period.
on, see 2017 Named Executive Officer Compensation beginning on page 33.

Advisory Vote and Shareowner Engagement

ered the results of the last shareowner advisory vote on executive compensation when reviewing potential changes e compensation program. PPL received a favorable shareowner vote of over 94% in support of the compensation of nse to our say-on-pay proposal at the company s 2017 Annual Meeting.

nding practice of engaging with our shareowners on various matters of interest to them, and it is our practice to areowner who submits a proposal. In the fall of 2017, we continued our engagement efforts, including e independent Chair of the CGNC, by conducting a focused outreach to our larger shareowners to seek their views ompensation program, as well as our corporate governance practices. After assessing feedback received from g outreach efforts in 2015 and 2016, the CGNC removed the use of earnings per share from ongoing operations, or rmance-contingent restricted stock units in its long-term equity incentive program to eliminate duplication of EPS the annual cash incentive and long-term equity incentives. The CGNC also adopted operational goals to replace rate and business segments as a metric in the annual cash incentive, on the basis that operational goals will drive g-term strategy. To further align compensation with the company s strategy, the CGNC also added corporate ROE, as a performance metric for 2017 long-term incentive grants, based on a forward-looking, three-year l.

es and Compensation Strategies with Our Corporate Strategic Framework

rategic framework provides the basis for determining annual and longer-term performance goals and objectives e compensation program.

MPENSATION

oals that PPL has established reinforce the core features of our operational mission: reliability and safety. We curs through achieving operational excellence, as well as workforce readiness and engagement. If we are effective underlying performance should increase shareowner value. Our executive compensation program is structured to ves for performance toward these goals.

rations are now fully regulated, the company continues to operate in multiple regulatory environments that can and ly by region. To align our NEOs actions with the company s overall goals, NEO performance objectives are se-wide metrics that measure the financial performance of PPL, as well as financial and operational metrics for its gments, providing direct alignment to our goal of increasing shareowner value.

L s Compensation Programs with Performance

nce-based compensation for the NEOs was primarily based on (1) EPS, (2) net income from ongoing operations gment, (3) corporate and business segment operational goals, (4) relative TSR, and (5) corporate ROE. As a result engagement meetings, we added corporate operational goals and ROE to align with our commitment to iver earnings growth and shareowner value creation.

asures is given careful consideration, with a view to our short-term and longer-term strategic goals, while focusing in management s control. Earnings are central to our business strategy and a primary focus of the investment quently, EPS performance measures have historically been, and continue to be, central to the compensation EOs. In our experience, EPS is the primary measure by which our shareowners and market analysts assess PPL s ccountability for strong EPS performance primarily falls on PPL s executive officers, especially our CEO and actions with respect to financing and tax strategy, capital investment and our revenue models drive EPS. In r business segment heads are also expected to meet their business segment s net income goals. For 2017, all NEOs ated based on achievement of operational goals at each business segment.

internal assessment of performance provided by the financial goals with respect to our annual cash incentive
R and corporate ROE are used for certain equity-based awards, further aligning executives interests with the
of shareowners. This approach provides an objective assessment of how the market is responding to our current
tional performance in comparison to our peers, which is correlated to market performance.

	How We Define It	Where We Use It
on	Earnings per share from ongoing operations See Annex A for a reconciliation of financial measures presented in accordance with GAAP to non-GAAP measures used for compensation	Portion of Annual Cash Incentive
als	Operational goals of LKE, WPD and PPL Electric weighted for each business segment (see page 36 for a description of the goals and the respective weighting)	Portion of Annual Cash Incentive
nt	Net income from ongoing operations of each business segment	Portion of Annual Cash Incentive for each business segment
nt als	Operational goals for each of LKE, WPD and PPL Electric (see page 37 for a description of the goals for each business segment)	Portion of Annual Cash Incentive for each business segment
	Total shareowner return, which is a combination of share price appreciation and reinvested dividends Performance assessed relative to the Philadelphia Stock Exchange Utility Index, or UTY index	Performance Units Portion of long-term incentive, or LTI, compensation

Corporate Return on Equity, which is the average of PPL Corporation s annual corporate ROE for each year of the three-year performance period	Performance Units Portion of LTI compensation

n about the targets that apply to specific awards for each NEO is set out in 2017 Named Executive Officer
nning on page 33 of this CD&A.

on of NEO compensation is delivered in the form of equity, and our senior executives are subject to significant
Guidelines as described on page 44. These practices further reinforce our commitment to create shareowner value
NEO compensation to share price appreciation and sustainable long-term growth.

ormance

ation framework places a heavy emphasis on at-risk performance-based pay through the use of annual and
ance-based compensation elements. In 2017, 72% of the CEO s target compensation opportunity was at-risk
pay. For the CFO, this percentage was 63%, and the average for the other NEOs was 59%.

MPENSATION

ts illustrate the 2017 elements of compensation divided among base salary, annual cash incentive target
e total long-term incentive target opportunity.

Elements of Compensation as a Percentage of Target Total Direct Compensation 2017(1)

t award levels as a percentage of target total direct compensation for performance during 2017.
ontingent restricted stock unit awards granted in February 2017 were awarded based on performance for
d the analysis of those awards was included in the CD&A of the proxy statement filed in 2017, which reflected
ation, and are not included in this CD&A. Values, however, for the performance-contingent restricted stock unit
in February 2017 are included in the Summary Compensation Table in this proxy statement.

sitions of the Chairman and Chief Executive Officer of LKE, the Chief Executive of WPD and the President of

PPL S EXECUTIVE COMPENSATION PROGRAM FRAMEWORK

pensation program reflects PPL s ongoing commitment to pay-for-performance, with executive compensation
ner interests and linked to short- and long-term company performance. As illustrated in the previous section, at
EOs compensation is at-risk and directly linked to the financial performance of PPL.

Executive Compensation

s, there are a number of activities the CGNC undertakes each year in reviewing the operation and effectiveness of
pensation program.

on, we provide additional information on two critical aspects of this process: the way in which the CGNC uses rm decisions on executive officer compensation and the process by which targets are set under the incentive plans.

t Data

arket compensation data as one of several criteria when reviewing individual NEO compensation levels. The t the *Willis Towers Watson CDB Energy Services Executive Compensation Survey* and the *Willis Towers Watson Executive Compensation Survey* are appropriate market references because they reflect both general industry and, he energy industry. The market data were size-adjusted to appropriately reflect our size. Furthermore, survey data mple size resulting in more consistent and reliable market comparisons. The CGNC also uses information on pay lect group of industry comparators, which includes public utilities with revenue, market capitalization and t are approximately one-third to three times those of PPL. For Mr. Symons, the CGNC considers U.K.-based compiled by FIT Remuneration Consultants, including utility companies within the Financial Times Stock x.

y participants can vary slightly from year to year, the large nature of the samples minimizes the risk this change al market trends. Frederic W. Cook & Co., Inc., or FW Cook, the CGNC s independent compensation consultant, utive market assessment and presented market findings to the CGNC. For 2017 compensation decisions for our considered these compensation data points.

rmance Targets

NC reviews and sets the performance targets that apply to incentive awards. This process is particularly important e alignment between pay and performance over short- and long-term periods.

Corporation EPS performance target for compensation purposes, the CGNC reviews comprehensive data and sses PPL s targets by considering:

al performance;

ormance within the industry; and

s forecasts for the coming year.

ts for the business segments, the CGNC considers historical business segment performance and segment business PPL s earnings forecasts for the coming year, as well as key operational metrics to support our strategy of providing fely and at a reasonable cost to our customers and to achieve best-in-sector returns for our shareowners. These data

w to setting goals that are appropriately challenging and competitive within the industry. The targets for the 2017
ved during the first quarter of 2017 and are summarized beginning on page 34.

mpensation Program for 2017

017 compensation period, the CGNC reviewed the metrics used in evaluating executives compensation. As
elow, the CGNC:

se of EPS in long-term equity incentives (the performance-contingent restricted stock units) to eliminate
EPS as a metric in both the annual cash incentive and long-term equity incentives. The last grant of
ontingent restricted stock units was made in January 2017 for the 2014 through 2016 performance period.

as a metric in the annual cash incentive with business segment operational goals, including metrics for customer
ity, capital expenditure deployment and commercial availability. The CGNC made this change in recognition that
ls are expected to drive and support PPL s long-term strategy.

Spence s equity guideline multiple for maintaining ownership in PPL stock from five to six times base salary.

ng-term equity incentive mix for 2017 and added performance units based on corporate ROE, representing 20% of
ncentives, and measured on a forward-looking, three-year performance period

MPENSATION

ner align executive compensation with the company s strategy. The CGNC also added time-based restricted stock ting 20% of the long-term incentives, as a means of retention and creating an incentive for executives to continue re value, while limiting the complexity of our executive compensation. Beginning in 2017, all of our equity grants oking and 80% performance-based. As a result, the long-term equity incentive program changed for the 2017 ear to the following mix:

Compensation

pensation program is composed of three key elements base salary, an annual cash incentive and long-term equity make up total direct compensation.

Purpose	Features	Performance Measures and Time Horizon
To reward sustained performance, experience, value in the market and to PPL, and individual skills, knowledge and behaviors	Reviewed annually with any changes effective in January CGNC applies judgment in setting salary to reflect performance, experience and responsibility, and considers market data	Review of individual performance and market position
To motivate and reward corporate performance over the short term	Paid in cash Combination of corporate and business segment financial and operational performance Capped at two times target payout for top performance	Financial measures, which include PPL EPS and business segment net income, and business segment operational goals One-year performance period

Purpose	Features	Performance Measures and Time Horizon
Incentives		
To align shareowner and executive interests and to drive sustainable growth over the long term	Vests between 0% to 200% of target payout, subject to certification of performance at the end of the three-year performance period	60% relative TSR, using the UTY index
	Payable in shares of PPL common stock	20% corporate ROE; average of the annual ROE for each year of the PPL performance period
	Dividends accrue quarterly, but are not paid unless and until underlying award vests	Three-year performance period
	Represents 80% of the total long-term equity incentive opportunity	
To align shareowner and executive interests while rewarding and encouraging retention	Payable in shares of PPL common stock	Time based
	Dividends accrue quarterly, but are not paid unless and until underlying award vests	Restricted for three years following grant
	Restricted for three years from date of grant	
	Represents 20% of the total long-term equity incentive opportunity	

Os receive modest perquisites, such as executive physical, financial planning, tax preparation services and ions. **Read more** in the Other Elements of Compensation section on page 41.

ECUTIVE OFFICER COMPENSATION

NC reviews base salary in the context of responsibilities, experience, value in the market and to PPL, sustained ance and internal parity to determine whether an executive s base salary will be increased. In reaching a decision, market compensation data and whether each executive s current salary is competitive.

of 2017, the CGNC approved base salary increases ranging from 0% to 4.8%, with an average increase for the follows:

tive Officer	2016 Year-End Salary	2017 Salary	% Change
	$1,155,688	$1,184,580	2.5%
	$525,000	$550,000	4.8%
	$811,220	$811,220	0.0%
	£564,775	£582,000	3.0%
	$525,412	$545,000	3.7%

MPENSATION

ividual base salary decisions, the following points are noted:

base salary was increased to recognize his performance. For 2018, Mr. Spence did not receive an increase in his base

se salary was increased to bring his salary to a more competitive level and in recognition of his performance.

base salary was not increased because it was determined that his base salary at that time was market competitive.

base salary was increased to recognize his outstanding leadership in light of WPD s performance.

base salary was increased to bring his compensation to a more competitive level aligned with his performance and
ne position.

Incentive Awards

centive awards, which were made under the shareowner-approved Short-term Incentive Plan, measure and reward
st the company s financial goals for the year. The measures used to assess management s success in executing the
y and initiatives were EPS, corporate operational goals that include all three business segments weighted for the
iness segment net income and business segment operational goals. These align with our goals of increasing
nd were set and communicated to the NEOs in the first quarter of 2017.

et target EPS performance goals for 2017 compensation, it considered that the company projected lower 2017
earnings. In August of 2016, the company announced lower earnings growth projections in light of the U.K. s
e European Union and the resulting weakening of the British pound sterling exchange rates. The company updated
nd monetized existing 2017 and 2018 foreign currency hedges, capturing approximately $310 million in value.
edges led the company to remark its future earnings projections using then-current market rates, which resulted in
nings being lower than 2016 earnings. As a result, the company provided a lower 2017 guidance range of $2.05 to
PPL, which the CGNC considered when it set target EPS performance goals for 2017 compensation.

rformance measures for 2017 were as follows:

2017 PPL Cash Incentive Goal Weighting

	Financial Performance		Operational Performance	
e Officer	Corporate	Business Segment	Corporate	Business Segment
	80%		20%	
	80%		20%	
	40%	40%	10%	10%
	40%	40%	10%	10%
	40%	40%	10%	10%

2017 PPL Corporate Financial Performance

e purposes of compensation was $2.25, which was between the target and 150% payout levels of
spectively.

ent of target opportunity earned in relation to PPL s EPS was **145.45% of target**.

entive award would have been made to NEOs for 2017 if the EPS from ongoing operations had

2017 PPL Business Segment Financial Performance

eri

g net income for the year was $433.32 million.

net income for the year was $425.4 million, which was between the target and minimum payout levels.

target opportunity earned for the LKE ongoing net income was **79.41% of target**.

ons

g net income for the year was £671.67 million.

net income for the year was £746.67 million, which was above the maximum payout level.

target opportunity earned for the WPD ongoing net income was **200% of target**.

N. Dudkin

g net income for the year was $346.78 million.

ngoing net income for the year was $348.98 million, which was between the target and maximum payout levels.

f target opportunity earned for the PPL Electric ongoing net income was **106.66% of target**.

MPENSATION

2017 PPL Corporate Operational Performance							
mary Statement	Target	Actual Results	Attainment Score	Goal Weight	Goal Score	Corporate Weight	Corporate Goal Score
mer Satisfaction Rating	18	26	133.33%	50%	66.67%		
ility System Average on Index (SAIDI) goal	93.20	75.41	200.00%	25%	50.00%		
ercial Availability goal	0.930	0.936	130.00%	25%	32.50%		
				Total for LKE	**149.17%**	**26%**	**38.78%**
tional Incentive Revenues gement, Customer Minutes erruptions, Customer arget (in millions)	£78.08	£74.29	51.15%	100%	51.15%		
				Total for WPD	**51.15%**	**52%**	**26.60%**
mission Plant in Service arget (in millions)	$ 251.00	$335.00	132.80%	25%	33.20%		

bution Smart Meter PIS (in millions)	$66.00	$72.00	115.40%	25%	28.85%		
mer Satisfaction Rating	85	87	150.00%	25%	37.50%		
ility Non-storm System on Frequency Index	68	60	200.00%	25%	50.00%		
			Total for PPL Electric		**149.55%**	**22%**	**32.90%**
Total Weighted Corporate Operational Performance							**98.28%**

2017 PPL Business Segment Operational Performance

Goal Summary Statement	Target	Actual Results	Attainment Score	Goal Weight	Goal Score
ng LKE Net Income goal target (in millions)	$ 433.32	$425.40	79.41%	60%	47.65%
mer Satisfaction Rating target	18	26	133.33%	20%	26.67%
ility System Average Interruption Duration Index t	93.20	75.41	200.00%	10%	20.00%
ercial Availability goal target	0.930	0.936	130.00%	10%	13.00%
			Total Operational Performance for LKE		**107.32%**
ng WPD Net Income goal target (in millions)	£ 671.67	£746.67	200.00%	60%	120.00%
tional Incentive Revenues (Stakeholder omer Minutes Lost, Customer Interruptions, ion) goal target (in millions)	£78.08	£74.29	51.14%	30%	15.34%
l target	88.0	63.4	200.00%	10%	20.00%
			Total Operational Performance for WPD		**155.34%**

ng PPL Electric Net Income goal target (in	$ 346.78	$348.98	106.66%	60%	63.99%
mission Plant in Service (PIS) Capex goal target (in	$ 251.00	$335.00	132.80%	10%	13.28%
bution Smart Meter PIS Capex goal target (in	$66.00	$72.00	115.40%	10%	11.54%
mer Satisfaction Rating target	85	87	150.00%	10%	15.00%
ility Non-Storm System Average Interruption SAIFI) goal target	68	60	200.00%	10%	20.00%
	Total Operational Performance for PPL Electric				**123.81%**

erage Interruption Duration Index (SAIDI) and PPL Electric s System Average Interruption Frequency Index y-recognized metrics used to measure reliability by electric power utilities. Both SAIDI and SAIFI are metrics that xternally.

tric s Customer Satisfaction metrics are used to reflect how well we serve our customers. Customer Satisfaction narked externally and adjusted annually, based on prior performance, to ensure continued improvement.

al Availability is the measurement of a unit s potential to meet infinite market demand. Targets are set using results in a manner to drive optimal business performance.

al Incentive Revenues goal includes five elements: (1) customer interruptions/customer minutes lost, (2) broad satisfaction survey, (3) stakeholder engagement, (4) time to connect, and (5) incentive on connection engagement. st these external metrics results in revenue from WPD s regulator, Ofgem.

ongoing and continuous improvement in its safety performance by setting annual targets for health and safety.

nt in Service (PIS) metrics are measures of the value created based on the timing of placement in service of new rovide value to the customer and company. These measurements correlate more directly to actual revenue. Targets the approved Business Plan.

