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January 8, 2021

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

**BY E-MAIL**

**Re: PPL Corporation – Notice of Intent to Exclude from Proxy Materials Shareholder Proposal of John Chevedden**

Dear Ladies and Gentlemen:

This letter is submitted on behalf of PPL Corporation, a Pennsylvania corporation ("PPL"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (as amended, the "Exchange Act"), to notify the Securities and Exchange Commission (the "Commission") of PPL's intention to exclude from its proxy materials for its 2021 Annual Meeting of Shareowners scheduled for May 18, 2021 (the "2021 Proxy Materials") a shareholder proposal and statements in support thereof (the "Proposal") from John Chevedden (the "Proponent"). PPL requests confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend an enforcement action to the Commission if PPL excludes the Proposal from its 2021 Proxy Materials in reliance on Rule 14a-8 and related Staff guidance.

Pursuant to Rule 14a-8(j) and *Staff Legal Bulletin No. 14D* (November 7, 2008) ("SLB 14D"), we have submitted this letter and its attachments to the Commission via e-mail at shareholderproposals@sec.gov. A copy of this submission is being sent simultaneously to the Proponent as notification of PPL's intention to exclude the Proposal from its 2021 Proxy Materials. PPL intends to file its 2021 Proxy Materials on or about April 7, 2021, with printing to begin on or about March 30, 2021. We would also be happy to provide, upon request, copies of the no-action letters referenced herein on a supplemental basis.

Rule 14a-8(k) and SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of PPL pursuant to Rule 14a-8(k) and SLB 14D.

## The Proposal

PPL received the Proposal by e-mail on November 13, 2020.[1] In relevant part, the Proposal requests that PPL's board of directors "take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of [PPL's] outstanding common stock the power to call a special shareholder meeting." A full copy of the Proposal is attached hereto as Exhibit A together with the other initial submission correspondence.

## Bases for Exclusion

PPL believes that the Proposal may be properly excluded from the 2021 Proxy Materials pursuant to:

- Rule 14a-8(b)[2] and Rule 14a-8(f)(1) because the Proponent failed to establish the requisite eligibility to submit the Proposal; and
- Rule 14a-8(i)(2) because the Proposal would, if implemented, cause PPL to violate Pennsylvania law.

## Analysis

### I. The Proposal May Be Excluded Under Rule 14a-8(b) and Rule 14a-8(f)(1) Because the Proponent Failed to Establish the Requisite Eligibility to Submit the Proposal.

PPL may exclude the Proposal under Rule 14a-8(f)(1) because the Proponent failed to substantiate his eligibility to submit the Proposal under Rule 14a-8(b). Rule 14a-8(b)(1) provides, in relevant part, that "[i]n order to be eligible to submit a proposal, [the proponent] must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year as of the date [the proposal is submitted]." *Staff Legal Bulletin No. 14* (July 13, 2001) ("SLB 14") specifies that when "the shareholder is not the registered holder, the shareholder is responsible for proving his or her eligibility to submit a proposal to the company," which the shareholder may do by one of the two ways provided in Rule 14a-8(b)(2). The Staff has further provided that these proof of ownership letters must come from the "record" holders of the proponent's shares, and only

[1] We note the Proponent, who is based in California, submitted the Proposal via e-mail at 9:12 p.m. PST on November 12, 2020, dating it the same. PPL, however, is headquartered in Pennsylvania. Because of the time difference, PPL received the e-mail at 12:12 a.m. EST on November 13, 2020. *See* Exhibit A hereto. In accordance with Staff guidance, in this request we acknowledge November 12, 2020 as the date of the Proposal's submission and November 13, 2020 as the date of receipt. *See Staff Legal Bulletin No. 14G* (October 2012) (clarifying that the date of submission of a shareholder proposal is "the date the proposal is postmarked or transmitted electronically"). The conclusions provided in the first section of the analysis below would not change if either November 12 or November 13, 2020, respectively, was considered as both the submission and receipt date because (i) as further discussed, in either case PPL would have timely provided the Deficiency Letter (defined below) to the Proponent, and (ii) the highest selling price of PPL's common shares never reached the needed minimum of $40 per share during the 60-day period prior to submission. As reported by the New York Stock Exchange ("NYSE"), the highest selling price of PPL's common shares in all of 2020 was $36.83 per share on January 29.

[2] As in effect prior to January 4, 2021 and applicable for shareholder meetings in 2021.

Depository Trust Company ("DTC") participants are viewed as record holders of securities that are deposited at DTC. *Staff Legal Bulletin 14F* (October 18, 2011) ("SLB 14F").

Moreover, Rule 14a-8(f)(1) permits a company to exclude a proposal from its proxy materials if (i) the proponent does not satisfy the eligibility requirements set forth in Rule 14a-8(b), (ii) the company notifies the proponent of the deficiency within 14 days of receiving the proposal, and (iii) the proponent does not send to the company a response to correct the deficiency within 14 days of receipt of the company's deficiency notice. As described below, each of these requirements for exclusion has been satisfied here.

PPL received the Proposal on November 13, 2020. The submission did not contain any documentation evidencing the Proponent's ownership of PPL common stock, but the Proponent noted that he expected to "forward a broker letter soon" and that "Rule 14a-8 requirements [would] be met including the continuous ownership of the required stock value." Following receipt of the Proposal, PPL confirmed that the Proponent did not appear in the records of its transfer agent as a registered holder of PPL's common stock. On November 20, 2020, the Proponent sent PPL via e-mail a copy of a letter from a broker, attached as Exhibit B hereto, verifying that the Proponent continuously owned no less than 50 shares of PPL's common stock since October 1, 2018.[3] However, the proof of ownership was inadequate because, using the Commission's valuation guidelines established in SLB 14, PPL determined that the Proponent's shares have a market value of no more than $1,498.[4] Based on the Proponent's ownership of 50 shares of PPL's common stock, PPL's stock price would have to be no less than $40.00 per share for him to satisfy the requirement to hold $2,000 in market value of PPL's shares entitled to vote on the Proposal. At all times during the 60-day period before the Proponent's submission of the Proposal on November 12, 2020, PPL's stock price was below $40.00 per share. Moreover, at least since October 23, 2019, PPL has had over 720 million common shares outstanding, all of which would have been entitled to vote on the Proposal. Therefore, 50 shares represent significantly less than 1% of PPL's shares entitled to vote on the Proposal.

