

PPL CORP
Form DEF 14A
April 08, 2009

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

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

PPL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Edgar Filing: PPL CORP - Form DEF 14A

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

PPL Corporation

Notice of Annual Meeting
May 20, 2009

and

Proxy Statement

PPL CORPORATION
Two North Ninth Street
Allentown, Pennsylvania 18101

Notice of Annual Meeting of Shareowners

Time and Date 10:00 a.m., Eastern Daylight Time, on Wednesday, May 20, 2009.

Place Holiday Inn Conference Center
7736 Adrienne Drive
Fogelsville, Pennsylvania

Items of Business

To elect three directors listed herein for a term of three years

To ratify the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2009

To consider a shareowner proposal, if properly presented

To consider such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Record Date You can vote if you are a shareowner of record on February 27, 2009.

Proxy Voting It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares by completing and returning your proxy card or by voting on the Internet or by telephone. See details under the heading "General Information - How do I vote?"

By Order of the Board of Directors,

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

April 8, 2009

**Important Notice Regarding the Availability of Proxy
Materials for the Shareowner Meeting to Be Held on May 20, 2009:**

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

TABLE OF CONTENTS

| | |
|----------------------------------------------------------------|----|
| PROXY STATEMENT | 1 |
| GENERAL INFORMATION | 1 |
| PROPOSAL 1: ELECTION OF DIRECTORS | 5 |
| Nominees for Directors | 6 |
| Directors Continuing in Office | 7 |
| GOVERNANCE OF THE COMPANY | 9 |
| Board of Directors | 9 |
| Attendance | 9 |
| Independence of Directors | 9 |
| Executive Sessions; Presiding and Lead Director | 10 |
| Guidelines for Corporate Governance | 10 |
| Communications with the Board | 10 |
| Code of Ethics | 11 |
| Board Committees | 11 |
| Executive Committee | 11 |
| Compensation, Governance and Nominating Committee | 11 |
| Compensation Processes and Procedures | 12 |
| Director Nomination Process | 13 |
| Compensation Committee Interlocks and Insider Participation | 13 |
| Finance Committee | 14 |
| Nuclear Oversight Committee | 14 |
| Audit Committee | 14 |
| Report of the Audit Committee | 14 |
| Compensation of Directors | 15 |
| Annual Retainer for 2008 | 15 |
| One-time Grant of Restricted Stock Units | 16 |
| Committee Retainers | 16 |
| Presiding Director Retainer | 16 |
| Other Fees | 16 |
| Directors Deferred Compensation Plan | 17 |
| 2008 Director Compensation | 18 |
| 2008 Director Fees (Supplemental Table) | 20 |
| STOCK OWNERSHIP | 21 |
| Directors and Executive Officers | 21 |
| Principal Shareowners | 22 |
| SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE | 22 |
| TRANSACTIONS WITH RELATED PERSONS | 23 |
| EXECUTIVE COMPENSATION | 23 |
| Compensation Committee Report | 23 |

| | |
|-----------------------------------------------|----|
| Compensation Discussion and Analysis (CD&A) | 24 |
| Executive Compensation Tables | 43 |
| Summary Compensation Table | 43 |

(i)

| | |
|-----------------------------------------------------------------------------------------------------|------------|
| Grants of Plan-Based Awards During 2008 | 46 |
| Outstanding Equity Awards at Fiscal-Year End 2008 | 48 |
| Option Exercises and Stock Vested In 2008 | 50 |
| Pension Benefits in 2008 | 50 |
| Nonqualified Deferred Compensation in 2008 | 54 |
| Change-in-Control Arrangements | 55 |
| Retention Agreements | 57 |
| Termination Benefits | 57 |
| Severance | 58 |
| SERP and ODCP | 58 |
| Annual Cash Incentive Awards | 58 |
| Long-term Incentive Awards | 59 |
| Termination Benefits for Mr. Champagne | 60 |
| Potential Payments upon Termination or Change in Control of PPL Corporation | 61 |
| PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | |
| | 65 |
| Fees to Independent Auditor for 2008 and 2007 | 65 |
| Approval of Fees | 66 |
| SHAREOWNER PROPOSAL | 67 |
| PROPOSAL 3: ELECT EACH DIRECTOR ANNUALLY | 67 |
| PPL S STATEMENT IN RESPONSE | 68 |
| OTHER MATTERS | 69 |
| Shareowner Proposals for the Company s 2010 Annual Meeting | 69 |
| | Inside |
| DIRECTIONS TO ANNUAL MEETING | back cover |

PPL CORPORATION
Two North Ninth Street
Allentown, Pennsylvania 18101

Proxy Statement

Annual Meeting of Shareowners
May 20, 2009
10:00 a.m. (Eastern Daylight Time)

We are providing these proxy materials in connection with the solicitation by the Board of Directors of PPL Corporation of proxies to be voted at the company's Annual Meeting of Shareowners to be held on May 20, 2009, and at any adjournment or postponement of the Annual Meeting. Directors, officers and other company employees may also solicit proxies by telephone or otherwise. Brokers, banks and other holders of record will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable expenses. We first released this Proxy Statement and the accompanying proxy materials to shareowners on or about April 8, 2009.