MPENSATION

l Cash Incentive Awards for 2017 Performance

ual incentive awards were approved by the CGNC for 2017 performance:

Executive Officer	Weight x Goal Results				2017 Earned Award
	Financial Performance		Operational Performance		
	Corporate	Business Segment	Corporate	Business Segment	
	80% x 145.45%		20% x 98.28%		136.02%
	80% x 145.45%		20% x 98.28%		136.02%
	40% x 145.45%	40% x 79.41%	10% x 98.28%	10% x 107.32%	110.51%
	40% x 145.45%	40% x 200.00%	10% x 98.28%	10% x 155.34%	163.54%

	40% x 145.45%	40% x 106.66%	10% x 98.28%	10% x 123.81%	123.05%

following annual cash incentive awards approved for the NEOs:

ed Executive Officer	2017 Base Salary	Target Opportunity (% of Base Salary)	2017 Earned Award	2017 Annual Cash Incentive Award
	$1,184,580	140%	136.02%	$2,255,772
	$550,000	80%	136.02%	$598,488
	$811,220	75%	110.51%	$672,359
	£582,000	60%	163.54%	£571,082
	$545,000	80%	123.05%	$536,498

RATION 2018 Proxy Statement

quity Incentive Awards

long-term incentive program is to align our executives interests with those of shareowners by providing long-term hat are earned based on company performance. This goal is achieved through two distinct equity awards and restricted stock units. Performance units tie compensation to the financial performance and share price of PPL ROE performance measures over three-year periods.

Executive ficer	Target Opportunity (% of Base Salary)			
	Total Long-term Incentive	60% Performance Units (Based on TSR)	20% Performance Units (Based on ROE)	20% Restricted Stock Units
	450%	270%	90%	90%
	210%	126%	42%	42%
	175%	105%	35%	35%
	100%	60%	20%	20%
	180%	108%	36%	36%

NC s long-time practice to grant the annual long-term incentive awards at its regularly scheduled January meeting.

ards may be made from time-to-time, for example, on the appointment of a new executive officer, no such awards to the NEOs.

e Unit Awards

nit awards reward executives for relative shareowner value creation over three years beginning in the year they are ce units granted in January 2017 were calculated based on year-end 2016 salary.

s are established at the start of the year, and the actual number of shares that an NEO receives is contingent on mance relative to the companies in the UTY index and corporate ROE performance, as follows.

s TSR

TSR combines the impact of share price movement and reinvested dividends during the three-year performance period from January 1, 2017 to December 31, 2019.

The CGNC determined that the constituents of the UTY index are an appropriate TSR industry group for PPL. The UTY is a market capitalization-weighted index of 20 geographically diverse, North American utility companies that are considered to be our peers by analysts and investors.

erformance period, awards can range from 0% to 200% of target depending on relative performance. Awards are nks below the 25th percentile of the companies in the UTY index at the end

MPENSATION

eriod. The CGNC has no discretion to provide for payment other than as reflected in the actual attainment of the goals. To illustrate the linkage of the performance units to actual performance, all performance units granted in e forfeited after their three-year performance periods ended in 2011 and 2012, respectively, because the results did um level for any award. Dividend equivalents accrue on the performance units but are not paid unless and until

s ROE

is calculated based on the average of the annual ROE for each year of the 2017-2019 performance period for PPL al ROE is calculated by taking earnings from ongoing operations of PPL Corporation, divided by the average total edit rating should drop below investment grade, the maximum award will not exceed 100% payout.

ormance unit awards were granted by the CGNC in January 2017, subject to PPL s relative TSR ranking over the ance period and attainment of ROE during the same period.

		Performance Unit Awards Granted in 2017*					
		Performance Units	TSR		Performance Units	ROE	
Executive ficer	2016 Base Salary	Target (% of Salary)	Award Value	Units Granted	Target (% of Salary)	Award Value	Units Granted
	$1,155,688	270%	$3,120,358	90,682	90%	$1,040,119	30,228
	$525,000	126%	$661,500	19,225	42%	$220,500	6,409

	$811,220	105%	$851,781	24,754	35%	$283,927	8,252
	£564,775	60%	£338,865	12,397	20%	£112,955	4,133
	$525,412	108%	$567,445	16,491	36%	$189,148	5,497

formance units granted is the award value divided by the closing price of PPL common stock on January 26, 2017, GNC approved the grants, which was $34.41, and equivalent to £27.34 using an exchange rate of £0.79441 for award. The number of units is rounded up to the nearest unit.

NC s assessment and certification of performance in early 2019, the applicable percentage of the performance unit d equivalents will vest, if any.

2017 Performance Units

wards were made to the NEOs in 2015, subject to a three-year performance period. The actual number of units that d of the performance period was contingent on PPL s TSR from January 1, 2015 to December 31, 2017 relative to TY.

r period, PPL ranked at the 25th percentile. As a result, the 2015-2017 performance units, and accrued dividend units earned, were paid out at 25% of target.

tock Units

ased on input from shareowners, the CGNC removed the use of EPS in long-term equity incentives to eliminate as a metric in both the annual cash incentive and long-term equity incentives. The CGNC ceased making grants of ngent restricted stock units, which had been assigned a target value, with actual awards made to reflect PPL s EPS hree calendar years. The last grant of performance-contingent restricted stock units was made in January 2017 for 016 performance period, as discussed further in the CD&A of the company s 2017 proxy statement.

oned to the use of restricted stock units, which are PPL stock-equivalent units representing a future delivery of a f shares of PPL common stock in three years. The first grants of restricted stock units were made in January 2017.

Restricted Stock Unit Awards Granted in 2017*

ecutive er	2016 Base Salary	Target (% of Salary)	Award Value	Units Granted
	$1,155,688	90%	$1,040,119	30,228
	$525,000	42%	$220,500	6,409
	$811,220	35%	$283,927	8,252

£564,775	20%	£112,955	4,133
$525,412	36%	$189,148	5,497

ricted stock units granted is the award value divided by the closing price of PPL common stock on January 26, the CGNC approved the grants, which was $34.41, and equivalent to £27.34 using an exchange rate of £0.79441 s award. The number of units is rounded up to the nearest unit.

Compensation

hree elements of total direct compensation (base salary, an annual cash incentive and long-term equity incentives ormance units and restricted stock units), the company also provides other forms of indirect compensation to the ummarized below.

ed executive perquisites to its NEOs. Where provided, we believe these perquisites are consistent with market a direct business interest.

services, including tax preparation and support, and a one-time payment for estate document preparation, are Os other than Mr. Symons. These services are provided in recognition of time constraints on executives and their pensation program that requires professional financial, tax and estate planning. We believe that good financial s reduces the amount of time and attention that

MPENSATION

must spend on such issues. Such planning also helps ensure the objectives of our compensation programs are met y unexpected tax or other consequences.

NEO is eligible for executive physicals, up to an aggregate cost of $6,000 every two years, and genetic testing not The CGNC believes the benefit is beneficial to both the employee and the company through potential reduced costs uctivity.

gements reflect U.K. market practice. Although he does not receive all of the perquisites described above, in e WPD Executive Car Allowance Policy, Mr. Symons receives a monthly cash allowance of £862.98 and fuel.

st to PPL of all perquisites received by each of our NEOs for the year is summarized in Note 6 to the Summary le on page 48.

ation

ides executive benefits such as tax-qualified and supplemental non-qualified executive retirement plan benefits and ed compensation opportunities. We have historically viewed our retirement benefits as a means of providing o all our salaried employees after they have spent a substantial portion of their careers with the company. Officers cluding the NEOs, participate in certain benefit programs offered to all PPL employees, or all LKE employees in ffieri, or all WPD employees in the case of Mr. Symons. In addition, officers are eligible for the executive benefit ow.

nt Plan	Description	NEO Participants
nt	Tax-qualified defined benefit pension plan Closed to new salaried employees after December 31, 2011	Messrs. Spence, Sorgi and Dudkin
ental **an**	Nonqualified defined benefit pension plan to provide for retirement benefits above amounts available under the PPL Retirement Plan	Messrs. Spence, Sorgi and Dudkin

	Closed to new officers after December 31, 2011	
ental	Nonqualified defined benefit pension plan that applies to certain employees hired before January 1, 2012, who are not vested in the PPL SERP	Mr. Sorgi
U **an**	Tax-qualified defined benefit pension plan	Mr. Staffieri participated in this plan prior to his retirement on March 15, 2018
ement	Closed to new participants after December 31, 2005	
U	Nonqualified defined benefit pension plan	Mr. Staffieri participated in this plan prior to his retirement on March 15, 2018
irement SERP)	Closed to new participants after December 31, 2011	
pply ne (ESPS)	U.K. tax-approved defined benefit pension scheme	Mr. Symons

bout these plans are provided under Executive Compensation Tables Pension Benefits in 2017 beginning on page

l accumulation opportunities for NEOs other than Messrs. Staffieri and Symons are: (1) stock gains under the rm equity incentive program (as described above) and the employee stock ownership plan (as described below); and gs opportunities that, for 2017, included (a) savings through the tax-qualified employee savings plan, which is a PL Deferred Savings Plan), and (b) the PPL Executive Deferred Compensation Plan, which is a nonqualified tion arrangement.

ans	Description	NEO Participants
	Tax-qualified defined contribution plan	Messrs. Spence, Sorgi and Dudkin
	PPL provides matching contributions of up to 3% of the participant s pay subject to contribution limits imposed by the Internal Revenue Service, or IRS	
	Pay defined as salary plus annual cash incentive award	
	Participants vest in PPL s matching contributions after one year of service	
	Participants may request distribution of their account at any time following termination of employment	

Non-qualified deferred compensation plan	Messrs. Spence, Sorgi and Dudkin
Participants may defer some or all of their cash compensation in excess of the estimated minimum legally required annual payroll tax withholding	
Matching contributions are made under this plan on behalf of participating officers to make up for matching contributions that could not be made on behalf of such officers under the PPL Deferred Savings Plan because of statutory limits on qualified plan benefits	
There is no vesting condition for the company matching contributions	

has a PPL Employee Stock Ownership Plan, or ESOP. Although it is a tax-qualified, employee stock ownership srs. Spence, Sorgi and Dudkin participate, no contributions have been made to the ESOP since 2012.

ri nor Mr. Symons participates in the ESOP, the PPL Deferred Savings Plan or the PPL Executive Deferred n. Mr. Staffieri did, however, participate in the LG&E and KU Savings Plan and in the LG&E and KU gs Plan prior to his retirement on March 15, 2018, which allow participants to defer a maximum of 75% of base ash incentive awards, as further described under Executive Compensation Tables Nonqualified Deferred 017 beginning on page 57.

MPENSATION

POLICIES UNDERPINNING OUR COMPENSATION FRAMEWORK

has adopted strong corporate governance practices that are intended to drive results and support accountability to ell as align interests of executive officers with those of shareowners.

	What We Don t Do
l pay risk assessment	û No hedging or pledging of PPL stock by officers and directors
dent compensation consultant	û No dividend equivalents paid on unvested equity awards granted to executive officers
access	û No tax gross-ups for NEO perquisites or in new change-in-control severance agreements
cant equity ownership; increased CEO s required o 6x base salary for 2017	û No single trigger change-in-control severance agreements
back policy	û No new participants in the PPL SERP or LG&E SERP

tion on PPL s Equity Ownership Guidelines, hedging and pledging policy and clawback policy can be found

Guidelines

of PPL s compensation philosophy is ensuring a strong linkage between executives and shareowners. The Equity nes enable the company to align executives with this philosophy. The guidelines provide that NEOs should ving levels of ownership in PPL stock:

ive Officer Level	Equity Guideline (Multiple of Salary)
an, President and CEO	6x
ive Vice Presidents	3x
Vice Presidents	2x
ss segment leaders*	2x

ncludes Messrs. Staffieri, Symons and Dudkin.
he minimum ownership requirement that applies to their level by the end of their fifth anniversary at that level. If
nieve the required level within the specified time frame, the following additional requirements apply until the
ed:

not sell any shares of PPL stock.

be required to retain any vesting equity awards, net of required tax withholding.

ains the right, at its discretion, to deliver annual cash incentive awards in the form of restricted stock unit grants.
e served in their current position more than five years were in compliance with their equity ownership guidelines
2017. Mr. Symons, who has served at this executive officer level less than five years, is currently on track to meet
ip requirement.

ging Prohibitions

best governance practices, the company has an established policy that prohibits its officers and directors from the

s of company stock as collateral for any loans.

y form of hedging transaction.

vatives of PPL common stock.

e CGNC adopted a policy regarding the recoupment of executive compensation, commonly referred to as a
ct to the discretion and approval of the Board, this policy enables the company to seek recoupment of
mpensation awarded to any current executive officer of the company in situations where the Board has determined

required to prepare an accounting restatement due to the material noncompliance by the company with any
ting requirement under the securities laws, and

would have been made to the executive officer based upon the restated financial results.
and final authority to make all determinations under this policy, including, without limitation, whether the policy
he amount of cash bonus or other incentive-based compensation, if any, to be repaid by any executive officer. In
as determined by the Board, the company will, to the extent permitted by applicable law, seek to recover
mpensation received by such individual in excess of the amount that would have been received under the
nent. Any recoupment under this policy is to be in addition to any other remedies that may be available to the
g such remedies contained in the company s equity grant agreements, employment letters, if any, and applicable

NFORMATION

tion

nnual direct and indirect compensation described above, the company provides special compensation under

eements. We generally do not enter into traditional employment agreements with executive officers. Other than a
entered into with Mr. Symons in the U.K. as described at page 50 under Employment Agreement, there are no
s with respect to length of employment that would commit the company to pay an executive for a specific period.
cutive officers are employees-at-will whose employment is conditioned on performance and subject to termination
any time.

ol Protections. The company believes certain executive officers who are terminated without cause or who resign
(as defined in Change-in-Control Arrangements on page 59) in connection with a change in control of PPL
be provided separation benefits. These benefits are intended to ensure that executives focus on serving the
owner interests without the distraction of possible job and income loss. All of our NEOs have agreements with the
g for separation benefits in the event of a change in control.

ents of the company s change-in-control protections are:

g of Specific Outstanding Equity Awards.

granted under the SIP become vested upon a change in control only if the executive is terminated following or in
n the change in control (a double trigger).

d in 2007 and thereafter under the ICP are, after a change in control, exercisable for the remaining term of the

ves that its change-in-control benefits are consistent with the practices of companies with whom PPL competes for
retaining executives and recruiting new executives to the company.

on current arrangements and agreements are discussed further below under Termination Benefits, beginning on
nge-in-Control Arrangements, beginning on page 59.

s. To continue to retain and protect our executives, the company adopted an Executive Severance Plan in 2012 that
benefits for officers, including the NEOs other than Mr. Symons, terminated for reasons other than cause.