On November 24, 2020, the eleventh calendar day after receipt of the Proposal, PPL notified the Proponent of his eligibility deficiency resulting from the insufficiency of shares discussed above in a letter sent electronically to the e-mail address specified by the Proponent for response in the Proposal (the "Deficiency Letter," attached as Exhibit C hereto together with an excerpt from PPL's e-mail server log regarding delivery of the e-mail on that date). The Deficiency Letter also informed the Proponent (i) of the eligibility requirements of Rule 14a-8(b), (ii) that he could remedy the defect by providing PPL proof of ownership of a sufficient number of additional PPL common shares and (iii) that he must provide such proof of ownership

[3] PPL has redacted from the broker letter information relating to the Proponent's investments other than in PPL stock, which are not relevant to this no-action request. Should the Staff require unredacted copies of the broker letter, we will provide them upon your request.

[4] SLB 14 specifies that, for companies listed on the NYSE, the market value of securities under Rule 14a-8(b) is the product of the number of shares owned by the proponent multiplied by the highest selling price of the company's stock (as reported on the NYSE) on any date within 60 calendar days before the date the proponent submitted the proposal. The highest selling price of PPL's common shares during the 60 calendar days before November 12, 2020 (*i.e.*, the date the Proponent submitted the Proposal) was $29.96 (which selling price occurred on November 11, 2020). Multiplying 50 shares held by the Proponent by $29.96, PPL determined that the highest market value of the Proponent's shares during the 60 days prior to submission was $1,498.

to PPL within 14 days of receipt of the letter. The Deficiency Letter also attached a copy of Rule 14a-8 and SLB 14F. The Proponent did not provide any further proof of ownership of additional PPL common shares within 14 days and has not to date.

On December 14, 2020, the Proponent indicated that he may withdraw the Proposal (see e-mail attached as Exhibit D hereto). In response, on December 17, 2020, PPL again indicated to the Proponent his eligibility deficiency and invited him to withdraw the Proposal or have discussions with PPL (see e-mail attached as Exhibit E hereto). As a courtesy before submitting this no action request, PPL contacted the Proponent on January 7 and 8, 2021 to follow up on its invitation to engage in discussions or withdraw the Proposal (see e-mails attached as Exhibit F hereto). However, at the time of submitting this request, the Proponent has not withdrawn the Proposal.

Nevertheless, the Proponent has failed to demonstrate that he has held at least $2,000 in market value, or 1%, of the outstanding common stock of PPL for a period of at least one year prior to his submission of the Proposal on November 12, 2020 and, therefore, the Proponent has failed to demonstrate his eligibility to submit a shareholder proposal to PPL under Rule 14a-8.

Notably, in *PG&E Corporation* (May 26, 2020), the Staff concurred in the exclusion of a proposal under circumstances similar to those described in this letter. In that situation, the company had received a shareholder proposal from a proponent (Mr. Chevedden) in December 2019 along with a broker letter a few days later that indicated that the proponent owned less than $2,000 in market value of the company's common stock, as calculated using the methods described in SLB 14. The company subsequently sent the proponent a timely deficiency notice informing him that "due to the low per-share price of [the company's] common stock" he failed to satisfy the minimum ownership requirements under Rule 14a-8 and requested that he provide proof of sufficient additional shares. The proponent did not provide this evidence and the Staff concurred that Rule 14a-8(b) and Rule 14a-8(f) provided a basis for excluding the proposal.[5]

As in *PG&E Corporation* and the other identified precedents, the Proponent's proof of ownership failed to demonstrate that he owned at least $2,000 in market value, or 1%, of PPL's securities entitled to vote on the Proposal for a period of at least one year prior to his submission of the Proposal on November 12, 2020. Therefore, the Proponent failed to establish the requisite eligibility to submit the Proposal under Rule 14a-8.

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[5] *See Resideo Technologies, Inc.*(March 27, 2020) (concurring with exclusion of a proposal under Rules 14a-8(b) and 14a-8(f) where proponent failed to provide proof of ownership of requisite amount of shares); *Hewlett Packard Enterprise Co.* (December 9, 2016) (concurring with the exclusion of a proposal under Rules 14a-8(b) and 14a-8(f) where, using the calculation method described in SLB 14, the market value of the proponents' aggregated shares was no more than $1,882.40, which is less than the $2,000 minimum ownership level required by Rule 14a-8(b)); *PulteGroup, Inc.* (January 6, 2012) (concurring with the exclusion of the proposal under Rule 14a-8(b) where, using the calculation method described in SLB 14, the market value of the proponent's shares was $1,552.26, which is less than the $2,000 minimum ownership level required by Rule 14a-8(b)); *Continental Airlines, Inc.* (February 22, 2010) (concurring with the exclusion of the proposal under Rules 14a-8(b) and 14a-8(f) where, using the calculation method described in SLB 14, the market value of the proponent's shares was no more than $1,875, which is less than the $2,000 minimum ownership level required by Rule 14a-8(b)).

## II. The Proposal May Be Excluded under Rule 14a-8(i)(2) Because the Proposal Would, if Implemented, cause PPL to Violate Pennsylvania Law.

As discussed below and supported by the opinion of Pennsylvania counsel, Faegre Drinker Biddle & Reath LLP, attached as Exhibit G hereto (the "Legal Opinion"), PPL may also exclude the Proposal under Rule 14a-8(i)(2) because it would, if implemented, cause PPL to violate the laws of the Commonwealth of Pennsylvania.