GENERAL INFORMATION

What am I voting on?

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

the election of three directors listed herein for a term of three years;

the ratification of the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2009; and

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

Who can vote?

Holders of PPL Corporation common stock as of the close of business on the record date, February 27, 2009, may vote at the Annual Meeting, either in person or by proxy. Each share of PPL Corporation common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

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

If your shares are registered directly in your name with PPL Corporation's transfer agent, Wells Fargo Bank, N.A., you are considered, with respect to those shares, the shareowner of record. The Notice of Annual Meeting, Proxy Statement, 2008 Annual Report, proxy card and accompanying documents have been sent directly to you by PPL Corporation.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The Notice of Annual Meeting, Proxy Statement, 2008 Annual Report,

Edgar Filing: PPL CORP - Form DEF 14A

proxy card and accompanying documents have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the shareowner of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in their mailing or by following their instructions for voting by telephone or on the Internet, if offered.

How do I vote?

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

By mail

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

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

By telephone or on the Internet

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

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

On the Internet: The Web site for Internet voting is at www.eproxy.com/ppl/. Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded.

The telephone and Internet voting facilities for shareowners of record will be available 24 hours a day, and will close at 12:00 p.m. (noon), Central Time, on May 19, 2009.

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive from them.

In person at the Annual Meeting

If you are a shareowner of record, you may come to the Annual Meeting and cast your vote there, either by proxy or by ballot. Please bring your admission ticket with you to the Annual Meeting. You may vote shares held in street name at the Annual Meeting only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares. Please see the attendance requirements discussed under "Who can attend the Annual Meeting?"

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

Edgar Filing: PPL CORP - Form DEF 14A

FOR the election of all nominees listed herein for director;

FOR the ratification of the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the year ending December 31, 2009; and

AGAINST the shareowner proposal.

Abstentions and broker non-votes are not counted as either "yes" or "no" votes.

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

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

If you are a participant in our Employee Stock Ownership Plan, you have the right to provide voting directions to the plan trustee, Fidelity Investments, by submitting your ballot card for those shares of our common stock that are held by the plan and allocated to your account. Plan participant ballots are treated confidentially. Full and fractional shares credited to your account under the plan as of February 27, 2009 will be voted by the trustee in accordance with your instructions. Participants may not vote in person at the Annual Meeting. Similar to the process for shareowners of PPL Corporation common stock, you may vote by mail, telephone or on the Internet. To allow sufficient time for voting by the trustee of the plan, your ballot must be returned by May 18, 2009 if by mail, and if voting by telephone or on the Internet, by 12:00 p.m. (noon), Central Time, on May 15, 2009. Please follow the ballot instructions specific to the participants in the Employee Stock Ownership Plan.

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

May I change or revoke my vote?

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

giving notice in writing to our Corporate Secretary, provided such statement is received not later than the close of business on May 19, 2009;

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

attending the Annual Meeting and voting in person.

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

It depends on whether you hold your shares in your own name or as the beneficial owner in the name of a broker, bank or other holder of record. If you hold your shares directly in your own name, they will not be voted unless you provide a proxy or vote in person at the Annual Meeting. Brokerage firms, banks or other holders of record generally have the authority to vote customers' unvoted shares on certain routine matters. If your shares are held in the name of a brokerage firm, bank or other holder of record, such firm can vote your shares for the election of directors and the ratification of the appointment of Ernst & Young LLP, as these matters are considered routine under the applicable rules.

Who can attend the Annual Meeting?

Edgar Filing: PPL CORP - Form DEF 14A

If you are a shareowner of record, your admission ticket is enclosed with your proxy card. If you hold shares through the Employee Stock Ownership Plan, your admission ticket is attached to your ballot card. You will need to bring your admission ticket, along with picture identification, to the meeting. If you own shares in street name, please bring your most recent brokerage statement, along with picture identification, to the meeting. PPL will use your brokerage statement to verify your ownership of PPL common stock and admit you to the meeting.

What constitutes a quorum?

As of the record date, there were 375,372,367 shares of common stock outstanding and entitled to vote, and no shares of preferred stock of the company were outstanding. In order to conduct the Annual Meeting, a majority of the outstanding shares entitled to vote must be present, in person or by proxy, in order to constitute a quorum. If you submit a properly executed proxy card or vote by telephone or on the Internet, you will be considered part of the quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a broker, bank or other holder of record who holds shares for another person has not received voting instructions from the beneficial owner of the shares and, under New York Stock Exchange, or NYSE, listing standards, does not have discretionary authority to vote on a proposal.

What vote is needed for these proposals to be adopted?