MPENSATION

f the plan include (1) two years of base pay; (2) an allowance for benefit continuation; and (3) outplacement or port. Severance benefits payable under this program are conditioned on the executive officer agreeing to release any liability arising from the employment relationship.

greements with all of the NEOs that provide benefits to the executives upon specified terminations of employment a change in control of PPL Corporation. The benefits provided under these agreements replace any other provided to these officers by PPL Corporation, including the Executive Severance Plan or any prior severance

on current arrangements and agreements for NEOs are discussed further below under Termination Benefits at

of Compensation

018, Section 162(m) of the Internal Revenue Code generally provides that publicly held corporations may not le year specified compensation in excess of $1 million paid to the CEO and other named compensated executive year-end (excluding the CFO in the case of tax years preceding 2018). The $1 million deductibility limitation does grandfathered performance-based compensation awards granted prior to November 2, 2017 if specified criteria ard, the PPL Corporation Short-term Incentive Plan and the SIP had previously been structured to enable certain rants of equity-based incentive awards to be deductible under

lly seeks ways to limit the impact of Section 162(m). That said, the CGNC believes that the tax deduction ot compromise our ability to establish and implement incentive programs that support the compensation objectives ccordingly, achieving these objectives and maintaining required flexibility in this regard will likely result in ensation or grants of awards that are not deductible for federal income tax purposes.

18, Section 162(m) has been amended to remove the performance-based compensation exception to the $1 million tion.

RATION 2018 Proxy Statement

EXECUTIVE COMPENSATION

MPENSATION TABLES

e summarizes all compensation for our chief executive officer, our chief financial officer and our next three most d executives, known as our named executive officers, or NEOs, for service to PPL and its subsidiaries. Mr. Spence ector but received no separate compensation for board service.

SUMMARY COMPENSATION TABLE

pal Position[1]	Year	Salary[2]	Bonus	Stock Awards[3]	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings[5]	All Other Compensation[6]	Total
ce	2017	$ 1,183,469	$	$ 8,555,315		$ 2,255,772	$ 1,417,579	$ 128,196	$ 13,540,331
	2016	1,154,712		6,256,112		2,506,225	5,418,856	171,354	15,507,259
ent and Officer	2015	1,127,500		6,237,307	$ 727,355	1,838,953	2,994,822	54,075	12,980,012
	2017	549,039		1,783,550		598,488	709,887	58,544	3,699,508
	2016	524,134		1,233,033		569,258	485,430	50,108	2,861,963
dent and fficer	2015	498,462		994,921	70,635	407,750	153,159	32,318	2,157,245
ri	2017	811,220		2,335,458		672,359	196,629	77,700	4,093,366
	2016	811,220		1,750,470		843,263	1,264,598	78,401	4,747,952
Board and Chief LG&E and KU	2015	811,220		1,745,339	39,745	898,629	60,305	76,630	3,631,868
ns	2017	750,314		1,134,292		793,576	818,601	21,394	3,518,177
	2016	741,127		789,848		668,969	1,466,339	25,331	3,691,614
WPD	2015	836,038		691,919	6,569	690,156	369,842	20,288	2,614,812
kin	2017	544,247		1,555,810		536,498	589,068	19,662	3,245,285
	2016	524,143		987,892		625,450	584,072	34,412	2,755,969
Electric Utilities									

rved as Chairman of the Board, Chief Executive Officer and President of LKE until January 3, 2017, at which
d as President. Effective March 15, 2018, he retired from LKE.

based in the United Kingdom and is compensated in British pounds sterling. We converted his 2017 cash
changes in pension value and personal benefits to U.S. dollars at an exchange rate of $1.2892, which was the
ly translation rate for 2017, except with respect to the Non-Equity Incentive Plan Compensation amount, which
to U.S. dollars at an exchange rate of $1.3896, which is the translation rate for March 7, 2018, the date the cash
d was paid to Mr. Symons.

cash compensation deferred to the PPL Executive Deferred Compensation Plan or, for Mr. Staffieri, to the LG&E
alified Savings Plan. The following NEOs deferred salary in 2017 in the amounts indicated: Mr. Spence
Sorgi ($16,471); and Mr. Staffieri ($44,929). These amounts are included in the Nonqualified Deferred
in 2017 table on page 58 as executive contributions for the last fiscal year.

presents the aggregate grant date fair value of restricted stock units and performance units as calculated under
3, without taking into account estimated forfeitures. In January 2017, the CGNC transitioned from
ontingent restricted stock units to a combination of time-vested restricted stock units and ROE-based performance
k Awards column reflects the last grant of performance-contingent restricted stock units for the backward-looking
016 performance period, as well as the first grant of the forward-looking time-vested restricted units and new
rformance units. The grant date fair value of restricted stock units are calculated using the closing price of PPL
on the NYSE on the date of grant. The grant date fair value of the performance units reflected in this column are
uts based on the probable outcome of the performance condition, determined as of the grant date, and are disclosed
of Plan-Based Awards During 2017 table on page 49. The maximum potential values as of the grant date of the
formance units granted in 2017, assuming the highest level of performance are as follows: Mr. Spence
r. Sorgi $1,475,327; Mr. Staffieri $1,899,622; Mr. Symons $951,346; and Mr. Dudkin $1,265,519. The
ntial values as of the grant date of the ROE-based performance units granted in 2017 assuming the highest level of
e as follows: Mr. Spence $2,080,291; Mr. Sorgi $441,067; Mr. Staffieri $567,903; Mr. Symons $284,433; and
$378,304. For additional information on the assumptions made in the valuation of performance units, refer to Note
inancial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with
er information regarding the 2017 awards is included in the Grants of Plan-Based Awards During 2017 and
Equity Awards at Fiscal Year-End 2017 tables elsewhere in this proxy statement.

MPENSATION

unts represent cash awards paid in March 2018 for performance under the company s annual cash incentive award 17, which were made under PPL s 2016 Short-term Incentive Plan for all NEOs. These amounts include amounts elected to defer to the PPL Executive Deferred Compensation Plan or, for Mr. Staffieri, to the LG&E and KU avings Plan. The following NEOs deferred cash awards in the amounts indicated: Mr. Spence ($67,673); 9,622); Mr. Staffieri ($40,342) and Mr. Dudkin ($16,095). These amounts will be included in the Nonqualified pensation in 2018 table as executive contributions in next year s proxy statement if the executive is an NEO for

presents the sum of the changes during 2017 in the actuarial present value of accumulated benefit in the PPL n and PPL Supplemental Executive Retirement Plan, or PPL SERP, for Messrs. Spence, Sorgi and Dudkin, the Retirement Plan and the LG&E and KU Supplemental Executive Retirement Plan for Mr. Staffieri and the ply Pension Scheme in the United Kingdom for Mr. Symons. See Pension Benefits in 2017 beginning on page 53 nformation. No above-market or preferential earnings under the PPL Executive Deferred Compensation Plan, the Nonqualified Savings Plan or the LG&E Energy Corp. Nonqualified Savings Plan were reportable for 2017. See Deferred Compensation in 2017 beginning on page 57 for additional information. Mr. Symons does not participate ompensation plan.

w reflects the components of this column for 2017, which include the company s matching contribution for each 01(k) plan contributions under respective savings plans, the company s matching contribution for each individual s nder nonqualified deferred compensation plans, or NQDC, and certain perquisites including financial planning and services, company car and other personal benefits as noted.

401(k) Match	NQDC Employer Contributions	Financial Planning and Tax Preparation	Company Car[a]	Other	Total
$ 8,100	$106,700	$11,000		$ 2,396[b]	$128,196
8,100	25,449	11,000		13,995[b][c]	58,544
11,340	58,148	8,212			77,700
			$19,228	2,166[d]	21,394
8,100	562	11,000			19,662

ar benefits provided to Mr. Symons, including monthly car allowance and reimbursement for fuel. Benefit is £20,000 per year.

cost of executive physicals paid by the company.

orgi, includes contributions made by the company under our charitable matching gift program, pursuant to which ontribute, on a 100% matching basis, up to $10,000 per year per person to specified charitable institutions. Also contribution through Dollars for Doers, the company s employee-volunteers recognition program, which supports volunteer at least 40 hours in a calendar year to a single nonprofit organization by contributing a $1,000 grant on lf to the qualifying organization.

ts cost of private medical insurance plan in the United Kingdom for Mr. Symons and his wife.

N REALIZED BY OUR CEO IN 2017

programs for Mr. Spence and the other NEOs are primarily based on performance. The information shown below lement rather than substitute for the information in the Summary Compensation Table.

npensation Table includes several items that reflect accounting or actuarial assumptions rather than compensation r realized by Mr. Spence for performance periods that ended on December 31, 2017. For example, the Summary le combines pay actually received (base salary and annual cash incentive payments) with the accounting value of on granted in 2017, which may be realized in the future or not at all. The Summary Compensation Table is also the change in pension values (based on actuarial assumptions), which is not realized until retirement.

ble below presents elements of pay that Mr. Spence actually received (base salary, annual cash incentive and all n) plus the gross compensation (before applicable taxes) that he received or earned upon the vesting of ngent restricted stock units and performance units based on TSR, as shown in the Option Exercises and Stock ble on page 53, regardless of when these equity awards were granted.

al Position	Year	Salary	Annual Cash Incentive	Long-term Stock Incentives Realized	All Other Compensation	Total
e	2017	$1,183,469	$2,255,772	$4,871,260	$128,196	$8,438,697

GRANTS OF PLAN-BASED AWARDS DURING 2017

e provides information about equity and non-equity incentive plan awards granted to the NEOs in 2017.

rant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts under Equity Incentive Plan Awards[2]			All Other Stock Awards: Number of Shares of Stock or Units[3]	Grant Date Fair Value of Stock and Option Awards[4]
	Threshold	Target	Maximum	Threshold	Target	Maximum		
17/2017	$829,206	$1,658,412	$3,316,825					
26/2017							30,228	$1,040,145
17/2017							84,074	2,995,557

26/2017[5]				22,671	90,682	181,364		3,479,468
26/2017[6]				7,557	30,228	60,456		1,040,145
17/2017	220,000	440,000	880,000					
26/2017							6,409	220,534
17/2017							16,975	604,819
26/2017[5]				4,806	19,225	38,450		737,663
26/2017[6]				1,602	6,409	12,818		220,534
17/2017	304,207	608,415	1,216,830					
26/2017							8,252	283,951
17/2017							22,951	817,744
26/2017[5]				6,189	24,754	49,508		949,811
26/2017[6]				2,063	8,252	16,504		283,951
17/2017	225,094	450,189	900,377					
26/2017							4,133	142,217
17/2017							10,502	374,186

26/2017(5)				3,099	12,397	24,794		475,673
26/2017(6)				1,033	4,133	8,266		189,152
17/2017	218,000	436,000	872,000					
26/2017							5,497	189,152
17/2017							15,289	544,747
26/2017(5)				4,123	16,491	32,982		632,760
26/2017(6)				1,374	5,497	10,994		142,217

show the potential payout range under the 2017 annual cash incentive award program. For additional information, 2017 Named Executive Officer Compensation 2017 Annual Cash Incentive Awards beginning on page 34. The cash ut range is from 50% to 200% of target. If the actual performance falls below the 50% payout level, the payout is ons is based in the United Kingdom and is compensated in British pounds sterling. We converted his annual cash d ranges to U.S. dollars at an exchange rate of $1.2892, which was the average monthly translation rate for 2017.

show the potential payout range for the performance units, both TSR and ROE, granted in 2017 to the NEOs IP. For additional information, see CD&A 2017 Named Executive Officer Compensation 2017 Long-term Equity rds 2017 Performance Unit Awards beginning on page 39.

hows the number of performance-contingent restricted stock units granted in 2017 to the NEOs under PPL s SIP performance during 2014-2016, as well as time-vested restricted stock units granted in 2017. As described in Note ary Compensation Table, this is the last grant of the backward-looking performance-contingent restricted stock ve been replaced by the new forward-looking time-vested restricted stock units and ROE-based performance units. rictions on the awards will lapse on January 26, 2020, three years from the date of grant. Each restricted stock unit cutive to receive additional restricted stock units equal in value to the amount of quarterly dividends paid on PPL These additional restricted stock units are payable in shares of PPL common stock at the end of the restriction to the same conditions as the underlying restricted stock units.

MPENSATION

hows the grant date fair value, as calculated under ASC Topic 718, of the performance units and restricted stock o the NEOs, without taking into account estimated forfeitures. For restricted stock units and performance units granted on January 26, 2017, the grant date fair value was calculated using the closing price of PPL common stock on the grant date of $34.41. For performance-contingent restricted stock units granted on February 17, 2017, the value was calculated using the closing price of PPL common stock on the NYSE on the grant date of $35.63. For nits based on TSR, the grant date fair value was calculated using a Monte Carlo pricing model value of $38.37 for nted on January 26, 2017. For additional information on the valuation assumptions for performance units, see Note financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with

ge for TSR-based performance unit awards granted in 2017 is from 25% to 200% of target. The performance 2017 to 2019. At the end of the performance period, PPL TSR for the three-year period is compared to the total ompanies in the Philadelphia Stock Exchange Utility Index, or UTY. Shares of PPL common stock reflecting the ber of performance units, as well as dividend equivalents, will vest and be paid according to the applicable level t of the performance goal. If actual performance falls below the 25% payout level, the payout is zero.

ge for ROE-based performance unit awards granted in 2017 is from 50% to 200% of target. The performance 2017 to 2019. At the end of the performance period, the average of the annual corporate ROE for PPL for each formance period will be assessed against the attainment levels set for the awards. Shares of PPL common stock pplicable number of performance units, as well as dividend equivalents, will vest and be paid according to the l of achievement of the performance goal. If actual performance falls below the 50% payout level, the payout is

eement

rty to an amended and restated Service Agreement, dated March 16, 2015, with Western Power Distribution r WPD (South West). He serves as the Chief Executive of the Western Power Distribution group of companies, British regional electricity distribution utility companies. The Service Agreement provides that Mr. Symons is te, at WPD (South West) s discretion, in any bonus or incentive plans for senior executives and/or directors (South West) from time to time. Currently, Mr. Symons participates in the Directors Results Related Bonus of the Service Agreement further provide that Mr. Symons and his wife are entitled to participate in a private plan at WPD (South West) s expense. Mr. Symons is also entitled to use of a car and fuel benefits in accordance West) s executive car program. His car benefits are capped at an annual amount equal to £20,000. WPD (South mitted, while Mr. Symons is employed with the company, to provide life insurance for him in the amount of amount of insurance is adjusted annually in connection with the Retail Price Index in the United Kingdom. This once Mr. Symons leaves WPD (South West). The term of the Service Agreement continues until after six months provided by either WPD (South West) or Mr. Symons, or until Mr. Symons is otherwise terminated as provided in

r. Symons employment is terminated during the two-year period following a change in control of WPD (South n the Service Agreement and discussed further below) pursuant to a relevant event (as described below),

tled to (1) a lump-sum payment equal to two times his taxable pay received from WPD (South West) during the
nmediately preceding the change in control, payable within seven days of the termination of his employment and
to him under the pension plan in which he participated up until April 2006. See Potential Payments upon
ange in Control of PPL Corporation Change-in-Control Arrangements beginning on page 59 for additional
benefits available to Mr. Symons.

e Service Agreement, relevant event is defined to mean (1) a termination of Mr. Symons employment by WPD
than because of his gross misconduct or his material breach of contract or (2) a termination of Mr. Symons
n pursuant to one of a number of circumstances including (a) a material alteration in his position or
a reduction in his base salary; (c) the relocation of Mr. Symons place of work more than 50 miles away; or (d) a
on from a compensation plan, pension plan or welfare plan.

ice Agreement contains restrictive covenants, including an indefinite covenant not to disclose confidential
uring Mr. Symons employment and for the 12-month period following termination of his employment, a covenant
yees and directors of WPD (South West) or its subsidiaries.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2017

e provides information on all unexercised stock option, or for Mr. Symons phantom stock option, awards, as well ricted stock unit awards and unearned and unvested performance units, for each NEO as of December 31, 2017. grant, as well as each grant of performance units that is unearned and unvested, is shown separately for each NEO, tock units that have not vested are shown in the aggregate. The vesting schedule for each grant is shown following the grant date of the stock option, phantom stock option, restricted stock unit award or performance unit award rket value of the stock awards is based on the closing price of PPL common stock on the NYSE as of , the last trading day of 2017, which was $30.95. For additional information about stock awards, see CD&A 2017 Officer Compensation 2017 Long-term Equity Incentive Awards beginning on page 39.