The Proposal requests that PPL's board of directors "take the steps necessary to amend" PPL's Articles to "give the owners of a combined 10% of [PPL's] outstanding common stock the power to call a special shareholder meeting." However, Rule 14a-8(i)(2) permits companies to exclude shareholder proposals "[i]f the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject." As a public company incorporated in Pennsylvania, PPL is subject to the laws of the Commonwealth. In particular, Section 2521(c) of the Pennsylvania Business Corporation Law, codified at 15 Pa.C.S. § 1101 *et seq.* (the "PBCL") and part of Subchapter 25C of the PBCL, states that "a provision of the articles of a registered corporation described in section 2502(1) . . . adopted after July 1, 2015, may not provide that a special meeting may be called by less than 25% of the votes that all shareholders would be entitled to cast at the meeting." PBCL Section 2501(c)(1) provides that certain provisions of Subchapters B, C or D of Chapter 25 that apply to registered corporations such as PPL can be waived "in whole or in part" by a corporation's articles of incorporation, except that Section 2501(c)(1) expressly states that the ability to waive the Subchapters 25B, 25C and 25D is subject to the rule in Section 2521 that prohibits the articles from reducing the threshold to call a special meeting to below 25%. PPL's Amended and Restated Articles of Incorporation, effective as of May 25, 2016 (attached hereto as Exhibit H) (the "Articles"), provides a combined 25% threshold for shareholders to call a special shareholder meeting.[6]

Accordingly, if, as requested by the Proponent, PPL's board of directors took the necessary action to propose an amendment to the Articles to reduce the requisite percentage to call a special shareholder meeting from 25% to 10% of the votes entitled to vote at such meeting, as noted in the Legal Opinion, the amendment would need to be adopted after July 1, 2015 and thus violate the restriction in PBCL Section 2521(c) that a provision of the articles adopted after that date may not provide a threshold less than 25%.

The Staff has consistently permitted the exclusion of a shareholder proposal where the implementation of the proposal would cause the company to violate the state law to which it is subject.[7] In *eBay Inc.* (April 1, 2020), the proponent's proposal requested that the company

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[6] *See* Article XII of the Articles ("A special meeting of shareholders may be called at any time by shareholders entitled to cast at least 25% of the votes that all voting shareholders, voting as a single class, are entitled to cast at the particular special meeting."). Mr. Chevedden states in the Proposal that it currently takes "35% of the shares that normally vote at the PPL Corporation annual meeting to call a special shareholder meeting." PPL believes this characterization could be misinterpreted to mean that 35% of the outstanding shares are required to call as special meeting, which is incorrect.

[7] *See, e.g., Highlands REIT, Inc.* (February 7, 2020) (concurring with the exclusion of a proposal requiring the board of directors to liquidate the company without stockholder approval as violating applicable state law); *Oshkosh Corporation* (November 21, 2019) (concurring with the exclusion of a proposal that included a requirement that a director who received less than a majority of the votes cast be removed from the board immediately as violating

"reform the structure of the board of directors [to let] the employees elect at least 20% of the board members." The company explained, however, that the "proposed action would be contrary to" Delaware law, the company's jurisdiction of incorporation, which entitles only a company's stockholders to elect directors and "does not permit a corporation to modify this requirement in its governing documents." The Staff concurred, agreeing that Rule 14a-8(i)(2) provided a basis for the proposal's exclusion.

Similar to the circumstances in *eBay Inc.* and the other identified precedents, this Proposal requests that PPL initiate a process to amend its governing documents such that, if so implemented, would violate Pennsylvania law. Accordingly, the Proposal is excludable under Rule 14a-8(i)(2).

## Conclusion

Based upon the foregoing analysis, PPL respectfully requests that the Staff confirm that it will not recommend any enforcement action to the Commission if PPL excludes the Proposal from its 2021 Proxy Materials pursuant to Rule 14a-8. We would be happy to provide you with any additional information and answer any questions that you may have regarding this matter. Should you disagree with the conclusions set forth in this letter, we would appreciate the opportunity to confer with you prior to the determination of the Staff's final position.

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applicable state law); *The Goldman Sachs Group, Inc.* (February 1, 2016) (concurring with the exclusion of a proposal asking that the compensation committee of the company's board of directors be reformed to include individuals who are not members of the company's board of directors as violating applicable state law); *Dominion Resources, Inc.* (January 14, 2015) (concurring with the exclusion of a proposal requesting a director be appointed by the board without a stockholder vote in violation of applicable state law); *Exelon Corporation* (January 2, 2014) (concurring that unless the proponent recast the proposal to have the board of directors or compensation committee limit the total compensation of each named executive officer as a recommendation, it was in violation of Pennsylvania law); *Abbott Laboratories* (February 1, 2013) (concurring with the exclusion of a proposal requesting the company's board of directors replace all voting requirements in the company's charter and bylaws with the voting standard of a majority of the votes cast for and against the proposal or the voting standard closest thereto as violating applicable state law); *Johnson & Johnson* (February 16, 2012) (concurring with the exclusion of a proposal requesting that the board disqualify members who fail to receive certain levels of stockholder votes from serving on the compensation committee as a violation of state law impermissibly limiting the decision-making authority of the board to select committee members in the exercise of their fiduciary duties).

Please do not hesitate to contact me at elizabeth.diffley@faegredrinker.com or (215) 988-2607 if we can be of any further assistance in this matter.

Thank you for your consideration.