Election of Directors

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

Ratification of the Appointment of Ernst & Young LLP

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

Shareowner Proposal

In order to approve this proposal, the proposal must receive a majority of the votes cast, in person or by proxy, by the shareowners voting as a single class.

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

PPL Corporation will pay the cost of soliciting proxies on behalf of the Board of Directors. In addition to the solicitation by mail, a number of regular employees may solicit proxies in person, over the Internet, by telephone or by facsimile. We have retained Innisfree M&A Incorporated to assist in the solicitation of proxies for the Annual Meeting, and we expect that the remuneration to Innisfree for its services will not exceed \$12,500. Brokers, dealers, banks and other holders of record who hold shares for the benefit of others will be asked to send proxy material to the beneficial owners of the shares, and we will reimburse them for their expenses.

How does the company keep voter information confidential?

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

What is householding, and how does it affect me?

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

Beneficial owners who participate in householding will continue to receive separate proxy forms. If any beneficial owner wants to revoke consent to this practice and wishes to receive his or her own documents and other communications, however, then he or she must contact the broker, bank or other holder of record with a notice of revocation. Any shareowner may obtain a copy of such documents from PPL at the address and phone number for PPL listed on the back cover page of this Proxy Statement.

PROPOSAL 1: ELECTION OF DIRECTORS

We have a classified Board of Directors, currently consisting of 10 directors divided into three classes. These classes consist of three directors whose terms will expire at the 2009 Annual Meeting, four directors whose terms will expire at the 2010 Annual Meeting, and three directors whose terms will expire at the 2011 Annual Meeting.

The nominees this year are John W. Conway, E. Allen Deaver, and James H. Miller. The nominees are currently serving as directors. Messrs. Conway, Deaver and Miller were elected by the shareowners at the 2006 Annual Meeting. If elected by the shareowners, Messrs. Conway, Deaver and Miller would serve until the 2012 Annual Meeting and until their successors are elected and qualified. Based on the company's current Guidelines for Corporate Governance, Mr. Deaver will retire prior to the 2011 Annual Meeting of Shareowners, which follows his 75th birthday. Following the election of these three nominees, there will be 10 members of the Board of Directors, consisting of three classes: four directors whose terms would expire at the 2010 Annual Meeting, three directors whose terms would expire at the 2011 Annual Meeting, and three directors whose terms would expire at the 2012 Annual Meeting.

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

**The Board of Directors
recommends that shareowners vote FOR Proposal 1**

Nominees for Directors:

JOHN W. CONWAY, 63, is Chairman of the Board, President and Chief Executive Officer of Crown Holdings, Inc. of Philadelphia, Pennsylvania, a position he has held since 2001. Prior to that time, he served as President and Chief Operating Officer. Crown is an international manufacturer of packaging products for consumer goods. Mr. Conway joined Crown in 1991 as a result of its acquisition of Continental Can International Corporation. Prior to 1991, he served as President of Continental Can and in various other management positions. Mr. Conway is the past Chairman of the Can Manufacturers Institute. He received his B.A. in Economics from the University of Virginia and his law degree from Columbia Law School. He is a member of the Compensation, Governance and Nominating Committee, as well as the Finance Committee. He has been a director since 2000.

E. ALLEN DEAVER, 73, retired in 1998 as Executive Vice President and a director of Armstrong World Industries, Inc., of Lancaster, Pennsylvania. He is a director of the Geisinger Health System. He graduated from the University of Tennessee with a B.S. in Mechanical Engineering. Mr. Deaver is chair of the Compensation, Governance and Nominating Committee and a member of the Executive, Finance and Nuclear Oversight Committees. He also serves as the lead director and presiding director who chairs executive sessions of the independent directors. He has been a director since 1991.

JAMES H. MILLER, 60, is Chairman, President and Chief Executive Officer of PPL Corporation. Prior to his current appointment in October 2006, Mr. Miller was named President in August 2005; Chief Operating Officer in September 2004, a position he held until the end of June 2006; Executive Vice President in January 2004; and also served as President of PPL Generation, LLC, a PPL Corporation subsidiary that operates power plants in the United States. He also serves on the boards of PPL Electric Utilities Corporation and PPL Energy Supply, LLC. Mr. Miller earned a bachelor's degree in electrical engineering from the University of Delaware and served in the U.S. Navy nuclear program. Before joining PPL Generation in February 2001, Mr. Miller served as Executive Vice President and Vice President, Production of USEC, Inc. from 1995, and prior to that time as President of ABB Environmental Systems, President of UC Operating Services, President of ABB Resource Recovery Systems and in various engineering and management positions at the former Delmarva Power and Light Co. He is chair of the Executive Committee and chair of the Corporate Leadership Council, an internal committee comprised of the senior officers of PPL Corporation. Mr. Miller has been a director since 2005.