	Option Awards				Stock Awards			
Grant Date[1]	Number of Securities Underlying Unexercised Options (#) Exercisable[2]	Number of Securities Underlying Unexercised Options (#) Unexercisable[2]	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested[3] (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[4] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights

							That Have Not Vested ($)
1/24/08	77,419	42.84	1/23/2018				
7/22/11	10,344	25.24	7/21/2021				
1/26/12	430,041	25.41	1/25/2022				
1/24/13	776,968	26.59	1/23/2023				
				313,605	9,706,075		
1/21/16[5]						24,649	762,883
1/26/17[5]						23,391	723,940
1/26/17[6]						62,376	1,930,537
3/29/10	13,696	25.13	3/28/2020				
1/27/11	26,561	23.20	1/26/2021				
1/26/12	29,624	25.41	1/25/2022				
1/24/13	55,153	26.59	1/23/2023				
				56,883	1,760,529		

1/21/16[5]						4,858	150,358
1/26/17[5]						4,959	153,479
1/26/17[6]						13,225	409,314
				86,950	2,691,100		
1/21/16[5]						6,897	213,454
1/26/17[5]						6,385	197,618
1/26/17[6]						17,028	527,017
2/15/08	24,208	42.88	2/15/2018				
				36,484	1,129,180		
1/21/16[5]						3,387	104,820
1/26/17[5]						3,198	98,969
1/26/17[6]						8,529	263,973
				48,034	1,486,652		
1/21/16[5]						4,274	132,280
1/26/17[5]						4,254	131,652

1/26/17[6]	11,343	351,066

MPENSATION

derstanding of this table, we have included an additional column showing the grant date of the outstanding stock
unearned and unvested performance units.

nderlying unexercised options are exercisable.

tock units for the NEOs under PPL s SIP vest on the third anniversary of the grant date. The dates that restrictions
restricted stock unit award granted to the NEOs and the number of restricted stock units, including dividend
lected as additional restricted stock units, are:

	Grant	Vesting Dates			
	Date	1/22/18	1/21/19	1/26/20	2/17/20
	1/22/15	102,598			
	1/21/16		93,074		
	1/26/17			31,189	
	2/17/17				86,745
	1/22/15	14,412			
	1/21/16		18,344		
	1/26/17			6,613	

	2/17/17			17,514
	1/22/15	28,713		
	1/21/16		26,043	
	1/26/17			8,514
	2/17/17			23,680
	1/22/15	11,382		
	1/21/16		10,002	
	1/26/17			4,264
	2/17/17			10,836
	1/22/15	13,587		
	1/21/16		13,001	
	1/26/17			5,672
	2/17/17			15,775

ance units, both TSR and ROE, are payable in shares of PPL common stock following the performance period. ormance period ends on December 31, 2018 for the 2016 awards and December 31, 2019 for the 2017 awards, the ormance units earned is not determined until the CGNC certifies that the level of performance goals have been number of performance units earned at the time of certification may be more or less than the number of awards s table, depending on whether or not the performance goals have been achieved and the level of achievement. See 7 Named Executive Officer Compensation 2017 Long-term Equity Incentive Awards 2017 Performance Unit

ning on page 39 for a discussion of the performance goals related to TSR and ROE awards and the attainment award.

TSR-based performance units granted in 2016 and 2017 disclosed in the table for each NEO represents the ut amount for 2016 and 2017 awards. The threshold amount is used because PPL s TSR was below the threshold the awards as compared to its industry peers for the time period 2016 and 2017, the first two years of the ormance period for the 2016 awards and for 2017 the first year of the three-year performance period for the 2017 mber of shares shown in the table for each NEO also includes dividend equivalents reflected as additional its.

ROE-based performance units granted in 2017 disclosed in the table for each NEO represents the maximum as ROE attainment for 2017 was above the target payout level. The number of shares shown in the table for each des dividend equivalents reflected as additional performance units.

OPTION EXERCISES AND STOCK VESTED IN 2017

e provides information for each of the NEOs with respect to (1) stock option and phantom stock option award
017, including the number of shares acquired or treated as acquired upon exercise and the value realized, and
hares acquired during 2017 upon the vesting of restricted stock units and the deemed vesting of performance units
ed, each before payment of any applicable withholding tax and broker commissions.

Option Awards		Stock Awards	
Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting[1]
		144,369	$4,871,260
		13,170	436,679
		42,797	1,445,543
		17,833	602,825
		35,360	1,285,892

t the closing price on the NYSE of the shares of PPL common stock underlying the restricted stock units on the
ions lapsed and the closing price on December 29, 2017 on the NYSE of the shares of PPL common stock
performance units granted in 2015 that are deemed to have been earned as of December 31, 2017, the last day of
performance period.

PENSION BENEFITS IN 2017

e sets forth information on the pension benefits for the NEOs under each of the following pension plans:

nt Plan. The PPL Retirement Plan is a funded and tax-qualified defined benefit retirement plan that covers 1,916 active employees as of December 31, 2017. The PPL Retirement Plan was closed to new salaried employees r 31, 2011. As applicable to Messrs. Spence, Sorgi and Dudkin, the plan provides benefits based primarily on a kes into account the executive s earnings for each fiscal year. Benefits under the PPL Retirement Plan for eligible determined as the greater of the following two formulas:

s a career average pay formula of 2.25% of annual earnings for each year of credited service under the plan.

nd is a final average pay formula as follows:
ge earnings up to the Average Social Security Wage Base

ge earnings in excess of the Average Social Security Wage Base

credited service (up to a maximum of 40 years).

rage pay formula, final average earnings equal the average of the highest 60 months of pay during the last ited service. The Average Social Security Wage Base is the average of the taxable Social Security Wage Base for years preceding an employee s retirement date or, for employees retiring at the end of 2017, $77,880. The earnings taken into account under each formula include base salary and cash incentive awards but may not exceed limit applicable to tax-qualified plans ($270,000 for 2017).

loyee earns is payable starting at retirement on a monthly basis for life or in a lump sum. Benefits are computed life annuity form of pension, with a normal retirement age of 65. Benefits are reduced for retirement prior to es with 20 years of credited service and reduced prior to age 65 for other employees. Employees vest in the PPL ter five years of credited service. In addition, the plan provides for joint and survivor annuity choices and does not ontributions.

MPENSATION

PPL Retirement Plan are subject to the limitations imposed under Section 415 of the Internal Revenue Code. The or 2017 was $215,000 per year for a single life annuity payable at an IRS-prescribed retirement age. Benefits in eral limits are payable from company funds under the PPL Supplemental Compensation Pension Plan described mployee is eligible for benefits under the PPL Supplemental Executive Retirement Plan described below.

ntal Compensation Pension Plan. This plan is unfunded, is not qualified for tax purposes and covers 35 active employees, including Mr. Sorgi, hired prior to January 1, 2012 who are vested in the PPL Retirement e of termination or retirement. The benefit formula is the same as the PPL Retirement Plan, but it reflects n excess of the IRS-prescribed limit of $270,000 for 2017. The plan benefit is calculated using all PPL affiliated ce, not just service credited under the PPL Retirement Plan. Upon retirement, this plan will only pay out the excess nd beyond the PPL Retirement Plan. At such time as Mr. Sorgi vests in the PPL SERP, he will no longer be plan.

ntal Executive Retirement Plan. The PPL SERP covers five active officers as of December 31, 2017, including e, Sorgi and Dudkin, to provide for retirement benefits above amounts available under the PPL Retirement Plan e. The PPL SERP is unfunded and is not qualified for tax purposes. Accrued benefits under the PPL SERP are ns of the company s creditors in the event of bankruptcy. The PPL SERP was closed to new officers after 2011.
mula is 2.0% of final average earnings for the first 20 years of credited service plus 1.5% of final average earnings rs. Final average earnings is the average of the highest 60 months of earnings during the last 120 months of Earnings include base salary and annual cash incentive awards.

ted on the basis of the life annuity form of pension, with a normal retirement age of 65. Generally, no benefit is PPL SERP if the executive officer has less than 10 years of service unless specifically authorized, such as upon a ion in connection with a change in control. Benefits under the PPL SERP are paid, in accordance with a nce election, as a single sum or as an annuity, including choices of a joint and survivor or years-certain annuity. At Mr. Spence), or at age 50 with 10 years of service, accrued benefits are vested and may not be reduced by an PPL SERP without consent of the participant or termination by the company. After the completion of 10 years of s are eligible for death benefit protection.

not have a policy for granting additional years of service but has done so under the PPL SERP in individual of additional years of service to any executive officer must be approved by the CGNC. The CGNC previously nce an additional year of service for each year of employment under the PPL SERP as a retention mechanism. The nefit cannot increase beyond 30 years of service for any participant. The table below reflects the additional service service as of December 31, 2017 for all NEOs. Please refer to the table footnotes for additional information related under the PPL SERP.

Retirement Plan. The LG&E and KU Retirement Plan, or LG&E Retirement Plan, is a funded and tax-qualified retirement plan that covers approximately 1,300 active employees as of December 31, 2017 and that was closed to

ts on December 31, 2005. As applicable to Mr. Staffieri prior to his retirement on March 15, 2018, the LG&E
n provides benefits based on a formula that takes into account the executive s average monthly earnings and years
efits for eligible employees are determined as the greater of the following two formulas:

formula is 1.58% of average monthly earnings plus 0.40% of average monthly earnings in excess of
compensation multiplied by years of credited service (up to a maximum of 30 years).

nd formula is 1.68% of average monthly earnings multiplied by years of credited service (up to a maximum of

Retirement Plan, the average monthly earnings is the average of the highest five consecutive monthly earnings prior
mployment. Monthly earnings is defined as total compensation as indicated on Form W-2 including deferrals to a
cluding any earnings from the exercise of stock options, limited to the IRS-prescribed limit applicable to
($270,000 for 2017), divided by 12.

RATION 2018 Proxy Statement

EXECUTIVE COMPENSATION

sation is 1/12 of the average of the Social Security Wage Base for the 35-year period ending with the year of a l security retirement age. The Social Security Wage Base for future years is assumed to be equal to the Social e of the current year.

loyee earns is payable starting at retirement on a monthly basis for life. Benefits are calculated on the basis of the f pension with a normal retirement age of 65. Early retirement occurs at the earlier of age 55 or 30 years of service. , 2015, there is no early retirement reduction after attainment of age 60. As a result, prior to age 60, benefits are s vest in the LG&E Retirement Plan after five years of service.

LG&E Retirement Plan are subject to the limitations imposed under Section 415 of the Internal Revenue Code. mit for 2017 is $215,000 per year for a single life annuity payable at an IRS-prescribed retirement age.

Supplemental Executive Retirement Plan. Mr. Staffieri was a participant in the LG&E and KU Executive Retirement Plan, or LG&E SERP prior to his retirement on March 15, 2018. The LG&E SERP d is not qualified for tax purposes. It was closed to new participants after December 31, 2011. Accrued the LG&E SERP are subject to claims of the company s creditors in the event of bankruptcy. formula is equal to 64% of the average monthly compensation less

he monthly qualified LG&E Retirement Plan benefit payable at age 65;

he primary Social Security Benefit payable at age 65;

any matching contribution or the employer contribution for those participants for whom the defined contribution e primary retirement vehicle; and

any other employer-provided benefit payable at age 65 as a life annuity from any qualified defined benefit plan or ontribution plan (if such qualified defined contribution plan was the employer s primary vehicle for retirement) l by previous employers.
nultiplied by a fraction, not to exceed one, the numerator of which is years of service at date of termination and the ich is 15.

compensation is the average compensation for the highest 36 consecutive months preceding termination of mpensation is defined as base salary plus short-term incentive pay prior to any deferrals under any qualified or

ed compensation plan.

is age 65. Early retirement for a participant who has been credited with at least five years of service and whose age
the later of separation of service or age 55. There is no early retirement reduction after attainment of age 62.

MPENSATION

ply Pension Scheme. Mr. Symons was an active participant in the Electricity Supply Pension Scheme, or ESPS, in gdom until April 6, 2006, at which time he ceased to accrue any benefits under the ESPS. The ESPS is a U.K. efined benefit pension scheme. It provides at retirement an annual pension of 1/80th of final salary for each year of sum of three times a member s annual pension, which is payable at retirement, with dependents benefits payable s death. In addition to the standard benefit accrual rate of 1/80th, Mr. Symons received an enhancement to his th accrual rate for the period April 1, 2000 to April 5, 2006. He began receiving distributions from the ESPS on 2, and the distributions received during 2017 are included in the following table.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit[2][3]	Payments During Last Fiscal Year
	PPL Retirement Plan	11.5	$ 824,548	
	PPL SERP	23.0[4]	22,318,283	
	PPL Retirement Plan	11.7	606,542	
	PPL Supplemental Compensation Pension Plan	11.7	1,148,459	
	PPL SERP	11.7	1,442,818	
	LG&E Retirement Plan	25.8	1,893,210	
	LG&E SERP	25.8	14,846,509	
	Electricity Supply Pension Scheme	34.0	15,752,843[5]	$ 528,337[5]
	PPL Retirement Plan	8.5	611,592	
	PPL SERP	8.5	1,892,022	

plemental Executive Retirement Plan above for a description of the years of service that have been granted under the Mr. Spence.

ns used in estimating the present values of each NEO s accumulated pension benefit are:

Plan	Assumed Retirement	Discount Rate	Mortality Assumption

	Date[(a)]		
lan	60	3.71%	RP-2014 gender specific healthy annuitant tables with white collar adjustment (removing MP-2014 improvement projections from 2006-2014) and applying Scale MP-2017 mortality improvements from 2006 on a generational basis. For the LG&E Retirement Plan and the LG&E SERP, the base rates are increased by 4%.
l Compensation Pension	60	3.71%	
t Plan	60	3.70%	
	62	3.72%	
	60/62	3.70%	50%/50% blend at the male and female RP-2014 healthy annuitant tables with no collar adjustment (removing MP-2014 improvement projections from 2006-2014) and applying Scale MP-2017 mortality improvements from 2006 on a generational basis.
Pension Scheme	60	2.65%	Based upon United Kingdom standard tables S2PMA and S2PFA appropriate for the member s year of birth and future improvements subject to the standard table projected forward from 2007 in line with the 2015 CMI core projections with a long-term improvement rate of 1.0% per annum.