Regards,

Elizabeth A. Diffley

Enclosures

cc: Elizabeth Stevens Duane, PPL Corporation, esduane@pplweb.com
W. Eric Marr, PPL Corporation, WMarr@pplweb.com
John Chevedden (Proponent),
(and copy to

# EXHIBIT A – PROPOSAL AND INITIAL SUBMISSION CORRESPONDENCE

## Mathew, Roni K.

**From:** John Chevedden ***
**Sent:** Friday, November 13, 2020 12:12 AM
**To:** Joanne H. Raphael
**Cc:** Duane, Elizabeth Stevens
**Subject:** Rule 14a-8 Proposal (PPL)``
**Attachments:** 12112020_12.pdf



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Dear Ms. Raphael,
Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,
John Chevedden

*** **JOHN CHEVEDDEN** ***

Ms. Joanne H. Raphael
Corporate Secretary
PPL Corporation (PPL)
Two North Ninth Street
Allentown PA 18101
PH: 610 774-5151
FX: 610-774-5281

Dear Ms. Raphael,

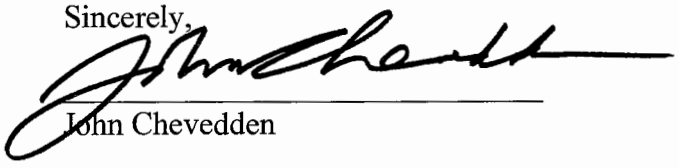
This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,



John Chevedden

November 12, 2020

Date

cc: Elizabeth Stevens Duane <esduane@pplweb.com>
Assistant Secretary
PH: 610-774-4107
FX: 610-774-4177

[PPL – Rule 14a-8 Proposal, November 12, 2020]
[This line and any line above it is not for publication.]

**Proposal 4 – Special Shareholder Meeting Improvement**

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. The Board of Directors would continue to have its existing power to call a special meeting.

It currently takes 35% of the shares that normally vote at the PPL Corporation annual meeting to call a special shareholder meeting. Plus PPL shareholders are denied in perpetuity the right to act by written consent by the backward laws of Pennsylvania.

Since the 2020 PPL annual meeting there has been a dramatic development that makes shareholder meetings so much easier for management with a substantial cost reduction. Special shareholder meeting can now be online shareholder meetings which are so much easier on management. The 2020 pandemic has resulted in an avalanche of online shareholder meetings.

Management accountability is so well defended at online shareholder meetings that shareholders should have a corresponding greater flexibility in calling for a special shareholder meeting.

At an online meeting almost everything is optional. For instance a management narrative on the state of the company is optional. Also management answers to shareholder questions are optional even if management asks for questions.

A poor example is Goodyear management hitting the mute button right in the middle of a formal shareholder proposal presentation at its 2020 shareholder meeting to bar constructive shareholder criticism.

Please see:
*Goodyear's virtual meeting creates issues with shareholder*
https://www.crainscleveland.com/manufacturing/goodyears-virtual-meeting-creates-issues-shareholder

Thus management hardly needs to prepare for an online shareholder meeting. It is astounding what management can get away with at an on line shareholder meeting. Thus shareholders should rightfully have more flexibility in requesting a special shareholder meeting.

The core purpose of such a meeting can simply be the announcement of the vote.

A special shareholder meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. For instance shareholders might determine that a poor performing director is in need of replacement.

Mr. Craig Rogerson, Chair of the management pay committee was rejected by 38% of shares at the 2020 PPL annual meeting. Plus the proposal for an independent board chairman received 44% support at the 2020 PPL annual meeting. Some would regard this 44% vote as a vote of no confidence in Mr. William Spence, the PPL Chairman/CEO. And our stock price is off from its $39 level in 2017.

Please vote yes:

**Special Shareholder Meeting Improvement – Proposal 4**

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]

Notes:
This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

***

## Mathew, Roni K.

**From:** Duane, Elizabeth Stevens <esduane@pplweb.com>
**Sent:** Monday, November 16, 2020 8:43 AM
**To:** John Chevedden
**Cc:** Raphael, Joanne H
**Subject:** RE: Rule 14a-8 Proposal (PPL)``

Dear Mr. Chevedden:

We are in receipt of your proposal.

Kind regards,

-Elizabeth

Elizabeth Stevens Duane | Associate General Counsel and Assistant Corporate Secretary Office of General Counsel | phone: 610.774.4107 | cell: 484.695.6270 | esduane@pplweb.com

PPL
Two North Ninth Street
GENTW4
Allentown, PA 18101

Confidential

-----Original Message-----
From: John Chevedden ***
Sent: Friday, November 13, 2020 12:12 AM
To: Joanne H. Raphael <jraphael@pplweb.com>
Cc: Duane, Elizabeth Stevens <esduane@pplweb.com>
Subject: Rule 14a-8 Proposal (PPL)``

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

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Dear Ms. Raphael,
Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,
John Chevedden

## Mathew, Roni K.

**From:** John Chevedden ***
**Sent:** Monday, November 16, 2020 8:52 AM
**To:** Duane, Elizabeth Stevens
**Cc:** Raphael, Joanne H
**Subject:** Rule 14a-8 Proposal (PPL)



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Good.

**EXHIBIT B – BROKER LETTER (REDACTED)**

**Mathew, Roni K.**

| | |
|---|---|
| **From:** | John Chevedden *** |
| **Sent:** | Friday, November 20, 2020 12:30 PM |
| **To:** | Duane, Elizabeth Stevens |
| **Cc:** | Raphael, Joanne H |
| **Subject:** | Rule 14a-8 Proposal (PPL) blb |
| **Attachments:** | 20112020_3.pdf |



Dear Ms. Duane,
Please see the attached broker letter.
Please confirm receipt.
Sincerely,
John Chevedden

TD Ameritrade

11/19/2020

John Chevedden
***

Re: Your TD Ameritrade account ending in *** in TD Ameritrade Clearing Inc DTC #0188

Dear John Chevedden,

Thank you for allowing me to assist you today. As you requested this letter confirms that, as of the date of this letter, you have continuously held no less than the below number of shares in the above referenced account since October 1, 2018.