Directors Continuing in Office:

FREDERICK M. BERNTHAL, 66, is President of Universities Research Association (URA), a position he has held since 1994. Located in Washington, D.C., URA is a consortium of 87 research universities engaged in the construction and operation of major research facilities on behalf of the U.S. Department of Energy and the National Science Foundation. Dr. Bernthal served from 1990 to 1994 as Deputy Director of the National Science Foundation, from 1988 to 1990 as Assistant Secretary of State for Oceans, Environment and Science, and from 1983 to 1988 as a member of the U.S. Nuclear Regulatory Commission. He received a Bachelor of Science degree in chemistry from Valparaiso University and a Ph.D. in nuclear chemistry from the University of California at Berkeley. Dr. Bernthal is chair of the Nuclear Oversight Committee and a member of the Audit and Executive Committees. He has been a director since 1997; his term expires in 2011.

LOUISE K. GOESER, 55, is President and Chief Executive Officer of Grupo Siemens S.A. de C.V. and is responsible for Siemens Mesoamérica. Siemens Mesoamérica is the Mexican, Central American and Caribbean unit of multinational Siemens AG, a global engineering company operating in the industry, energy and healthcare sectors. Before accepting this position in March 2009, Ms. Goeser served as President and Chief Executive Officer of Ford of Mexico from January 2005 until November 2008. Ford of Mexico manufactures cars, trucks and related parts and accessories. Prior to this position, she served as Vice President, Global Quality for Ford Motor Company, a position she had held since 1999. In that position, she was responsible for ensuring superior quality in the design, manufacture, sale and service of all Ford cars, trucks and components worldwide. Prior to 1999, she served as Vice President for Quality at Whirlpool Corporation, and served in various leadership positions with Westinghouse Electric Corporation. Ms. Goeser received a bachelor's degree in mathematics from Pennsylvania State University and a master's degree in business administration from the University of Pittsburgh. She also serves as a director of MSC Industrial Direct Co., Inc. She is a member of the Compensation, Governance and Nominating Committee and has been a director since 2003; her term expires in 2011.

STUART E. GRAHAM, 63, retired as President and Chief Executive Officer of Sweden-based Skanska AB in April 2008. He continues to serve as chairman of Skanska USA Inc. Skanska is an international project development and construction company. Mr. Graham was named President and CEO of Skanska AB and was elected to its board of directors in 2002. Prior to that, Mr. Graham served as executive vice president of Skanska AB and oversaw Skanska's business units in the United States, the United Kingdom, Hong Kong and South America. Mr. Graham served in a number of positions at Sordoni Construction Company from 1970 until 1990, when its New Jersey operations were acquired by Skanska. He is past chairman of the Engineering and Construction Governors Council of the World Economic Forum and founder of the Engineering and Construction Risk Institute. He also serves as a member of the board of directors of Harsco Corporation and Securitas AB. Mr. Graham graduated from Holy Cross College with a B.S. in economics. He is a member of the Compensation, Governance and Nominating Committee, as well as the Nuclear Oversight Committee. He has been a director since July 2008; his term expires in 2010.

STUART HEYDT, 69, retired in 2000 as Chief Executive Officer of the Geisinger Health System, a position he held since 1991. He is past president and a Distinguished Fellow of the American College of Physician Executives. Dr. Heydt attended Dartmouth College and received an M.D. from the University of Nebraska. He is chair of the Audit Committee and a member of the Compensation, Governance and Nominating Committee, as well as the Executive and Nuclear Oversight Committees. Dr. Heydt has been a director since 1991; his term expires in 2010.

CRAIG A. ROGERSON, 52, is Chairman, President and Chief Executive Officer of Chemtura Corporation, a position he has held since December 2008. Chemtura, located in Middlebury, Connecticut, is a global manufacturer and marketer of specialty chemicals, crop protection and pool, spa and home care products. Mr. Rogerson served as President, Chief Executive Officer and director of Hercules Incorporated until its acquisition by Ashland, Incorporated in November 2008, a position he held since December 2003. Located in Wilmington, Delaware, Hercules is a global manufacturer and marketer of specialty chemicals and related services for a broad range of business, consumer and industrial applications. Mr. Rogerson joined Hercules in 1979 and served in a number of management positions before leaving the company to serve as President and Chief Executive Officer of Wacker Silicones Corporation in 1997. In May 2000, Mr. Rogerson rejoined Hercules and was named President of its BetzDearborn Division in August 2000. Prior to being named CEO of Hercules in December 2003, Mr. Rogerson held a variety of senior management positions with the company, including president of the FiberVisions and Pinova Divisions, Vice President of Global Procurement and Chief Operating Officer. Mr. Rogerson serves on the boards of the American Chemistry Council, First State Innovation and the Society of Chemical Industries. He holds a chemical engineering degree from Michigan State University. He is a member of the Nuclear Oversight Committee and has been a director since 2005; his term expires in 2010.