PL Retirement Plan, PPL Supplemental Compensation Pension Plan and PPL SERP, this column reflects the age at irement may occur without any reduction in benefits. Effective December 31, 2017, the CGNC approved an nt to the SERP, for Mr. Spence only, that increases his retirement age for full benefits from age 60 to age

RATION 2018 Proxy Statement

e PPL Retirement Plan and the PPL Supplemental Compensation Pension Plan, an employee may retire without tion in benefits at age 60 provided that the employee has at least 20 years of service. Effective January 1, 2015, for E Retirement Plan, the age at which retirement may occur without any reductions in benefits is age 60. For the ERP, the age at which retirement may occur without any reduction in benefits is age 62. For the Electricity Supply cheme, the age at which retirement may occur without any reduction in benefits is age 60.

lues in the column reflect theoretical figures prescribed by the SEC for disclosure and comparison purposes. The lects the actual benefits payable under the PPL SERP and the LG&E SERP upon the listed events assuming employment occurred as of December 31, 2017.

	SERP Payments upon Termination as of December 31, 2017[a]		
tive Officer	Retirement	Death	Disability
	$21,838,385	$11,321,705	$21,838,385
		356,939	
c)	14,846,509	7,755,248	12,700,795
	1,837,047	557,481	1,837,047

pence, Sorgi and Dudkin have elected to receive benefits payable under the PPL SERP as a lump-sum payment, applicable law. For Mr. Staffieri, the LG&E SERP does not provide for a lump-sum payment, but a lump-sum shown here for comparison purposes. See note (c) below for Mr. Staffieri s monthly LG&E SERP benefits. The shown in this table represent the values that would have become payable based on a December 31, 2017 on of employment. Actual payment would be made following December 31, 2017 subject to plan rules and in ce with Section 409A of the Internal Revenue Code.

is not eligible to retire under the PPL SERP, but he has a death benefit. If Mr. Sorgi had left the company y on December 31, 2017, he would have been eligible to receive benefits under the PPL Retirement Plan and the lemental Compensation Pension Plan, but not under the PPL SERP.

ffieri had retired on December 31, 2017 and commenced his LG&E SERP benefit on January 1, 2018, the monthly ERP benefit payable as a life annuity would have been $81,188. If he had died on December 31, 2017, the monthly ERP benefit payable to his spouse for her lifetime beginning on January 1, 2018 would have been $40,594. If eri had become disabled on December 31, 2017, the monthly LG&E SERP disability benefit payable at age 65 as uity (assuming continued accrual) would have been $79,923.

dditional years of service provided to Mr. Spence. The years of credited service in excess of actual years of
ed to the company resulted in an increase to the present value of accumulated benefits for Mr. Spence as of
2017 under the PPL SERP of $11,167,150.

based in the United Kingdom and receives his pension benefits in British pounds sterling. His present value of
enefit as of December 31, 2017 is converted from Pounds Sterling to U.S. dollars at an exchange rate of $1.3532,
rate for December 29, 2017, and his pension distributions are converted to U.S. dollars at an exchange rate of
is the average monthly translation rate for 2017.

NONQUALIFIED DEFERRED COMPENSATION IN 2017

e Deferred Compensation Plan allows participants to defer all or a portion of their cash compensation in excess of
um payroll taxes. In addition, the company made matching contributions to this plan during 2017 of up to 3% of
h compensation (base salary plus annual cash incentive award) to match executive contributions that would have
s tax-qualified 401(k) deferred savings plan, also known as the PPL Deferred Savings Plan, except for
ations on those contributions. The PPL Executive Deferred Compensation Plan is unfunded and is not qualified for
enefits under this plan are subject to the claims of the company s creditors in the event of bankruptcy. A
nt is established for each participant who elects to defer, and the participant selects one or more deemed
that generally mirror those that are available to employees under the PPL Deferred Savings Plan at Fidelity
investment accounts include large, mid and small cap index and investment funds, international equity index
unds, bond funds and a stable value fund, with returns that ranged from 1.71% to 37.80% during 2017. Earnings
account are determined based on the performance of the investment funds selected by the participant. The
s each account as a bookkeeping entry. During 2017, Messrs. Spence, Sorgi and Dudkin notionally invested in one
nds.

MPENSATION

Os who participate in this plan cannot withdraw any amounts from their deferred accounts until they either leave or pany. The company s Corporate Leadership Council, which currently consists of the chief executive officer, chief d general counsel, has the discretion to make a hardship distribution if there is an unforeseeable emergency that ancial hardship to the participant.

ect distribution in one or more annual installments for a period of up to 15 years, provided the participant complies nd timing rules of Section 409A of the Internal Revenue Code.

rticipant in the LG&E and KU Nonqualified Savings Plan. The plan allows participants to defer up to a maximum ry and annual cash incentive awards. In addition, the participant receives a matching contribution equal to 70% of d if that participant is not eligible for matching contributions in the LG&E and KU Savings Plan (a tax-qualified time the deferred compensation would have otherwise been paid to the participant. The LG&E and KU gs Plan is unfunded and is not qualified for tax purposes. All benefits under the LG&E and KU Nonqualified bject to the claims of creditors in the event of bankruptcy. A hypothetical account is established for each cts to defer. The amount in the participant s hypothetical account is credited with interest at an annual rate equal to Rate as reported in *The Wall Street Journal*. The Prime Interest Rate is reset quarterly based on the last day of the quarter or March 31, June 30, September 30, and December 31. Under this investment option, the interest is ing the Prime Interest Rate to the balance in the hypothetical account. Mr. Staffieri s rate of return for 2017 was

ect a lump-sum payment or annual installment payments for a period of not less than two years and not more than the participant complies with the election and timing rules of Section 409A of the Internal Revenue Code.

as a hypothetical account in the LG&E Energy Corp. Nonqualified Savings Plan. This is a grandfathered deferred that was closed to new contributions on January 1, 2005. The plan is unfunded and is not qualified for tax is subject to claims of creditors in the event of bankruptcy. The hypothetical account is credited with interest in s the LG&E and KU Nonqualified Savings Plan. Mr. Staffieri s rate of return for 2017 was 4.1%.

ot participate in a deferred compensation plan.

Name of Plan	Executive Contributions in Last FY[1]	Registrant Contributions in Last FY[2]	Aggregate Earnings in Last FY[3]	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE[4]
PL Executive Deferred ompensation Plan	$110,691	$106,700	$350,808		$1,689,895
PL Executive Deferred ompensation Plan	130,323	25,449	192,648		804,670
G&E and KU Nonqualified Savings Plan	95,525	58,148	50,571		1,324,521
G&E Energy Corp.			46,846		1,178,206

Nonqualified Savings Plan				
PL Executive Deferred ompensation Plan	18,764	562	22,854	218,269

NEOs deferred salary in 2017 in the amounts indicated: Spence $35,504; Sorgi $16,471; and Staffieri $44,929, ed in the Salary column of the Summary Compensation Table for 2017. In addition, the following NEOs deferred ir cash incentive awards for 2016 performance paid in 2017, which were included in the Non-Equity Incentive ation column of the Summary Compensation Table for 2016: Spence $75,187; Sorgi $113,852; Staffieri $50,596 and 64.

s column are company matching contributions during 2017 and are included in the Summary Compensation Table the heading All Other Compensation.

ings for 2017 are not reflected in the Summary Compensation Table because such earnings are not deemed to be or preferential earnings.

EXECUTIVE COMPENSATION

total balance of each NEO s account as of December 31, 2017. Of the totals in this column, the following amounts as compensation to the NEO in the Summary Compensation Table for previous years:

Officer	Executive Contributions	Registrant Contributions	Total
	$423,862	$360,677	$784,539
	302,924	46,423	349,347
	566,898	349,186	916,084
	21,311	15,462	36,773

YMENTS UPON TERMINATION OR CHANGE IN CONTROL OF PPL CORPORATION

l Arrangements

entered into change-in-control severance agreements with each of its currently employed NEOs that provide fficers upon qualifying terminations of employment in connection with a change in control of the company (a rigger).

trol agreement with respect to Mr. Spence is of the older form of agreement. The agreements for Messrs. Sorgi, n follow the new form of agreement and are described separately below. Mr. Symons agreement, while r to Mr. Spence s agreement, differs as described below.

trol agreement for Mr. Spence defines Change in Control as the occurrence of any of the following five specific

majority of the members of our Board of Directors occurs through contested elections;

group acquires 20% or more of the company s common stock;

s that results in less than 60% control of the company or the surviving entity by the current shareowners;

proval of the liquidation or dissolution of the company; or

irectors declares that a change in control is anticipated to occur or has occurred.
ation of employment by Mr. Spence would only result in the payment of benefits if there was good reason for
ason includes a number of circumstances in which the NEO has a substantial adverse change in the employment
duties assigned. For example, a reduction in salary, a relocation of the place of work of more than 30 miles, or a
on from a compensation plan, pension plan or welfare plan would constitute good reason. The benefits provided
nt replace any other severance benefits that the company or any prior severance or change-in-control agreement
im.

payable before or after a change in control if Mr. Spence is discharged for cause. Cause generally means willful
e shown to cause material injury to the company or the willful refusal to perform duties after written demand by the

ge-in-control agreement continues in effect until December 31, 2018, and the agreement is automatically extended
year periods. If a change in control occurs during the agreement s term, the agreement will expire no earlier than
e month in which the change in control occurs. The agreement specifies that Mr. Spence will be entitled to the
described below if, in connection with a change in control, his employment is terminated for any reason other than
tirement or cause, or he terminates employment for good reason.

ude:

yment equal to three times the sum of (1) Mr. Spence s base salary in effect immediately prior to the date of
if higher, immediately prior to the first occurrence of an event or circumstance constituting good reason and
annual cash incentive award in respect of the last three fiscal years ending immediately prior to the fiscal year in
ge in control occurs or, if higher, the fiscal year immediately prior to the fiscal year in which an event or
onstituting good reason first occurs;

MPENSATION

yment having an actuarial present value equal to the additional pension benefits Mr. Spence would have received
ed to be employed by the company for an additional 36 months;

n of welfare benefits for Mr. Spence and his dependents for the 36-month period following separation (reduced to
eceives comparable benefits from another employer);

ve compensation that has been allocated or awarded for a previous performance period;

ontingent incentive compensation awards for all then uncompleted periods, calculated on a prorated basis of
pleted service, assuming performance achievement at 100% of the target level;

erformance units outstanding, calculated on a prorated basis of months of completed service, assuming
100% of target, plus an amount payable in cash to provide payment for the maximum payout level (200% of

ervices for up to three years;

ment for any excise tax imposed under the golden parachute provisions of the Internal Revenue Code; and

t health care and life insurance benefits for which Mr. Spence would have become eligible within the 36-month
g the change in control.
ed a new form of change-in-control agreement to be used for those officers entering into such agreements after
, including for Messrs. Sorgi, Staffieri and Dudkin. Mr. Staffieri was subject to the same form of
greement until his retirement on March 15, 2018. The new form differs from the prior form in the following areas:

he term may not expire during the period in which a change in control (a potential change in control) may occur,
earlier than 24 months after a change in control actually occurs;

se tax gross-ups;

ual of additional pension service and benefit credits;

ment upon a potential change in control unless a qualifying termination of employment actually occurs and is in
n the potential change in control;

tice period from 15 months to six months advance notice to terminate an agreement;

fare benefit continuation (other than retiree welfare benefits, as described below); instead, the company would pay
yment equivalent to the cost of COBRA coverage that would be incurred for the 24-month period following
employment; and

ment services to $50,000.
trol agreements for Messrs. Sorgi and Dudkin continue in effect until December 31, 2018 and are generally
nded for additional one-year periods. Their agreements provide that they will be entitled to the severance benefits
in connection with a change in control, the company terminates their employment for any reason other than death,
nt or cause, or the executive terminates employment for good reason.

. Sorgi s and Dudkin s agreements, a change in control is defined to include the following events:

majority of the members of our Board of Directors occurs during a 12-month period through contested elections;

up acquires 30% or more of the company s common stock;

s that results in less than 70% control of the company or the surviving entity by the current shareowners; or

r disposition of substantially all the company s assets.
d Dudkin s change-in-control agreement benefits include:

yment equal to three times the sum of (1) their respective base salary in effect immediately prior to the date of
if higher, immediately prior to the first occurrence of an event or circumstance

ood reason and (2) the average annual bonus in respect of the last three fiscal years ending immediately prior to the hich the change in control occurs or, if higher, the fiscal year immediately prior to the fiscal year in which an nstance constituting good reason first occurs;

yment equal to the aggregate amount of COBRA premiums otherwise payable for the 24-month period following suming COBRA would have been available for the 24 months at the rate in effect at date of termination);

e compensation that has been allocated or awarded for a previous performance period;

ontingent cash-based incentive compensation awards for all then uncompleted periods, calculated on a prorated s of completed service, assuming achievement at the actual level of performance as of the date of change in

ervices until December 31 of the second calendar year after termination but limited to fees of $50,000; and

health care and life insurance benefits if eligibility would have occurred within the 24-month period following if more favorable to Messrs. Sorgi or Dudkin, within 24 months of the date on which the event or circumstance ood reason first occurs.

ge-in-control agreement is substantially similar to the change-in-control agreement for Mr. Spence, but differs from e following respects:

of Change in Control in Mr. Symons agreement also includes the occurrence of any of the following two specific

r substantially all of the assets of subsidiaries of PPL Global, LLC that are located in the United Kingdom are sold l or substantially all of the United Kingdom assets of the subsidiaries of PPL Global, LLC are transferred to the ership of one or more business entities that have less than 50% of their ownership interests attributable to PPL bal, LLC and its subsidiaries after such transfer and PPL Global, LLC does not exercise active operational control uch entity or entities; or

er (1) WPD (South West) comes under the control of any person, or persons acting in concert, not having control
VPD (South West) as of May 11, 2006 or (2) the person or persons having the right to control, directly or
rectly, a majority of the votes that may ordinarily be cast at general meetings of WPD (South West) or the right to
rol the composition of the Board of Directors of WPD (South West) cease to have those rights, if, in either case,
Corporation does not maintain an equity or voting interest of at least 50%;

a qualifying termination of employment, Mr. Symons would generally be entitled to a lump-sum payment equal to
um of his annual base salary and his highest annual cash incentive award in respect of the last three fiscal years;

agreement provides for a lump-sum payment having an actuarial present value equal to the additional pension
uld have received had he continued to be employed by the company for an additional 24 months;

agreement does not provide for continuation of welfare benefits for Mr. Symons and his dependents following

agreement does not provide for payment or vesting of any incentive compensation awards (including performance
mpleted periods;

agreement provides for outplacement services of up to two years (Mr. Spence would be entitled to receive
ervices of up to three years);

agreement does not provide for excise tax gross-ups; and

agreement does not provide for any post-retirement health care and life insurance benefits.
enefits that the change-in-control agreements provide, the following events would occur in the event of a change
e company s compensation arrangements:

period applicable to any outstanding restricted stock unit awards lapses for those awards granted under the SIP;

MPENSATION

e period applicable to any outstanding performance unit awards will be deemed to conclude prior to the change in
ro rata portion of all unvested units will become immediately vested as though there had been achievement of
the target award (although the change-in-control agreements with respect to Mr. Spence would provide a cash
dition to this amount based on assumed achievement at the maximum level);

ng termination, all participants in the PPL SERP and LG&E SERP immediately vest in their accrued benefit, even
d due to age and service; and

ng termination, the PPL SERP benefit improves by a pro rata portion of the additional years of service granted to
ny, that otherwise would not be earned until a specified period of years had elapsed or the officer had reached a

ning on page 65 for the estimated value of benefits to be paid if any of the NEOs were terminated on
, after a change in control of PPL for qualifying reasons. PPL has trust arrangements in place to facilitate the
under the PPL SERP, the PPL Executive Deferred Compensation Plan, change-in-control agreements and the
in control were to occur. Currently, the trusts are not funded. The trusts provide for the company to fund the trusts
ntial change in control occurs. The funds are refundable to the company if the change in control does not actually

e in control is triggered when:

nters into an agreement that would result in a change in control;

r any investor announces an intention to enter into a change in control;

irectors declares that a potential change in control has occurred; or

ains 5% or more of the company s common stock and intends to control or influence management (requiring a
to be filed by the investor with the SEC).
he end of each year after the change in control occurs, PPL is required to irrevocably deposit additional cash or
usts in an amount sufficient to pay participants or beneficiaries the benefits that are payable under terms of the
funded by the trusts as of the close of each year. Any income on the trust assets would be taxed to PPL and not to
the trusts, and such assets would be subject to the claims of general creditors in the event of PPL s insolvency or

ents

ered into a retention agreement with Mr. Dudkin under which he held 16,131 shares of restricted stock units. The
t ended June 17, 2017, at which time the restrictions lapsed.