[redacted]
PPL Corporation (PPL) 50 shares

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Gabriel Elliott
Resource Specialist
TD Ameritrade

# EXHIBIT C – DEFICIENCY LETTER

**Mathew, Roni K.**

| | |
|---|---|
| **From:** | Duane, Elizabeth Stevens <esduane@pplweb.com> |
| **Sent:** | Tuesday, November 24, 2020 5:18 PM |
| **To:** | John Chevedden |
| **Cc:** | Marr, Wayne Eric; Leyden, Arden A |
| **Subject:** | PPL Corporation Shareowner Proposal Regarding Special Shareholder Meetings [Notice Regarding Proof of Ownership] |
| **Attachments:** | Rule 14a-8 (Currently in Effect).pdf; Staff Legal Bulletin No 14F.pdf |

Dear Mr. Chevedden:

This email is in response to the shareowner proposal submitted by you on November 12, 2020 to be included in the proxy statement related to the 2021 Annual Meeting of Shareowners of PPL Corporation (the "Company") requesting that the Board of Directors of the Company take appropriate steps to permit special shareholder meetings. Thank you for sending your broker letter on November 20, 2020 from TD Ameritrade, dated November 19, 2020 (the "Broker Letter"), showing that you have held no less than 50 shares of PPL Corporation common stock since October 1, 2018. Based on our review, the Company would like to inform you, pursuant to Rule 14a-8(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the following procedural and eligibility deficiency.

The Broker Letter did not include sufficient information to prove that you have continuously held, for at least one year prior to the date of the submission of the proposal, at least $2,000 in market value, or 1%, of the Company's outstanding common stock, as required by Rule 14a-8(b) under the Exchange Act. In the Staff Legal Bulletin No. 14, dated July 13, 2001 ("SLB 14"), the staff of the Division of Corporation Finance (the "Division") of the Securities and Exchange Commission (the "SEC") interpreted this continuously held market value language requirement to mean that shareholders are eligible to submit proposals as long as they meet the valuation threshold on at least one day during the 60 calendar days before submitting the proposal. However, at no time during the 60-day period prior to submitting your proposal would the aggregate value of 50 shares of the Company have equaled $2,000. Relevant guidance from SLB 14 is provided below for your convenience:

> *How do you calculate the market value of the shareholder's securities?*
>
> Due to market fluctuations, the value of a shareholder's investment in the company may vary throughout the year before he or she submits the proposal. In order to determine whether the shareholder satisfies the $2,000 threshold, we look at whether, on any date within the 60 calendar days before the date the shareholder submits the proposal, the shareholder's investment is valued at $2,000 or greater, based on the average of the bid and ask prices. Depending on where the company is listed, bid and ask prices may not always be available. For example, bid and ask prices are not provided for companies listed on the New York Stock Exchange. Under these circumstances, companies and shareholders should determine the market value by multiplying the number of securities the shareholder held for the one-year period by the highest *selling* price during the 60 calendar days before the shareholder submitted the proposal. For purposes of this calculation, it is important to note that a security's highest selling price is not necessarily the same as its highest closing price.

Because PPL Corporation is listed on the New York Stock Exchange, the market value under the Division guidance is determined by multiplying the number of securities you held for the one-year period (50 shares) by the highest selling price during the 60 calendar days before you submitted the proposal. During the 60 calendar days before submitting your proposal on November 12, 2020 (*i.e.*, from September 13, 2020 through November 11, 2020), the highest selling price on any one day was $29.96 (on November 11, 2020), yielding just under $1,500 in aggregate value. For your reference, the Company's share prices are available at https://www.nyse.com/quote/XNYS:PPL. The highest selling price would have had to have been no less than $40 per share to reach the required $2,000 threshold with 50 shares.

To the extent you are able to obtain an additional proof of ownership letter from a "record" holder of your securities with respect to additional shares that, combined with 50 shares covered by the Broker Letter, would yield a value of at least $2,000, such letter must verify your continuous ownership of the additional requisite amount of securities for the one-year period preceding and including the date of submission of the shareholder proposal (*i.e.*, from November 12, 2019 through November 12, 2020) in order to cure this defect. Please note further that in Staff Legal Bulletin No. 14F, dated October 18, 2011 ("SLB 14F"), and No. 14G, dated October 16, 2012, the Division takes the position that, for purposes of Rule 14a-8(b)(2)(i), only securities intermediaries that are participants in The Depository Trust Company ("DTC"), or affiliates of DTC participants, are considered "record" holders of securities that are deposited at DTC. Accordingly, if you hold additional shares of the Company and intend to provide proof of ownership pursuant to Rule 14a-8(b)(2)(i), the proof of ownership letter that you obtain and provide for such shares must be from a DTC participant or an affiliate of a DTC participant.

Pursuant to Rule 14a-8(f), you must provide us with sufficient verification of your ownership of the Company's securities within 14 calendar days of your receipt of this email. For your reference, we have attached a copy of Rule 14a-8 of the Exchange Act and SLB 14F. To transmit your reply electronically, please reply to my attention at the following email to esduane@pplweb.com. To reply by mail, please reply to my attention at PPL, Two North Ninth Street, Allentown, PA 18101. Otherwise, please contact me at 610-774-4107 should you have any questions. We appreciate your interest in the Company.

Kind regards,

-Elizabeth

**Elizabeth Stevens Duane** | Associate General Counsel and Assistant Corporate Secretary
Office of General Counsel | phone: 610.774.4107 | cell: 484.695.6270 | esduane@pplweb.com

PPL
Two North Ninth Street
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Confidential

## §240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) ***Question 1:*** **What is a proposal?**

A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) ***Question 2:*** **Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?**

(1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your

ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) ***Question 3:*** **How many proposals may I submit?**

Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) ***Question 4:*** **How long can my proposal be?**

The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) ***Question 5:*** **What is the deadline for submitting a proposal?**

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) ***Question 6:*** **What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?**

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) ***Question 7:*** **Who has the burden of persuading the Commission or its staff that my proposal can be excluded?**

Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) ***Question 8:*** **Must I appear personally at the shareholders' meeting to present the proposal?**

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) ***Question 9:*** **If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?**

(1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

**NOTE TO PARAGRAPH (i)(1)**: Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by

shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

**NOTE TO PARAGRAPH (i)(2)**: We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

**NOTE TO PARAGRAPH (i)(9)**: A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

**NOTE TO PARAGRAPH (i)(10)**: A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year (*i.e.,* one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) ***Question 10:*** **What procedures must the company follow if it intends to exclude my proposal?**