W. KEITH SMITH, 74, served as the Chief Executive Officer of West Penn Allegheny Health System, which is a healthcare network of five affiliated hospitals that serve Pittsburgh and the surrounding five-state area, from July 2007 to March 2008. He previously served as Vice Chairman of Mellon Financial Corporation and Senior Vice Chairman of Mellon Bank, N.A., of Pittsburgh, Pennsylvania, as well as a director of both organizations, until his retirement in December 1998. Mr. Smith is a director of DENTSPLY International Inc. as well as Baytree Bancorp., Inc., Baytree National Bank and Trust Co. and LED Medical Diagnostics, Inc. Mr. Smith received a Bachelor of Commerce degree from the University of Saskatchewan, his M.B.A. from the University of Western Ontario, and is a Chartered Accountant. He is chair of the Finance Committee and a member of the Audit Committee. Mr. Smith has been a director since 2000; his term expires in 2010.

KEITH H. WILLIAMSON, 56, is Senior Vice President, Secretary and General Counsel of Centene Corporation, a position he has held since 2006. Centene Corporation is located in St. Louis, Missouri and is a multi-line healthcare enterprise that provides programs and related services to individuals receiving benefits under Medicaid, including Supplemental Security Income and the State Children's Health Insurance Program. He previously served as President of the Capital Services Division of Pitney Bowes Inc., a position he held since 1999. Pitney Bowes is a global provider of integrated mail, messaging and document management solutions headquartered in Stamford, Connecticut. Mr. Williamson joined Pitney Bowes in 1988 and held a series of positions in the company's tax, finance and legal operations, including oversight of the treasury function and rating agency activity. Mr. Williamson earned a B.A. from Brown University, a J.D. and M.B.A. from Harvard University and an LL.M. in taxation from New York University Law School. He is a member of the Finance Committee and has been a director since 2005; his term expires in 2011.

GOVERNANCE OF THE COMPANY

Board of Directors

Attendance. The Board of Directors met six times during 2008. Each director attended at least 75% of the meetings held by the Board and the committees on which they served during the year. The average attendance of directors at Board and Committee meetings held during 2008 was 96%. Directors are expected to attend all meetings of the Board, the Committees on which they serve and shareowners. All of our directors attended the 2008 Annual Meeting of Shareowners.

Independence of Directors. The Board has established guidelines to assist it in determining director independence, which conform to the independence requirements of the NYSE listing standards. In addition to applying these guidelines, which are summarized below and are available in the Corporate Governance section of our Web site (www.pplweb.com/about/corporate+governance.htm), the Board considers all relevant facts and circumstances in making an independence determination. At its January 2009 meeting, the Board determined that the following nine directors (constituting all of PPL's non-employee directors) are independent from the company and management pursuant to its independence guidelines: Drs. Bernthal and Heydt, Messrs. Conway, Deaver, Graham, Rogerson, Smith and Williamson, and Ms. Goeser.

In reaching this conclusion, the Board considered transactions and relationships between each director or any member of his or her immediate family and the company and its subsidiaries. From time to time, our subsidiaries have transacted business in the ordinary course with companies with which several of our directors are or were affiliated. In particular, with respect to each of the most recent three completed fiscal years, the Board evaluated the following relationships:

Each of Mr. Conway, Ms. Goeser and Mr. Graham were officers at companies with which PPL has engaged in business transactions in the ordinary course. The Board reviewed all transactions with each of these companies and determined that the annual amount of sales to PPL, as well as purchases by these companies from PPL in each fiscal year, was significantly below 1 percent of the consolidated gross revenues of PPL and each of these companies. As part of its determination, the Board also considered that most of the transactions were competitively bid.

The Board determined that all of these relationships were immaterial. Under the categorical standard of independence that the Board adopted for the company, business transactions between the company (and its subsidiaries) and a

director's employer or the employer of the director's immediate family member, as defined by the rules of the NYSE, not involving more than 2 percent of the employer's consolidated gross revenues in any fiscal year, will not impair the director's independence. All of the transactions considered were significantly below 1 percent of the consolidated gross revenues of any of the companies involved.

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

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

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

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

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

is a current employee, in the case of the director, or is a current executive officer, in the case of an immediate family member, of a company that has made payments to, or received payments from, our company for property or services in an amount which exceeds the greater of \$1 million, or 2 percent of such other company's consolidated gross revenues.

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

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

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

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

Guidelines for Corporate Governance. You can find the full text of our *Guidelines for Corporate Governance* in the Corporate Governance section of our Web site (www.pplweb.com/about/corporate+governance.htm). The *Guidelines* are available in print, without charge, to any shareowner who requests a copy.

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

The Presiding Director or the Board of Directors
c/o Corporate Secretary's Office
PPL Corporation
Two North Ninth Street

Allentown, Pennsylvania 18101

The Secretary of the company forwards all correspondence to the respective Board members, with the exception of commercial solicitations, advertisements or obvious junk mail. Concerns relating to

accounting, internal controls or auditing matters are to be brought immediately to the attention of the company's Office of Business Ethics and Compliance and are handled in accordance with procedures established by the Audit Committee with respect to such matters.