fits

tled to various benefits in the event of a termination of employment, but the value of those benefits and their
epending upon the circumstances. A qualifying termination in connection with a change in control of PPL
PD (South West) for Mr. Symons, triggers contractual benefits under the change in control and equity award
ed above. A retirement results in benefits and payments in cash or stock that are set forth in various executive
ove. A termination resulting from death or disability also has a number of benefit consequences under various

below provides the company s estimates of the probable value of benefits that would have been payable to the
ermination of employment as of December 31, 2017, for reasons of retirement, voluntary termination, death,
ary termination not for cause, change of control or qualifying termination in connection with a change in control.
s not repeat information disclosed in the Pension Benefits in 2017 table, the Nonqualified Deferred Compensation
ne Outstanding Equity Awards at Fiscal Year-End 2017 table, except to the extent that vesting or payment may be
NEO did not yet qualify for full retirement benefits or other benefits requiring longer service, that additional benefit
ow. If an NEO had the ability to elect retirement and thereby avoid forfeiture or decreased benefits, the table
ment was elected and is noted as such in the footnotes to the table.

executive is terminated for cause by the company, no additional benefits are due under the applicable plans and

CD&A Additional Information Special Compensation Severance Benefits for a discussion of the company s
ance benefits. The NEOs, other than Messrs. Staffieri and Symons, are participants in the PPL Executive
e plan provides for severance benefits for executives in the event of a termination of employment that is not for
defined as misconduct materially injurious to the company, insubordination, fraud or breach of confidentiality against
egious violation of company policy. Pursuant to this plan, each of the NEOs, other than Messrs. Staffieri and
for two years of base salary, a lump-sum amount for 24 months of health plan continuation (COBRA) and
ces for the lesser of two years or $50,000 in fees. Benefits are conditioned on a release of liability from the NEO.

e in Change-in-Control Arrangements, there is a structured approach to separation benefits for involuntary and
n terminations of employment in connection with a change in control of PPL Corporation. PPL has entered into
ch of the NEOs that provide benefits to the officers upon qualifying terminations of employment in connection
ntrol. The benefits provided under these agreements replace any other severance benefits provided to the NEOs by
benefit under the PPL Executive Severance Plan or any prior severance or change-in-control agreement.

cludes the severance payments, the value of continued welfare benefits and outplacement benefits as Other
and the value of gross-up payments for required Federal excise taxes on excess parachute payments as Tax
ayable for Mr. Spence.

nder the PPL Executive Deferred Compensation Plan, the LG&E and KU Nonqualified Savings Plan and the
p. Nonqualified Savings Plan become payable as of termination of employment for any reason, or as of the time
Current balances are included in the Nonqualified Deferred Compensation in 2017 table on page 58 above and are
table below.

ntive Awards. It is PPL s practice to pay a pro rata portion of the accrued but unpaid annual cash incentive award
retire or who are eligible to retire and (1) die while employed or (2) terminate employment due to a disability
ance year. Payments occur at the regularly scheduled time as paid to other executive officers. Only Mr. Sorgi is
to retire.

the NEOs were to die or terminate employment due to a disability, the CGNC has the authority to consider an
was to leave voluntarily, he would not be entitled to an annual cash incentive award.

alifying termination in connection with a change in control of PPL Corporation, annual cash incentive awards that
ed, but not yet paid, are payable under the terms of the change-in-control agreements entered into with the NEOs.
a change in control, if a termination under these change-in-control agreements occurs during the performance
tive cash awards are payable on a prorated basis for the period worked during the year using the assumption that
were attained at target.

ive Awards. Restrictions on restricted stock units generally lapse upon retirement, death or termination of disability under the ICPKE and the SIP, or in the event of a change in control under the ICPKE. Under the SIP, if control, restrictions lapse if there is a termination not for cause or for good reason. Restricted stock units are h plans in the event of voluntary and involuntary termination if the executive is not retirement eligible.

ble to retire, and retires after the first year of the performance period, the NEO is eligible for the award, if any, t the end of the performance period. In the event of a change in control, the performance period ends and there is if the target shareowner return was achieved. See Change-in-Control Arrangements above for a discussion of that are triggered if Mr. Spence is terminated in connection with a change in control of the company. Performance n the event of voluntary termination if the executive is not eligible to retire.

performance units are not forfeited, we have included the prorated value based on the assumption of performance get (other than for Mr. Spence, who is entitled to an additional cash payment in the case of a change in control to he maximum payout level), except where the NEO is retirement-eligible and the first year of the performance sed, then the full value is assumed without proration.

MPENSATION

nd phantom stock options currently outstanding are fully vested and exercisable and therefore are not reflected in

viously granted PPL stock options is 10 years. Upon the below stated events of termination, the executive may
follows:

retirement, (1) for options granted under the SIP, the executive has the earlier of five years from retirement or the
to exercise the options, and (2) for options granted under the ICP, the executive has the remaining term to
tions.

termination of employment as a result of death or disability, the term for options granted under the ICP is reduced
nd under the SIP is reduced to three years and 60 days, unless the remaining term is shorter.

a change in control, the term for options granted under the ICP is reduced to 36 months. In the event of a
ination of employment in connection with a change in control under the SIP, the term for options granted is
e years and 60 days for all outstanding options. For options granted in 2010 or after under the ICP, and for all
under the SIP, the exercise periods in the event of a change in control are extended to the full term.

voluntary termination of employment for reasons other than noted above, NEOs have a maximum of 60 days to
s granted under the ICP and the SIP that are exercisable but that have not yet been exercised before they are

a termination for cause, the NEOs must exercise all outstanding exercisable options prior to termination or risk
eiture of all options, whether exercisable or not.
viously granted phantom stock options to Mr. Symons is 10 years. Upon the below stated events of termination, he
hantom stock options as follows:

termination of employment as a result of death, the term for the phantom stock options is reduced to three years
f termination.

termination of employment as a result of disability, or upon retirement, the term for the phantom stock options is
years from the date of termination or retirement.

voluntary resignation or involuntary termination other than for cause other than noted above, Mr. Symons has a
0 days to exercise his phantom stock options that are exercisable but that have not yet been exercised before they

a termination for cause, Mr. Symons must exercise all outstanding exercisable phantom stock options prior to
risk immediate forfeiture of all phantom stock options, whether exercisable or not.
e table below:

ble to retire (Messrs. Spence, Staffieri, Symons and Dudkin), we have assumed the executive retires in the case of
voluntary termination.

ence, Sorgi, Symons and Dudkin, we have assumed the termination event occurred as of December 31, 2017.

ri, we used March 15, 2018, his actual date of retirement from the company. The disclosure in the table for
limited to the termination event that actually occurred.

EXECUTIVE COMPENSATION

e Officer	Retirement or Voluntary Termination	Death	Disability	Involuntary Termination Not for Cause	Change in Control	Termination Following a Change in Control
e in cash[1]				$2,369,160		$11,072,415
benefits[2]		$ 296,145		81,948		115,512
unt payable[3]						11,104,718
nits[4]	$9,706,083	9,706,083	$9,706,083	9,706,083		9,706,083
s TSR[5]	9,146,333	6,198,649	6,198,649	9,146,333	$6,198,649	18,292,666
s ROE[6]	965,275	965,275	965,275	965,275	321,758	1,930,549
e in cash[1]				1,100,000		3,357,774
benefits[2]		137,500		89,417		89,417
unt payable[3]						
nits[4]		1,760,525	1,760,525	[7]		1,760,525
s TSR[5]		1,173,154	1,173,154	[7]	1,173,154	1,173,154
s ROE[6]		204,659	204,659	[7]	68,220	68,220
e in cash[1]	N/A	N/A	N/A	N/A	N/A	N/A
benefits[2]	N/A	N/A	N/A	N/A	N/A	N/A
unt payable[3]	N/A	N/A	N/A	N/A	N/A	N/A
nits[4]	1,887,204	N/A	N/A	N/A	N/A	N/A
s TSR[5]	1,498,156	N/A	N/A	N/A	N/A	N/A
s ROE[6]	729,994	N/A	N/A	N/A	N/A	N/A
e in cash[1]						3,027,357
benefits[2]		6,563,020				50,000
unt payable[3]						
nits[4]	1,129,185	1,129,185	1,129,185	1,129,185		1,129,185
s TSR[5]	1,170,052	766,373	766,373	1,170,052	766,373	766,373
s ROE[6]	131,980	131,980	131,980	131,980	43,993	43,993
e in cash[1]				1,090,000		3,511,350
benefits[2]		136,250		96,315		96,315

unt payable[3]						
nits[4]	1,486,651	1,486,651	1,486,651	1,486,651		1,486,651
s TSR[5]	1,479,242	951,796	951,796	1,479,242	951,796	951,796
s ROE[6]	175,536	175,536	175,536	175,536	58,512	58,512

MPENSATION

f this table, we have assumed the NEOs, other than Mr. Staffieri, are eligible for benefits under their respective rol agreements.

with PPL s Executive Severance Plan, the NEOs included in the table, other than Messrs. Staffieri and Symons, are ayment of severance benefits in the event of an involuntary termination not for cause, if they are not eligible to ce payments under another plan or any agreement. Each of the NEOs, other than Messrs. Staffieri and Symons, is ive a cash severance payment equal to two years base salary and additional benefits described in Note 2 below.

termination of employment in connection with a change in control of PPL Corporation, each NEO is eligible for fits if termination occurs within 36 months of a change in control (a) due to termination by the company for han cause or (b) by the executive on the basis of good reason as that term is defined in the agreement. For purposes qualifying termination of employment in connection with a change of control is assumed.

n as Severance payable in cash under the Termination Following a Change in Control column for Mr. Spence is sum of his annual salary as of the termination date plus the highest annual cash incentive payment made in the last provided under his agreement. For Messrs. Sorgi and Dudkin, the amounts are three times the sum of their annual average of their annual cash bonuses earned in the last three fiscal years ending immediately prior to the fiscal year rmination date occurs, or if higher, the fiscal year immediately prior to the fiscal year in which the termination date . Symons, the amount is generally a lump-sum payment equal to two times the sum of his annual base salary and ual cash incentive award in respect of the last three fiscal years. All compensation for Mr. Symons has been British pounds sterling to U.S. dollars at an exchange rate of $1.3532, which was the translation rate for 2017.

their death, the surviving spouses of Messrs. Spence, Sorgi and Dudkin are eligible to receive a lump-sum to three months of their respective base salary.

s of his Service Agreement, Mr. Symons is eligible to receive life insurance in the amount of £5.02 million while /PD (South West). This amount has been converted from British pounds sterling to U.S. dollars at an exchange , which was the translation rate for December 29, 2017.

Executive Severance Plan, each NEO, other than Messrs. Staffieri and Symons, is eligible for specified benefits if to a qualifying termination as defined in the plan. In addition to the lump-sum severance payment described in these officers are eligible to receive a lump-sum payment equivalent to 24 months of COBRA premiums and ssistance not to exceed $50,000 in fees.

s of the change-in-control agreements of each of Messrs. Spence, Sorgi and Dudkin, the executive is eligible for ical and dental benefits, life insurance premiums, disability coverage and outplacement services (limited to case of Messrs. Sorgi and Dudkin). The amounts shown as Other separation benefits are the estimated present of these benefits in the respective column. Mr. Symons is eligible for outplacement services.

cise taxes become payable under Section 280G and Section 4999 of the Internal Revenue Code as a result of any ute payments, as that phrase is defined by the IRS, the change-in-control agreement for Mr. Spence provides that ill pay the excise tax as well as gross-up the executive for the impact of the excise tax payment. The tax payment o not extend to normal income taxes due on any separation payments. The amounts shown as Tax gross-up amount de the company s estimate of the excise tax and gross-up payments that would be made under the terms of change-in-control agreement if he had been terminated on December 31, 2017. The change-in-control agreements rgi and Dudkin do not provide for excise tax payments or gross-ups.

a U.K.-based individual and citizen, with no portion of his pay applicable to work performed in the United States. therefore not subject to excise taxes under Sections 280G and 4999 of the Internal Revenue Code.

ng performance-contingent restricted stock units and restricted stock units are included in the Outstanding Equity
al Year-End 2017 table above. The amounts included in this table reflect the value of the performance-contingent
units and restricted stock units that would become immediately vested as a result of each event as of
2017 (March 15, 2018 for Mr. Staffieri), including the impact of the rounding of fractional shares. The table set
s note shows the number of units accelerated and payable, including accumulated dividend equivalents, as well as
feited upon the occurrence of each termination event. For purposes of the table below, the total number of shares is
ut regard for the tax impact.

Restricted Stock Units

(#)

e Officer	Retirement or Voluntary Termination	Death	Disability	Involuntary Termination Not for Cause	Change in Control	Termination Following a Change in Control
	313,605	313,605	313,605	313,605		313,605
		56,883	56,883			56,883
	56,883			56,883		
	67,788	N/A	N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A	N/A
	36,484	36,484	36,484	36,484		36,484
	48,034	48,034	48,034	48,034		48,034

MPENSATION

des the value of the performance units based on TSR and accumulated dividend equivalents that would become sult of each event as of December 31, 2017 (March 15, 2018 for Mr. Staffieri). In the case of Mr. Spence s Following a Change in Control, this value is composed of units that become payable upon a change in control of on plus an amount payable in cash under the change-in-control agreements to provide payment for the maximum he table set forth below this note presents the number of units accelerated and payable as of the event, or the s that become payable after the performance period is completed, as well as the number forfeited. The gross value uld be reduced by the amount of taxes required to be withheld, and the net shares would be distributed. For following table, the total number of shares is provided without regard to the tax impact.

Performance Units TSR

(#)

e Officer	Retirement or Voluntary Termination	Death	Disability	Involuntary Termination Not for Cause	Change in Control	Termination Following a Change in Control
					200,279	200,279
		95,240	95,240		95,240	95,240
rformance	295,250	200,279	200,279	295,520		
					37,905	37,905
	57,606	19,701	19,701	57,606	19,701	19,701
rformance		37,905	37,905			
		N/A	N/A	N/A	N/A	N/A
	17,597	N/A	N/A	N/A	N/A	N/A
rformance	53,813	N/A	N/A	N/A	N/A	N/A
					24,762	24,762
		13,043	13,043		13,043	13,043
rformance	37,805	24,762	24,762	37,805		

					30,753	30,753
		17,042	17,042		17,042	17,042
rformance						
	47,795	30,753	30,753	47,795		

RATION 2018 Proxy Statement

des the value of the performance units based on ROE and accumulated dividend equivalents that would become sult of each event as of December 31, 2017 (March 15, 2018 for Mr. Staffieri). In the case of Mr. Spence s Following a Change in Control, this value is composed of units that become payable upon a change in control of on plus an amount payable in cash under the change-in-control agreements to provide payment for the maximum he table set forth below this note presents the number of units accelerated and payable as of the event, or the s that become payable after the performance period is completed, as well as the number forfeited. The gross value uld be reduced by the amount of taxes required to be withheld, and the net shares would be distributed. For following table, the total number of shares is provided without regard to the tax impact.