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) ***Question 11:*** **May I submit my own statement to the Commission responding to the company's arguments?**

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) ***Question 12:*** **If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?**

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) ***Question 13:*** **What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?**

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

[63 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 2007; 72 FR 70456, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008; 76 FR 6045, Feb. 2, 2011; 75 FR 56782, Sept. 16, 2010]

U.S. Securities and Exchange Commission

**Division of Corporation Finance**
**Securities and Exchange Commission**

# Shareholder Proposals

## Staff Legal Bulletin No. 14F (CF)

**Action:** Publication of CF Staff Legal Bulletin

**Date:** October 18, 2011

**Summary:** This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

**Supplementary Information:** The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

**Contacts:** For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

### A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

**B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

**1. Eligibility to submit a proposal under Rule 14a-8**

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

**2. The role of the Depository Trust Company**

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

**3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of

Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

*How can a shareholder determine whether his or her broker or bank is a DTC participant?*

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

*What if a shareholder's broker or bank is not on DTC's participant list?*

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

*How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?*

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

**C. Common errors shareholders can avoid when submitting proof of ownership to companies**

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of

the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

> "As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

**D. The submission of revised proposals**

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

**1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?**

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8 (c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

**2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?**

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

**3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?**

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

**E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents**

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[16]

**F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents**

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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[1] *See* Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. *See* Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

[3] If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

[4] DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. *See* Proxy Mechanics Concept Release, at Section II.B.2.a.

[5] *See* Exchange Act Rule 17Ad-8.

[6] *See* Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

[7] *See KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden,* 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the

company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

[8] *Techne Corp.* (Sept. 20, 1988).

[9] In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. *See* Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

[10] For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

[11] This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

[12] As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

[13] This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

[14] *See, e.g.*, Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

[15] Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

[16] Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

*http://www.sec.gov/interps/legal/cfslb14f.htm*

**Mathew, Roni K.**

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**From:** Microsoft Outlook <MicrosoftExchange329e71ec88ae4615bbc36ab6ce41109e@pplweb.com>
**To:** John Chevedden
**Sent:** Tuesday, November 24, 2020 5:18 PM
**Subject:** Relayed: PPL Corporation Shareowner Proposal Regarding Special Shareholder Meetings [Notice Regarding Proof of Ownership]

## Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

John Chevedden ***

Subject: PPL Corporation Shareowner Proposal Regarding Special Shareholder Meetings [Notice Regarding Proof of Ownership]

**EXHIBIT D – INTENT TO WITHDRAW (CORRESPONDENCE FROM PROPONENT)**

**Mathew, Roni K.**

**From:** John Chevedden ***
**Sent:** Monday, December 14, 2020 3:33 PM
**To:** Duane, Elizabeth Stevens
**Subject:** (PPL)



Dear Ms. Duane,
I may withdraw my proposal.
Will PPL publish Mr. Kenneth Steiner's proposal.
John Chevedden

**EXHIBIT E – CORRESPONDENCE FROM PPL**

**Mathew, Roni K.**

---

**From:** Duane, Elizabeth Stevens <esduane@pplweb.com>
**Sent:** Thursday, December 17, 2020 2:00 PM
**To:** John Chevedden; John Chevedden
**Cc:** Marr, Wayne Eric; Leyden, Arden A
**Subject:** PPL Corporation Shareowner Proposals

Dear Mr. Chevedden:

Thank you for your email of December 14, 2020, indicating that you are considering withdrawing your shareowner proposal and inquiring regarding the status of Mr. Steiner's proposal, for which you serve as proxy. We have been considering our approach to both proposals and welcome an opportunity to discuss them with you.

With respect to your proposal, based on the advice of counsel we understand that lowering the threshold for a shareholder special meeting to 10% from the current threshold of 25% is not permitted under Pennsylvania law. This may be the reason for your potential withdrawal, as this would support exclusion of your proposal on substantive grounds under Rule 14a-8(i). In addition, we note that you have not provided a broker letter with respect to this proposal other than the one that you provided on November 20, 2020 showing ownership of 50 PPL shares. As discussed in our timely notice to you on November 24, 2020, this number of shares is insufficient to meet the ownership threshold required for the submission of a proposal pursuant to Rule 14a-8(b). Your failure to timely cure this procedural deficiency by December 9 provides a second ground for excluding your proposal under 14a-8(f).

With respect to Mr. Steiner's proposal, we provided timely notice to you on November 20, 2020 that this submission did not include the required proof of ownership pursuant to Rule 14a-8(b). To date, we have not received a broker letter or other proof of Mr. Steiner's ownership in support of this proposal, and the time for curing this deficiency expired on December 5. Accordingly, we intend to seek no action relief based on this procedural deficiency under Rule 14a-8(f).

Before we submit a request for no action relief to the Securities and Exchange Commission ("SEC") regarding either proposal, we wanted to give you the opportunity to discuss or withdraw the proposals. As the no action relief requests will be public, and the grounds for relief for your proposal involve a substantive issue under state law and a failure to comply with procedural requirements after being notified and invited to cure the deficiencies for Mr. Steiner's proposal and yours, we are aware that these filings could have professional or reputational consequences for you and Mr. Steiner. We would like to avoid that if possible. However, as we remain subject to certain timelines with respect to seeking no action relief, we expect to begin working on these requests, and may submit them to the SEC at any time on or after Tuesday, December 22, 2020. Accordingly, if you would like to discuss or withdraw either proposal, we suggest we engage by close of business on Monday, December 21, 2020. We look forward to your response by reply email to coordinate that discussion.