Code of Ethics. We maintain our *Standards of Conduct and Integrity*, which are applicable to all Board members and employees of the company and its subsidiaries, including the principal executive officer, the principal financial officer and the principal accounting officer of the company. You can find the full text of the *Standards* in the Corporate Governance section of our Web site (www.pplweb.com/about/corporate+governance.htm). The *Standards* are also available in print, without charge, to any shareowner who requests a copy.

Board Committees

The Board of Directors has five standing committees:

the Executive Committee;

the Compensation, Governance and Nominating Committee;

the Finance Committee;

the Nuclear Oversight Committee; and

the Audit Committee.

Each non-employee director usually serves on one or more of these committees. All of our committees, with the exception of the Executive Committee, are composed entirely of independent directors. The charters of all of the committees are available in the Corporate Governance section of the company's Web site (www.pplweb.com/about/corporate+governance.htm) and are available in print, without charge, to any shareowner who requests a copy.

Executive Committee. During periods between Board meetings, the Executive Committee may exercise all of the powers of the Board of Directors, except that the Executive Committee may not elect directors, change the membership of or fill vacancies in the Executive Committee, fix the compensation of the directors, change the Bylaws, or take any action restricted by the Pennsylvania Business Corporation Law or the Bylaws (including actions committed to another Board committee). The Executive Committee met six times in 2008. The members of the Executive Committee are Mr. Miller (chair), Drs. Bernthal and Heydt and Mr. Deaver.

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

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

to review management's succession planning;

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

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

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

Another principal committee function is to develop and recommend to the Board corporate governance guidelines for the company. All of the members of the CGNC are independent within the meaning of the listing standards of the NYSE, the rules of the SEC and the company's standards of independence described above under the heading

Independence of Directors. In addition, each member of the CGNC is a Non-Employee Director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and is an outside director as defined in Section 162(m) of

the Internal Revenue Code. This committee met five times in 2008. The members of the CGNC are Mr. Deaver (chair), Mr. Conway, Ms. Goeser, Mr. Graham and Dr. Heydt.

Compensation Processes and Procedures

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

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

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

Annually, the CGNC requests Towers Perrin to develop an analysis of current competitive compensation practices and levels. This analysis begins with a general review at the committee's July meeting and continues with a detailed analysis of competitive pay levels and practices at its year-end meeting. The CGNC uses this analysis when it assesses performance and considers salary levels and incentive awards at its January meeting following the performance year.

Senior management develops the business plan and recommends to the CGNC the related goals for the annual cash incentive program and the long-term incentive program for the upcoming year, based on industry and market conditions and other factors. All of the incentive goals are reviewed and approved by the CGNC.

The CGNC has the authority to review and approve annually the compensation structure, including goals and objectives, of the chief executive officer, or CEO, and other executive officers who are subject to Section 16 of the Exchange Act, including all of the executive officers named in this Proxy Statement. The CEO reviews with the CGNC his evaluation of the performance and leadership of: (1) the executive officers who report directly to him; (2) the presidents of the major business lines who report to the chief operating officer, with input from the chief operating officer; and (3) the treasurer and controller, with input from the chief financial officer. The CGNC approves the annual compensation, including salary, incentive compensation and other remuneration of such executive officers.

The CGNC manages a process for the Board of Directors to evaluate our CEO. Each director, other than the CEO, completes an evaluation of the CEO and submits the evaluation to the Chair of the CGNC, who is also the lead director. The evaluation is presented to the outside directors of the Board and discussed at the January meeting. A summary evaluation is compiled by the Chair of the CGNC, who then discusses the evaluation with the CEO. The CGNC determines the CEO's salary and incentive awards at its January meeting, based on the Board's evaluation.

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

Director Nomination Process

The CGNC establishes guidelines for new directors and evaluates director candidates. In considering candidates, the CGNC seeks individuals who possess strong personal and professional ethics, high standards of integrity and values, independence of thought and judgment and who have senior corporate leadership experience. The company believes that prior business experience is valuable, and it seeks candidates who have certain prior experience relevant to serving on the Board, such as financial, operating and nuclear.

In addition, the CGNC seeks individuals who have a broad range of demonstrated abilities and accomplishments beyond corporate leadership. These abilities include the skill and expertise sufficient to provide sound and prudent guidance with respect to all of the company's operations and interests. Finally, the CGNC seeks individuals who are capable of devoting the required amount of time to serve effectively, including preparation time and attendance at Board, committee and shareowner meetings.