Performance Units ROE

(#)

e Officer	Retirement or Voluntary Termination	Death	Disability	Involuntary Termination Not for Cause	Change in Control	Termination Following a Change in Control
					10,396	10,396
					20,792	20,792
rformance	31,188	31,188	31,188	31,188		
					2,204	2,204
	6,613			6,613	4,408	4,408
rformance		6,613	6,613			
		N/A	N/A	N/A	N/A/	N/A
		N/A	N/A	N/A	N/A	N/A
rformance	26,221	N/A	N/A	N/A	N/A	N/A
					1,421	1,421

					2,843	2,843
rformance						
	4,264	4,264	4,264	4,264		
					1,891	1,891
					3,781	3,781
rformance						
	5,672	5,672	5,672	5,672		

involuntary termination for reasons other than for cause, Mr. Sorgi would forfeit all outstanding restricted stock rmance units because he is not eligible to retire. Any exceptions to the automatic forfeitures would require the CGNC.

EO s total compensation to our median employee s total compensation, the CEO Pay Ratio, is a reasonable estimate ner consistent with SEC rules. We identified our median employee using our global employee population of er 1, 2017. To determine our median employee, we used regular wages, including bonus and overtime, as our d compensation measure, and annualized pay for those who commenced work during 2017. Using statistical lly identified employees within 5% below and 5% above estimated median pay. From this group of employees, we n employee, taking into

MPENSATION

oyees whose pay was projected to be consistent year-over-year and further excluding employees likely to retire in employees that have experienced higher pay volatility over the past five years.

e median employee, we calculated the median employee s total annual compensation in accordance with the e Summary Compensation Table on page 47, which includes salary and overtime pay, as well as cash bonus n pension value and company matching contributions to the 401(k) employee savings plan. Based on such O s total compensation was $13,540,331, while our median employee s total compensation was $104,520. EO Pay Ratio was 130 to 1.

otnote 3 to the Summary Compensation Table, in January 2017, the CGNC transitioned from ngent restricted stock units to a combination of time-vested restricted stock units and ROE-based performance wards column in the Summary Compensation Table reflects the last grant of performance-contingent restricted backward-looking 2014 through 2016 performance period, as well as the first grant of the forward-looking ed units and new ROE-based performance units. The grant of performance-contingent restricted stock units is uded in the Summary Compensation Table for 2017, even though the award is for an earlier performance period. If included in the Summary Compensation Table, our CEO s total compensation would have been $10,544,775 and would have been 101 to 1.

ATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING

ng on? The Board of Directors has determined that it would be desirable to request an expression of opinion from the shareowners on the appointment of Deloitte & Touche LLP, or Deloitte, as the company s independent registered public accounting firm for the fiscal year ending December 31, 2018.

nt Auditor for 2017 and 2016

ended December 31, 2017 and 2016, Deloitte served as our principal independent registered public accounting independent auditor. The following table presents fees for professional services rendered by Deloitte for the audit of nual financial statements for the fiscal years ended December 31, 2017 and 2016, and also includes fees for other The amounts set forth in the table below include amounts paid to Deloitte as reimbursement for out-of-pocket d with performance of the services but do not include Value Added Tax assessed by some non-U.S. jurisdictions ed by Deloitte.

	2017	2016
	(In thousands)	
	$5,705	$4,662
b)	72	395
	547	966
	261	8

ated fees for audit of annual financial statements and review of financial statements included in our company s orts on Form 10-Q and for services in connection with statutory and regulatory filings or engagements, including and consents for financings and filings made with the SEC.

mance of specific agreed-upon procedures and due diligence activities.

or tax advice in connection with new legislation and the 2015 spinoff of the company s competitive generation m Talen Energy Corporation.

or access to a Deloitte online accounting research tool and a systems portfolio analysis.

The Audit Committee has procedures for pre-approving audit and non-audit services to be provided by the r. These procedures are designed to ensure the continued independence of the independent auditor. More e of the independent auditor to perform either audit or non-audit services is prohibited unless specifically approved Audit Committee of PPL. As a result of this approval process, the Audit Committee of PPL has pre-approved of services and authorization levels. All services outside of the specified categories and all amounts exceeding the s are approved by the Chair of the Audit Committee of PPL, who serves as the Committee designee to review and non-audit services during the year. A listing of the approved audit and non-audit services is reviewed with the full f PPL no later than its next meeting.

tee of PPL approved 100% of the 2017 and 2016 services provided by Deloitte.

* * * * * *

Deloitte are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they are expected to be available to respond to appropriate questions.

tors has determined that it would be desirable to request an expression of opinion from the shareowners on the loitte. If the shareowners do not ratify the selection of Deloitte, the selection of the principal independent auditor d by the Audit Committee.

ATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING

Ratification. The affirmative vote of a majority of the votes cast, in person or by proxy, by all shareowners voting required to ratify the appointment of Deloitte as the company s independent registered public accounting firm.

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

t Committee

tee assists the Board of Directors in fulfilling its oversight responsibilities with respect to, among other items, the mpany s financial statements. Company management is responsible for the preparation and integrity of the al statements, the financial reporting process and the associated system of internal controls over financial reporting ffectiveness of such controls. Deloitte & Touche LLP, the company s principal independent registered public independent auditor, is responsible for auditing the company s annual financial statements, expressing an opinion nancial statements present fairly, in all material respects, the company s financial position and results of operations U.S. generally accepted accounting principles, and expressing an opinion as to the effectiveness of internal control rting in accordance with the Standards of the Public Company Accounting Oversight Board (PCAOB). The Audit onsibility is to monitor and review these processes. Among other duties, the Audit Committee has reviewed and ed financial statements, significant accounting policies, and other disclosures with management and the r. The Audit Committee has also reviewed and discussed highlights of quarterly earnings calls and earnings press

Committee of the Board of Directors, the Audit Committee is directly responsible for the appointment, ntion, termination and oversight of the work of the independent auditor. The independent auditor reports directly ittee, and the Audit Committee is responsible for pre-approving all audit and permitted non-audit services to be dependent auditor. In determining whether to reappoint the independent auditor, the Audit Committee takes into us factors, including: the historical and recent performance of the independent auditor on the audit; its professional quality of ongoing discussions with the independent auditor; external data, including recent PCAOB reports on the r and its peer firms; the results of an internal survey of the independent auditor s service and quality; and the fees. The Audit Committee also has a policy to periodically solicit competitive proposals for audit services from accounting firms.

tee has discussed with the independent auditor the matters required to be discussed by applicable Auditing dically adopted or amended, and the rules of the Securities and Exchange Commission (SEC) including the d application of accounting principles. The Audit Committee has received the written disclosures and the letter s independent auditor required by applicable requirements of the PCAOB regarding the independent auditor s ith the Audit Committee concerning independence and has had discussions with Deloitte & Touche LLP about its Audit Committee also considered whether the provision of non-audit services by Deloitte & Touche LLP is aintaining the independence of such independent auditor.

of its responsibilities, the Audit Committee met periodically with the internal auditor and the independent auditor, anagement present, to discuss the results of their examinations, their evaluations of the company s internal verall quality of the company s financial reporting. The Audit Committee also met periodically with the Global Officer as well as various members of management. With respect to risk management, the Audit Committee nformation with regard to inherent risks to the company, the identification, assessment, management and e risks, and risk management practices and activities of the company. While the Audit Committee has

verseeing the company s process for identifying, assessing and managing business risks, each of the other Board onsiders risks within its areas of responsibility. For example, the Compensation, Governance and Nominating s various risks, including risks related to compensation matters as well as legal and regulatory compliance risks as rate governance.

tee has reviewed and discussed, together with management and the independent auditor, management s assessment relating to the adequacy and effectiveness of financial reporting. In addition, the Audit Committee has established edures for the receipt, retention and treatment of complaints regarding accounting or auditing matters.

ws and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board audited financial statements and management s assessment of the effectiveness of the company s internal control rting be included in the company s Annual Report on Form 10-K for the year ended December 31, 2017.

ATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING

tee has a Charter that specifies its responsibilities. The committee Charter, which has been approved by the Board ilable on the company s website (www.pplweb.com/audit-committee). Also, the Audit Committee s procedures and ith the requirements of the SEC and the NYSE applicable to corporate audit committees.

ittee

Chair

on

e Lima

RATION 2018 Proxy Statement

RMATION

m I voting?

posals scheduled to be voted on at the meeting:

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

vote to approve the compensation of our named executive officers, or NEOs; and

on of the appointment of Deloitte & Touche LLP as the company s independent registered public accounting firm ending December 31, 2018.

g these proxy materials?

ctors has made these materials available to you on the Internet or has delivered printed versions of these materials onnection with the Board of Directors solicitation of proxies for use at our Annual Meeting of Shareowners. As a e invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy

n these materials?

ials include:

tatement for the Annual Meeting; and

Report for the fiscal year ended December 31, 2017.

nted versions of these materials by mail, these materials also include the proxy card or voting instruction form for g.

a notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy

SEC rules, instead of mailing a printed copy of our proxy materials to all of our shareowners, we have elected to ials to selected shareowners by providing access to these documents over the Internet. Accordingly, commencing , 2018, we sent a Notice of Internet Availability of Proxy Materials (the Notice) to most of our shareowners. These he ability to access the proxy materials on a website referred to in the Notice and to download printable versions als or to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials to request a printed copy of the materials from us may be found in the Notice. We encourage you to take vailability of the proxy materials on the Internet in order to help reduce the environmental impact and cost of the

tronic access to the proxy materials?

es you with instructions regarding how to:

oxy materials for the Annual Meeting on the Internet;

ares after you have viewed our proxy materials; and

nted copy of the proxy materials.
y materials are available for viewing at *www.pplweb.com/PPLCorpProxy.*

nted versions of these materials by mail, these materials also include the proxy card or voting instruction form for
g.

rporation common stock as of the close of business on the record date, February 28, 2018, may vote at the Annual
person or by proxy. Each share of PPL Corporation common stock is entitled to one vote on each matter properly
Annual Meeting.

RMATION

nce between holding shares as a shareowner of record and as a beneficial owner?

egistered directly in your name with PPL Corporation s transfer agent, Equiniti Trust Company, you are spect to those shares, the shareowner of record. The Notice or printed copies of the proxy materials have been sent PPL Corporation.

eld in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of eet name, and the shareholder of record of your shares is your broker, bank or other holder of record. The Notice or e proxy materials have been forwarded to you by your broker, bank or other holder of record. As the beneficial e right to direct your broker, bank or other holder of record to vote your shares. The company urges you to instruct or other holder of record on how to vote your shares. Please understand that, if you are a beneficial owner, the know that you are a shareowner or how many shares you own.

ner of record, how do I vote?

wner of record, you can vote via the Internet, by telephone, by mail or in person at the Annual Meeting.

nternet

Notice, you may vote by proxy at *www.proxypush.com/ppl* by following the instructions found in the Notice. If you ed printed copies of the proxy materials by mail, you may vote via the Internet by following the instructions on

hone

requested printed copies of the proxy materials by mail, you may vote by proxy by calling the toll-free telephone our proxy card. Please have your proxy card and the last four digits of your Social Security Number or Tax ber available when you call.

Internet voting facilities for shareowners of record will be available 24 hours a day, seven days a week, and will , Central Time, on May 15, 2018.

requested printed copies of the proxy materials by mail, you may vote by proxy by completing, signing and dating returning it in the postage-paid envelope we have provided. If you return your signed proxy card but do not g preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended rectors.

envelope is missing, please mail your completed proxy card to PPL Corporation, c/o EQ Shareowner Services, t. Paul, MN 55164-0873. We must receive your mailed proxy card no later than 11:59 p.m., Central Time, on

rder for your vote to be counted.

n at the Annual Meeting

he Annual Meeting and cast your vote there, either by proxy or by ballot. For those shareowners who received a g the Notice, which will serve as your admission ticket. For those shareowners who received printed copies of the ease bring your admission ticket with you to the Annual Meeting.

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

- he election of all nominees listed for director;
- he advisory vote to approve compensation of NEOs; and
- he ratification of the appointment of Deloitte & Touche LLP as the company s independent registered public ting firm for the year ending December 31, 2018.

RATION 2018 Proxy Statement

GENERAL INFORMATION

ny other matters to be brought before the Annual Meeting. By giving your proxy, however, you appoint the roxies as your representatives at the meeting. If an issue comes up for vote at the Annual Meeting that is not xy material, the proxy holders will vote your shares in accordance with their best judgment.

l owner of shares held in street name, how do I vote?

wner of shares held in street name, you have the right to direct your broker, bank or other holder of record how to nd it is required to vote your shares in accordance with your instructions. If you do not give instructions to your ank, it will nevertheless be entitled to vote your shares with respect to routine items, but it will not be permitted to ith respect to non-routine items. In the case of a non-routine item, your shares will be considered broker non-votes

t you follow the voting instructions in the materials you receive from your broker, bank or other holder of record rnet, by telephone or by mail. You may vote shares held in street name at the Annual Meeting only if you obtain a the record holder (broker or other nominee) giving you the right to vote the shares. Please see the attendance ssed under Who can attend the Annual Meeting?

the PPL Corporation Employee Stock Ownership Plan, or ESOP, how do I vote shares held in my plan

pant in our ESOP, you have the right to provide voting directions to the plan trustee, Fidelity Investments, by llot card for those shares of our common stock that are held by the plan and allocated to your account. ESOP are treated confidentially. Full and fractional shares credited to your account under the plan as of February 28, by the trustee in accordance with your instructions. Participants may not vote in person at the Annual Meeting. ess for shareowners of our common stock who receive printed proxy materials, you may vote by mail, telephone or allow sufficient time for voting by the trustee of the plan, your ballot must be returned by 11:59 p.m., Central 2018, if you vote by mail, by telephone or on the Internet. Please follow the ballot instructions specific to the ESOP.

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

evoke my vote?

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

e in writing to our Corporate Secretary, which must be received no later than the close of business on May 15,

signing, dating and returning a new proxy card or voting instruction form with a later date;

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

e Annual Meeting and voting in person.

voted if I do not provide my proxy?

her you hold your shares in your own name or as the beneficial owner in the name of a broker, bank or other you hold your shares directly in your own name, they will not be voted unless you provide a proxy or vote in al Meeting. Brokerage firms, banks or other holders of record generally have the authority to vote customers certain routine matters. For example, if your

RMATION

he name of a brokerage firm, bank or other holder of record, such firm can vote your shares for the ratification of Deloitte & Touche LLP, as this matter is considered routine under the applicable NYSE rules. The company urges r broker, bank or other holder of record on how to vote your shares.

e Annual Meeting?

wner of record and you received a Notice, the Notice will serve as your admission ticket. If you are a shareowner ived or requested printed copies of the proxy materials by mail, your admission ticket is enclosed with your proxy old shares through the ESOP, your admission ticket is the letter enclosed with your ballot card. You will need to or admission ticket, along with picture identification, to the meeting. If you own shares as a beneficial owner (in e bring to the meeting proof of your PPL common stock ownership, such as your most recent brokerage statement, nfirmation letter from your broker, or your Notice or PPL voting instruction form sent to you by your broker, identification. PPL will use your brokerage document to verify your ownership of PPL common stock and admit

quorum?

the Annual Meeting, a majority of the outstanding shares entitled to vote must be present, in person or by proxy, um. As of the record date of February 28, 2018, there were 694,276,405 shares of common stock outstanding, and non stock is entitled to one vote. No shares of preferred stock of the company were outstanding. If you submit a proxy card or vote by telephone or on the Internet, you will be considered part of the quorum. Abstentions and will be counted as shares present and entitled to vote at the meeting for purposes of determining a quorum, so long or other holder of record casts a vote on behalf of a shareowner on any issue other than a procedural motion. A occurs when a broker, bank or other holder of record who holds shares for another person has not received voting he beneficial owner of the shares and, under NYSE listing standards, does not have discretionary authority to vote

d for these proposals to be adopted?

ubmitted to shareowners, including the election of directors, requires the affirmative vote of a majority of the n or by proxy, by the shareowners at the meeting. For purposes of determining the number of votes cast with lar matter, only those cast for or against are included. Abstentions and broker non-votes are counted only for ining whether a quorum is present at the meeting.

of incorporation and our *Guidelines for Corporate Governance*, directors must be elected by a majority of the tested elections, such as the election of directors at the Annual Meeting. This means that the number of votes cast minee must exceed the number of votes cast against that nominee. Abstentions and broker non-votes are not counted against a director nominee. Any nominee who is an incumbent director and does not receive a majority of votes cast ection would be required to tender his or her resignation promptly following the failure to receive the required vote. lowing the final tabulation of the shareowner vote, the Compensation, Governance and Nominating Committee ired to make a recommendation to the Board as to whether the Board should accept the resignation, and the Board to decide whether to accept the resignation. The Board must then promptly disclose its decision-making process. ion, the required vote would be a plurality of votes cast. Full details of this policy are set forth in our *Guidelines ernance*, which can be found in the Corporate Governance section of our website (*www.pplweb.com/governance*).

n of directors) and Proposal 2 (advisory vote to approve executive compensation) are non-routine matters under rokerage firms, banks or other holders of record are prohibited from voting on each of these proposals without ons from the beneficial owners of the shares. Abstentions and broker non-votes will not be considered as votes cast ffect on the outcome of the vote.