Kind regards,

-Elizabeth

**Elizabeth Stevens Duane** | Associate General Counsel and Assistant Corporate Secretary
Office of General Counsel | phone: 610.774.4107 | cell: 484.695.6270 | esduane@pplweb.com

PPL
Two North Ninth Street
GENTW4
Allentown, PA 18101

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**Mathew, Roni K.**

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**From:** Microsoft Outlook <MicrosoftExchange329e71ec88ae4615bbc36ab6ce41109e@pplweb.com>
**To:** John Chevedden; John Chevedden
**Sent:** Thursday, December 17, 2020 2:00 PM
**Subject:** Relayed: PPL Corporation Shareowner Proposals

## Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

John Chevedden ***

John Chevedden ***

Subject: PPL Corporation Shareowner Proposals

**EXHIBIT F – CORRESPONDENCE FROM PPL**

## Mathew, Roni K.

**From:** Marr, Wayne Eric <WMarr@pplweb.com>
**Sent:** Thursday, January 7, 2021 10:38 AM
**To:** ***
**Cc:** Duane, Elizabeth Stevens; Leyden, Arden A
**Subject:** PPL Corporation Shareowner Proposals

Dear Mr. Chevedden,

We have not heard from you in response to our emails of December 17, 2020 and December 20, 2020, asking if you would like to discuss either your proposal or the proposal of Mr. Steiner, for which you serve as proxy. You had previously indicated that you were considering withdrawing your proposal. In the absence of further discussion, we have prepared submissions requesting no action letters from the Securities and Exchange Commission with respect to both proposals, for the reasons set forth in our prior emails. We intend to submit these requests tomorrow afternoon unless we hear from you, but wanted to provide you a last opportunity to engage before taking that step. Accordingly, if you would like to discuss either proposal, or would like to withdraw either or both proposals, please contact us by noon Eastern Time tomorrow, Friday, January 8, 2021.

Best regards,
Eric

**W. Eric Marr** | Senior Counsel
Office of General Counsel | cell: 302.245.1823 | WMarr@pplweb.com

PPL
2 N. 9th St.
GENTW4
Allentown, PA 18101

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## Mathew, Roni K.

**From:** Marr, Wayne Eric <WMarr@pplweb.com>
**Sent:** Friday, January 8, 2021 9:36 AM
**To:** ***
**Cc:** Duane, Elizabeth Stevens; Leyden, Arden A
**Subject:** PPL Corporation Shareowner Proposals

Dear Mr. Chevedden,

Thank you for your call last night, we appreciated the chance to discuss your offer of withdrawal. After consideration, we still intend to seek no action relief regarding Mr. Steiner's proposal, based on the procedural defect we have discussed. If you would like to withdraw your proposal even though we will be seeking no action relief for Mr. Steiner's proposal, please let us know as soon as possible. If we do not hear from you, we will seek no action relief with respect to your proposal as well. We expect to submit the requests this afternoon.

Best regards,
Eric

**W. Eric Marr** | Senior Counsel
Office of General Counsel | cell: 302.245.1823 | WMarr@pplweb.com

PPL
2 N. 9th St.
GENTW4
Allentown, PA 18101

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# EXHIBIT G – LEGAL OPINION

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faegredrinker.com

**Faegre Drinker Biddle & Reath LLP**
One Logan Square, Suite 2000
Philadelphia, Pennsylvania 19103
+1 215 988 2700 main
+1 215 988 2757 fax

January 8, 2021

PPL Corporation
Two North Ninth Street
GENTW4
Allentown, PA 18101

Re: Application of Pennsylvania Law to Shareholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

We have acted as Pennsylvania counsel to PPL Corporation (the "Company"), a Pennsylvania corporation with a class of equity securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in connection with a shareholder proposal (the "Proposal) that has been submitted to the Company by John Chevedden (the "Proponent") for the 2021 Annual Meeting of Shareowners of the Company (the "Annual Meeting"). You have requested our opinion as to whether the Proposal is consistent with Pennsylvania law.

For purposes of rendering our opinion expressed herein, we have examined copies, certified or otherwise identified to our satisfaction, of (i) the Amended and Restated Articles of Incorporation of PPL Corporation, effective as of May 25, 2016 ("PPL's Articles"), (ii) the Bylaws of PPL Corporation, dated March 23, 2020, and (iii) the Proposal.

With respect to the foregoing documents, we have assumed (i) the conformity to the authentic originals of all the documents submitted to us and (ii) that each of the foregoing documents, in the form thereof submitted to us for our review or publicly available, is the full text of the currently effective version of the document. We have not reviewed any documents other than the documents listed above for purposes of rendering this opinion, and we assume that there exists no provision of any such other document that bears upon or is inconsistent with our opinion expressed herein. In addition, we have conducted no independent factual investigation of our own but rather have relied solely on the foregoing documents, the statements and information set forth therein and the additional factual matters recited or assumed herein, all of which we assume to be true, complete and accurate in all material respects.

## THE PROPOSAL

The Proposal, in relevant part, states the following:

> Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of [the Company's] outstanding common stock the power to call a special shareholder meeting. The Board of Directors would continue to have its existing power to call a special meeting.

We have been advised that the Company is considering excluding the Proposal from the Company proxy statement for the Annual Meeting under, among other reasons, Rule 14a-8(i)(2)

promulgated under the Exchange Act. Rule 14a-8(i)(2) provides that a registrant may omit a proposal from its proxy statement when "the proposal would, if implemented, cause the company to violate any state federal or foreign law to which it is subject." In this connection, you have requested our opinion as to whether the implementation of the Proposal by the Company would violate Pennsylvania law.

For the reasons set forth below, in our opinion, the Proposal, if implemented, would violate Pennsylvania law.

## DISCUSSION

The Company is a Pennsylvania corporation subject to the laws of the Commonwealth of Pennsylvania and, in particular, is governed by the Pennsylvania Business Corporation Law, codified at 15 Pa.C.S. § 1101 *et seq.* (the "PBCL"). Specifically, the Company is a public or "registered corporation," which is defined by Section 2502(1) of the PBCL as

> "a domestic business corporation that: (i)(A) has a class or series of shares entitled to vote generally in the election of directors of the corporation registered under the Exchange Act . . . or (ii) that is (A) subject to the reporting obligations imposed by section 15(d) of the Exchange Act by reason of having filed a registration statement which has become effective under the Securities Act of 1933 relating to shares of a class or series of its equity securities entitled to vote generally in the election of directors."