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

If the CGNC or management identifies a need to add a new Board member to fulfill a special need or to fill a vacancy, the CGNC usually retains a third-party search firm to identify a candidate or candidates. The CGNC seeks prospective nominees through personal referrals, independent inquiries by directors and search firms. Once the CGNC has identified a prospective nominee, it generally requests the third-party search firm to gather additional information about the prospective nominee's background and experience. The CEO and at least one member of the CGNC then interview the prospective candidates in person. After completing the interview and evaluation process, which includes evaluating the prospective nominee against the standards and qualification

Total compensation

-
23
17
18

Aggregate contributions in respect of key management personnel to defined contribution pension schemes were £0.2 million (2010: £0.4 million).

| | 2011 million | 2010 million | 2009 million |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Share option plans | | | |
| At 1 January | 6 | 2 | 2 |
| Granted, including certain adjustments ¹ (includes entitlements of appointed directors) | 20 | 4 | - |
| Exercised/lapsed (includes entitlements of former directors) | (4) | - | - |
| At 31 December | 22 | 6 | 2 |

Edgar Filing: PPL CORP - Form DEF 14A

1 2010 includes adjustments, using a standard HMRC formula, to negate the dilutionary impact of the Group's 2009 capital raising activities.

| | 2011 million | 2010 million | 2009 million |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Share plans | | | |
| At 1 January | 56 | 19 | 7 |
| Granted, including certain adjustments ¹ (includes entitlements of appointed directors) | 35 | 39 | 17 |
| Exercised/lapsed (includes 31 million entitlements of former directors) | (33) | (2) | (5) |
| At 31 December | 58 | 56 | 19 |

1 2010 includes adjustments, using a standard HMRC formula, to negate the dilutionary impact of the Group's 2009 capital raising activities.

The tables below detail, on an aggregated basis, balances outstanding at the year end and related income and expense, together with information relating to other transactions between the Group and its key management personnel:

| | 2011 £m | 2010 £m | 2009 £m |
|--------------------------------------------------|------------|------------|------------|
| Loans | | | |
| At 1 January | 3 | 2 | 3 |
| Advanced (includes loans of appointed directors) | 1 | 2 | - |
| Repayments (includes loans of former directors) | (1) | (1) | (1) |
| At 31 December | 3 | 3 | 2 |

The loans are on both a secured and unsecured basis and are expected to be settled in cash. The loans attracted interest rates of between 1.09 per cent and 27.5 per cent in 2011 (2010: 0.5 per cent and 17.90 per cent; 2009: 1.28 per cent and 24.90 per cent).

No provisions have been recognised in respect of loans given to key management personnel (2010 and 2009: £nil).

| | 2011 £m | 2010 £m | 2009 £m |
|---------------------------------------------------|------------|------------|------------|
| Deposits | | | |
| At 1 January | 4 | 4 | 6 |
| Placed (includes deposits of appointed directors) | 17 | 12 | 12 |
| Withdrawn (includes deposits of former directors) | (15) | (12) | (14) |
| At 31 December | 6 | 4 | 4 |

Deposits placed by key management personnel attracted interest rates of up to 5 per cent (2010: 4.25 per cent; 2009: 6.50 per cent).

At 31 December 2011, the Group did not provide any guarantees in respect of key management personnel (2010 and 2009: none).

At 31 December 2011, transactions, arrangements and agreements entered into by the Group's banking subsidiaries with directors and connected persons included amounts outstanding in respect of loans and credit card transactions of £3 million with four directors and three connected persons (2010: £2 million with six directors and four connected persons; 2009: £2 million with seven directors and four connected persons).

Subsidiaries

Details of the principal subsidiaries are given in note 9 to the parent company financial statements. In accordance with IAS 27, transactions and balances with subsidiaries have been eliminated on consolidation.

UK Government

In January 2009, the UK Government through HM Treasury became a related party of the Company following its subscription for ordinary shares issued under a placing and open offer. As at 31 December 2011, HM Treasury held a 40.2 per cent (31 December 2010: 40.6 per cent) interest in the Company's ordinary share capital and consequently HM Treasury remained a related party of the Company during the year ended 31 December 2011.

From 1 January 2011, in accordance with IAS 24 (Revised), UK Government-controlled entities became related parties of the Group. The Group regards the Bank of England and entities controlled by the UK Government, including The Royal Bank of Scotland Group plc, Northern Rock (Asset Management) plc and Bradford & Bingley plc, as related parties.

Since 31 December 2010, the Group has had the following significant transactions with the UK Government or UK Government-related entities:

Government and central bank facilities

During the year ended 31 December 2011, the Group participated in a number of schemes operated by the UK Government and central banks and made available to eligible banks and building societies.

Special liquidity scheme and credit guarantee scheme

The Bank of England's UK Special Liquidity Scheme was launched in April 2008 to allow financial institutions to swap temporarily illiquid assets for treasury bills, with fees charged based on the spread between 3-month LIBOR and the 3-month gilt repo rate. The scheme will operate for up to three years after the end of the drawdown period (30 January 2009) at the Bank of England's discretion. At 31 December 2011, the Group did not utilise the Special Liquidity Scheme.