RATION 2018 Proxy Statement

GENERAL INFORMATION

tion of auditor) is considered to be a routine matter under NYSE rules, and brokers, banks or other holders of their discretion on behalf of clients who have not furnished voting instructions. Abstentions will not be treated as have no effect on the outcome of the vote on this proposal.

proxy solicitation and how much will it cost?

ill pay the cost of soliciting proxies on behalf of the Board of Directors. In addition to the solicitation by mail, a employees may solicit proxies in person, over the Internet, by telephone or by facsimile. We have retained orporated to assist in the solicitation of proxies for the Annual Meeting, and we expect that the remuneration to vices will not exceed $15,000, plus reimbursement for out-of-pocket expenses. Brokers, banks and other holders shares for the benefit of others will be asked to send proxy material to the beneficial owners of the shares, and we n for their expenses.

if I have questions about the Annual Meeting or need help voting my shares?

rtant! If you need any help voting your shares or have questions about the Annual Meeting, please call the firm e solicitation of proxies:

INCORPORATED

call toll-free at 877-825-8730

may call collect at 212-750-5833

pany keep voter information confidential?

confidentiality, we voluntarily limit access to shareowner voting records to certain designated employees of PPL on. These employees sign a confidentiality agreement that prohibits them from disclosing the manner in which a ted to any employee of a PPL affiliate or to any other person (except to the Judges of Election or the person in ares are registered), unless otherwise required by law.

ing, and how does it affect me?

procedure approved by the SEC called householding. Under this procedure, shareowners of record who have the ast name and receive hard copies of the Annual Meeting materials will receive only one copy of this Notice of d Proxy Statement and the 2017 Annual Report, unless we are notified that one or more of these shareowners receiving individual copies. If you and other PPL shareowners living in your household do not have the same last o request to receive only one copy of future proxy statements and financial reports.

erves natural resources and reduces our distribution costs. Shareowners who participate in householding will
separate proxy cards. Also, householding will not in any way affect dividend check mailings.

or householding, but you and other shareowners of record with whom you share an address currently receive
his Notice of Annual Meeting and Proxy Statement and any accompanying documents, or if you hold PPL stock
count, and in either case you wish to receive only a single copy of each document for your household, please
wner Services in writing: ATTN: Householding/PPL Corporation, P.O. Box 64854, St. Paul, MN 55164-0854, or
5-3085.

u participate in householding and wish to receive a separate copy of this Notice of Annual Meeting and Proxy
accompanying documents or prefer to discontinue your participation in householding, please contact EQ
es as indicated above and a separate copy will be sent to you promptly.

ial owner, you can request information about householding from your bank, broker or other holder of record.

RMATION

shareowner proposals due?

he proxy materials for the 2019 Annual Meeting, any proposal intended to be presented at that Annual Meeting by be received by the Secretary of the company in writing no later than December 5, 2018:

y s Office

treet

lvania 18101

ught before the Annual Meeting, any other proposal must be received no later than 75 days in advance of the date l Meeting.

this proxy statement

nsation Discussion and Analysis	NYSE	New York Stock Exchange
nsation, Governance and Nominating ittee	PPL	PPL Corporation
rs Deferred Compensation Plan	PPL Electric	PPL Electric Utilities Corporation
gs per share from ongoing operations	ROE	Return on Equity
yee Stock Ownership Plan	RSU	Restricted Stock Units
lly accepted accounting principles	SEC	Securities and Exchange Commission
ve Compensation Plan	SERP	Supplemental Executive Retirement Plan
ve Compensation Plan for Key Employees	SIP	Amended and Restated 2012 Stock Incentive Plan
l Revenue Service	TSR	Total Shareowner Return
and KU Energy LLC	UTY	Philadelphia Stock Exchange Utility Index
executive officer	WPD	Western Power Distribution

ANNEX A

RECONCILIATION OF FINANCIAL MEASURES

(UNAUDITED)

Reconciliation of Net Income to Earnings from Ongoing Operations

	(Millions of Dollars)		(Per Share Diluted)	
	2017	**2016**	**2017**	**2016**
	$1,128	$1,902	**$1.64**	$2.79
ems (expense) benefit:*				
cy economic hedges, net of tax of $59, $4	**(111)**	(8)	**(0.15)**	(0.01)
Supply segment, net of tax of ($1), $2	**4**	(3)		
oreign currency contracts, net of tax of $0, ($108)		202		0.30
ndemnification agreement, net of tax of ($2), $0	**4**		**0.01**	
tax rate		37		0.05
	(321)		**(0.47)**	
nvestment, net of tax of $0, $0	**(1)**			

Items	**(425)**	228	**(0.61)**	0.34
n Ongoing Operations	**$1,553**	$1,674	**$2.25**	$2.45

es Earnings from Ongoing Operations as a non-GAAP financial measure that should not be considered as an ncome, an indicator of operating performance determined in accordance with U.S. generally accepted accounting . PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides w of PPL s earnings performance as another criterion in making investment decisions. In addition, PPL s Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including executive incentive compensation. Other companies may use different measures to present financial performance.

oing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, d on the effective tax rate of the entity where the activity is recorded. Special items include:

s or losses on foreign currency economic hedges (as discussed below).

Supply segment.

s on sales of assets not in the ordinary course of business.
rges.

kforce reduction and other restructuring effects.

divestiture-related adjustments.

r credits that are, in management s view, non-recurring or otherwise not reflective of the company s ongoing

r losses on foreign currency economic hedges include the changes in fair value of foreign currency contracts used und-sterling-denominated anticipated earnings. The changes in fair value of these contracts are recognized GAAP earnings. Management believes that excluding these amounts from Earnings from Ongoing Operations the contracts provides a better matching of the financial impacts of those contracts with the economic value of hedged earnings. See Note 17 to the Financial Statements in PPL s Annual Report on Form 10-K for the fiscal year 1, 2017 for additional information on foreign currency economic activity.

Management s Discussion and Analysis of Financial Condition and Results of Operations in PPL s Annual Report for the fiscal year ended December 31, 2017 for additional information on special items.

DIRECTIONS TO PPL CORPORATION

ANNUAL MEETING OF SHAREOWNERS

9:00 A.M. WEDNESDAY, MAY 16, 2018

PPL CENTER

701 Hamilton Street, Allentown, Pennsylvania 18101

PARKING GARAGE

706 West Linden Street, Allentown, Pennsylvania 18101

Directions to Parking Garage:

om the east

Exit US 22 at PA 145 S / MacArthur Road / 7th Street. MacArthur Road becomes 7th Street.

west:

Turn right on Linden Street and make an immediate left into the parking garage.

om the north or uth:

Take Pennsylvania Turnpike Northeast Extension and exit at the Lehigh Valley Interchange to US 22 East.

Exit US 22 at PA 145 S / MacArthur Road / 7th Street. MacArthur Road becomes 7th Street.

Turn right on Linden Street and make an immediate left into the parking garage.

Your parking ticket will be validated when you check in at the meeting,

so please take your ticket with you into the meeting.

SHAREOWNER INQUIRIES:

Equiniti Trust Company

EQ Shareowner Services

1110 Centre Pointe Curve, Suite 101

Mendota Heights, MN 55120

Toll Free: 1-800-345-3085

Outside U.S.: 651-450-4064

Online Account Access: Registered shareowners can activate their account for online access by visiting shareowneronline.com.

FOR QUESTIONS ABOUT PPL CORPORATION OR ITS SUBSIDIARIES:

PPL Treasury Department

Two North Ninth Street

Allentown, PA 18101

Via e-mail: invserv@pplweb.com

PPL Corporate Offices: 610-774-5151

PPL Electric Utilities Corporation, LG&E and KU Energy LLC, Louisville Gas and Electric Company and Company file a joint Form 10-K Report with the Securities and Exchange Commission. The Form 10-K Report for ithout charge by writing to the PPL Treasury Department at the address provided above or by requesting it ng it on, the Investors page of PPL s Internet website identified below.

to attend the Annual Meeting or not, you may vote over the Internet, by telephone or by returning your proper representation of your shares at the Annual Meeting, please follow the instructions at the website tice or follow the instructions that you will be given after dialing the toll-free number on your proxy. If you pies of the proxy materials, you may also mark, date, sign and mail the accompanying proxy as soon as ope, which requires no postage if mailed in the United States, is included for your convenience if you receive he proxy materials.

Shareowner Services

P.O. Box 64945

St. Paul, MN 55164-0945

nge? Mark box, sign, and indicate changes below:

TO VOTE BY INTERNET OR

TELEPHONE, SEE
REVERSE SIDE

OF THIS PROXY CARD.

Board of Directors Recommends a Vote FOR Each Director Nominee Included in Proposal 1,

and FOR Proposals 2 and 3.

ectors:

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
y C. s				06 William H. Spence			
y.				07 Natica von Althann			

Please fold here Do not separate

G.				08 Keith H. Williamson			
annar				09 Phoebe A. Wood			
A. on				10 Armando Zagalo de Lima			

to approve compensation of named executive officers	For	Against	Abstain
	For	Against	Abstain

the appointment of Independent Registered Public Accounting Firm

HEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, D AS THE BOARD RECOMMENDS.

Signature(s) in Box
Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy.

PPL CORPORATION

ANNUAL MEETING OF SHAREOWNERS

WEDNESDAY, MAY 16, 2018

PPL CENTER

701 HAMILTON STREET

ALLENTOWN, PENNSYLVANIA 18101

PPL Corporation

Two North Ninth Street

Allentown, PA 18101 **proxy**

ited by the Board of Directors for use at the Annual Meeting on May 16, 2018.

and Joanne H. Raphael, and each of them, are hereby appointed proxies, with the power of substitution, to vote
dersigned, as directed on the reverse side of this proxy, at the Annual Meeting of Shareowners of PPL
eld on May 16, 2018, and any adjournments or postponements thereof, and in their discretion to vote and act upon
s may properly come before said meeting and any adjournments or postponements thereof.

you hold in your account or in a dividend reinvestment account will be voted as you specify on the reverse side.

cified, the proxy will be voted FOR each Director Nominee included in Proposal 1, and FOR Proposals 2

xy, you revoke all prior proxies and appoint William H. Spence and Joanne H. Raphael, and each of them, with full
on, to vote your shares on the matters shown on the reverse side and any other matters which may properly come
Meeting and all adjournments or postponements thereof.

Vote by Internet, Telephone or Mail

24 Hours a Day, 7 Days a Week

Your Telephone or Internet vote authorizes the named proxies to vote your shares

in the same manner as if you marked, signed and returned your proxy card.

NTERNET	**PHONE**	**MAIL**
oxypush.com/ppl	**1-866-883-3382**	
net to vote your proxy y, 7 days a week, until CT) on May 15, 2018.	Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. (CT) on May 15, 2018.	Mark, sign and date your proxy card and return it in the postage-paid envelope we ve provided or return it to PPL Corporation, c/o EQ Shareowner Services, P.O. Box 64873, St. Paul, MN 55164-0873. We must receive your mailed proxy card no later than 11:59 p.m. (CT) on May 15, 2018 in order for your vote to be counted.

vote your proxy by Internet or by Telephone, you do NOT need to mail back your Proxy Card.

Shareowner Services

P.O. Box 64945

St. Paul, MN 55164-0945

nge? Mark box, sign, and indicate changes below:

TO VOTE BY INTERNET OR

TELEPHONE, SEE
REVERSE SIDE

OF THIS BALLOT CARD.

Board of Directors Recommends a Vote FOR Each Director Nominee Included in Proposal 1,

and FOR Proposals 2 and 3.

ctors:

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
y C. s				06 William H. Spence			
y.				07 Natica von Althann			

Please fold here Do not separate

G.				08 Keith H. Williamson			
annar				09 Phoebe A. Wood			
A. on				10 Armando Zagalo de Lima			

to approve compensation of named executive officers	For	Against	Abstain
	For	Against	Abstain

the appointment of Independent Registered Public Accounting Firm

Signature(s) in Box
Please sign exactly as your name(s) appears on Ballot. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Ballot.

PPL CORPORATION

ANNUAL MEETING OF SHAREOWNERS

WEDNESDAY, MAY 16, 2018

9:00 A.M. EASTERN TIME

PPL CENTER

701 HAMILTON STREET

ALLENTOWN, PENNSYLVANIA 18101

Ownership Plan (ESOP) **Confidential Ballot**

voting your shares of PPL Corporation Common Stock held in the ESOP. Please complete the ballot card and ope provided or vote by telephone or the Internet. Fidelity Investments, as Trustee of the ESOP, will vote shares Account as directed on the ballot at the Annual Meeting of Shareowners of PPL Corporation to be held on

n your ballot card, or return it unsigned, or do not vote by telephone or Internet, the ESOP provides that the Trustee es in the same percentage as shares held by participants for which the Trustee has received timely voting

nformation carefully and indicate how you wish your shares to be voted at the Annual Meeting. Mark, sign, date envelope for mailing your ballot (if you do not vote by telephone or Internet) to Fidelity Investments agent for receipt of your instructions on a signed ballot card or by telephone or Internet is extremely important.

by mail, must be received by 11:59 p.m. (CT) on May 13, 2018 in order for your vote to be counted. If you wish to or on the Internet, please follow the instructions below.

Vote by Internet, Telephone or Mail

24 Hours a Day, 7 Days a Week

Your Telephone or Internet vote authorizes the ESOP Trustee to vote your shares

in the same manner as if you marked, signed and returned your ballot card.

NTERNET	**PHONE**	**MAIL**
ypush.com/pplesop	**1-866-883-3382**	
net to vote your ballot y, 7 days a week, until CT) on May 13, 2018.	Use any touch-tone telephone to vote your ballot 24 hours a day, 7 days a week, until 11:59 p.m. (CT) on May 13, 2018.	Mark, sign and date your ballot card and return it in the postage-paid envelope we ve provided or return it to PPL ESOP Trustee, c/o EQ Shareowner Services, P.O. Box 64873, St. Paul, MN 55164-0873. We must receive your mailed ballot card no later than 11:59 p.m. (CT) on May 13, 2018 in order for your vote to be counted.

u vote your ballot by Internet or by Telephone, you do NOT need to mail back your Ballot Card.