HM Treasury launched the Credit Guarantee Scheme in October 2008 as part of a range of measures announced by the UK Government intended to ease the turbulence in the UK banking system. It charged a commercial fee for the guarantee of new short and medium term debt issuance. The fee payable to HM Treasury on guaranteed issues was based on a per annum rate of 50 basis points plus the median five-year credit default swap spread. The drawdown window for the Credit Guarantee Scheme closed for new issuance at the end of February 2010. At 31 December 2011, the Group had £23.5 billion of debt in issue under the Credit Guarantee Scheme (31 December 2010: £45.4 billion). During the year, fees of £28 million paid to HM Treasury in respect of guaranteed funding were included in the Group's income statement.

Lending commitments

The formal lending commitments entered into in connection with the Group's proposed participation in the Government Asset Protection Scheme have now expired and in February 2011, the Company (together with Barclays, Royal Bank of Scotland, HSBC and Santander) announced, as part of the 'Project Merlin' agreement with HM Treasury, its capacity and willingness to increase business lending (including to small and medium-sized enterprises) during 2011.

Business Growth Fund

In May 2011 the Group agreed, together with The Royal Bank of Scotland plc (and three other non-related parties), to subscribe for shares in the Business Growth Fund plc which is the company created to fulfil the role of the Business Growth Fund as set out in the British Bankers' Association's Business Taskforce Report of October 2010. During 2011, the Group has incurred sunk costs of £4 million which have been written off.

As at 31 December 2011, the Group's investment in the Business Growth Fund was £20 million.

Other government-related entities

Other than the transactions referred to above, there were no other significant transactions with the UK Government and UK Government-controlled entities (including UK Government-controlled banks) during the period that were not made in the ordinary course of business or that were unusual in their nature or conditions.

Other related party transactions

Pensions funds

The Group provides banking and some investment management services to certain of the Group pension funds. At 31 December 2011, customer deposits of £63 million (2010: £64 million) and investment and insurance contract liabilities of £928 million (2010: £850 million) related to the Group's pension funds. During 2011, the Group sold at fair value certain non-government bonds, equities and alternative assets to Lloyds TSB Group Pension Scheme No 1 for £336 million and to Lloyds TSB Group Pension Scheme No 2 for £67 million.

Open Ended Investment Companies (OEICs)

The Group manages 249 (2010: 402) OEICs, and of these 142 (2010: 111) are consolidated. The Group invested £1,283 million (2010: £1,460 million) and redeemed £884 million (2010: £982 million) in the unconsolidated OEICs during the year and had investments, at fair value, of £4,431 million (2010: £7,920 million) at 31 December. The Group earned fees of £318 million from the unconsolidated OEICs (2010: £271 million).

Joint ventures and associates

The Group provides both administration and processing services to its principal joint venture, Sainsbury's Bank plc. The amounts receivable by the Group during the year were £21 million (2010: £31 million), of which £10 million was outstanding at 31 December 2011 (2010: £8 million). At 31 December 2011, Sainsbury's Bank plc also had balances with the Group that were included in loans and advances to banks of £1,173 million (2010: £1,277 million), deposits by banks of £780 million (2010: £1,358 million) and trading liabilities of £340 million (2010: nil).

At 31 December 2011 there were loans and advances to customers of £5,185 million (2010: £5,660 million) outstanding and balances within customer deposits of £88 million (2010: £151 million) relating to other joint ventures and associates.

In addition to the above balances, the Group has a number of other associates held by its venture capital business that it accounts for at fair value through profit or loss. At 31 December 2011, these companies had total assets of approximately £11,500 million (2010: £12,216 million), total liabilities of approximately £10,807 million (2010: £11,937 million) and for the year ended 31 December 2011 had turnover of approximately £7,376 million (2010: £3,829 million) and made a net loss of approximately £83 million (2010: net profit of £182 million). In addition, the Group has provided £5,767 million (2010: £3,316 million) of financing to these companies on which it received £106 million (2010: £93 million) of interest income in the year.

Appendix 3 - Directors' Responsibility Statement

The following statement is extracted from page 176 of the Annual Report. This statement relates solely to the Annual Report and is not connected to the extracted information set out in this announcement or the 2011 Results News Release dated 24 February 2011.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial

statements for each financial year. Under that law the directors have prepared the Group and parent Company financial statements in accordance with IFRSs as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and accounting estimates that are reasonable and prudent; and state whether applicable IFRSs as adopted by the European Union have been followed.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A copy of the financial statements is placed on our website www.lloydsbankinggroup.com. The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on pages 172 and 173 of this annual report, confirm that, to the best of his or her knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group; and
- the management report contained in the business review includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

Signatures

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

GROUP plc

LLOYDS BANKING

(Registrant)

By: Kate O'Neill

Name: Kate O'Neill

Title: Managing Director
Investor Relations

Date: 15 March 2012