Section 2521(c) of the PBCL states that "a provision of the articles of a registered corporation described in section 2502(1) . . . adopted after July 1, 2015, may not provide that a special meeting may be called by less than 25% of the votes that all shareholders would be entitled to cast at the meeting." PBCL Section 2501(c)(1) provides that certain provisions of Subchapters B (relating to powers, duties and safeguards), C (relating to directors and shareholders) and D (relating to fundamental changes generally) of Chapter 25 that apply to registered corporations, such as the Company, can be waived "in whole or in part" by a corporation's articles of incorporation. PBCL Section 2521 is part of Subchapter 25C and thus may be waived by a provision of the articles of incorporation, except that Section 2501(c)(1) expressly states that the ability to waive the Subchapters 25B, 25C, and 25D is subject to the rule in Section 2521 that prohibits the articles from reducing the threshold to call a special meeting to below 25%.[1]

In relevant part, Article XII of PPL's Articles currently provides a combined 25% threshold for shareholders to call a special shareholder meeting: "A special meeting of shareholders may be called at any time by shareholders entitled to cast at least 25% of the votes that all voting shareholders, voting as a single class, are entitled to cast at the particular special meeting."[2] If Article XII of PPL's Articles were to be amended to lower the 25% threshold, that amendment would need to be adopted after July 1, 2015 and, thus, the amendment would violate the restriction in PBCL Section 2521(c) that a provision of the articles adopted after that date may not provide a threshold less than 25%.

As such, if, as requested by the Proponent, the Company's board of directors took the necessary action to propose an amendment to the Articles to reduce the requisite percentage to call a special shareholder meeting from the current 25% to 10% of the votes entitled to vote at such meeting, the amendment would violate PBCL Section 2521(c).

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[1] We note that as of the date of providing this opinion letter, we are not aware of any judicial decision interpreting PBCL Section 2521(c).

[2] Section 3.03(b) of the Company's bylaws provides the methodology for calculating the requisite percentage.

## CONCLUSION

Based upon and subject to the foregoing and subject to the limitations stated herein, it is our opinion that the Proposal, if implemented, would cause the Company to violate Pennsylvania law.

The foregoing opinion is limited to the laws of the Commonwealth of Pennsylvania. We have not considered and express no opinion on the laws of any other state or jurisdiction, including federal laws regulating securities or any other federal laws, or the rules and regulations of stock exchanges or any other regulatory body.

The foregoing opinion is rendered solely for your benefit in connection with the matters addressed herein. We understand that you may furnish a copy of this opinion letter to the Securities and Exchange Commission and to the Proponent in connection with the matters addressed herein, and we consent to your doing so. Except as stated in this paragraph, this opinion letter may not be furnished or quoted to, nor may the foregoing opinion be relied upon by, any other person or entity for any purpose without our prior written consent.

Very truly yours,

Faegre Drinker Biddle & Reath LLP

Faegre Drinker Biddle & Reath LLP

**EXHIBIT H – PPL'S ARTICLES**

Exhibit 3(i)

# AMENDED AND RESTATED ARTICLES OF INCORPORATION OF PPL CORPORATION

**Article I.**

The name of the Corporation is PPL Corporation.

**Article II.**

The address of the registered office of the Corporation in this Commonwealth is Two North Ninth Street, Allentown, Lehigh County, Pennsylvania 18101-1179.

**Article III.**

The Corporation is incorporated under the provisions of the Business Corporation Law of 1988.

**Article IV.**

The aggregate number of shares which the Corporation shall have the authority to issue is 1,570,000,000 shares, divided into 10,000,000 shares of Preferred Stock, par value $.01 per share, and 1,560,000,000 shares of Common Stock, par value $.01 per share.

**Article V.**

The designations, preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class shall be as follows:

## DIVISION A-PREFERRED STOCK

SECTION 1. *General*. To the extent permitted by these Amended and Restated Articles of Incorporation, the Board of Directors, by majority vote of a quorum, shall have the authority to issue shares of Preferred Stock from time to time in one or more classes or series, and to fix by resolution, at the time of issuance of each of such class or series, the distinctive designations, terms, relative rights, privileges, qualifications, limitations, options, conversion rights, preferences, and voting powers, and such prohibitions, restrictions and qualifications of voting or other rights and powers thereof except as they are fixed and determined in this Article V. The dividend rate or rates, dividend payment dates or other terms of a class or series of Preferred Stock may vary from time to time dependent upon facts ascertainable outside of these Amended and Restated Articles of Incorporation if the manner in which the facts will operate to fix or change such terms is set forth in the express terms of the class or series or upon terms incorporated by reference to an existing agreement between the Corporation and one or more other parties or to another document of independent significance or otherwise to the extent permitted by the Business Corporation Law of 1988.

SECTION 2. *Dividends*. The holders of shares of each class or series of Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any funds legally available for the purpose under 15 Pa.C.S. § 1551 (relating to distributions to

shareholders) or any superseding provision of law subject to any additional limitations in the express terms of the class or series, cash dividends at the rate or rates and on the terms which shall have been fixed by or pursuant to the authority of the Board of Directors with respect to such class or series and no more, payable at such time or times as may be fixed by or pursuant to the authority of the Board of Directors. If and to the extent provided by the express terms of any class or series of Preferred Stock, the holders of the class or series shall be entitled to receive such other dividends as may be declared by the Board of Directors.

SECTION 3. *Liquidation of the Corporation*. In the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock shall be entitled to receive from the assets of the Corporation (whether capital or surplus), an amount per share, prior to the payment to the holders of shares of Common Stock or of any other class of stock of the Corporation ranking as to liquidation subordinate to the Preferred Stock, which shall have been fixed and determined by the Board of Directors with respect thereto.

For the purposes of this section, the terms "involuntary liquidation, dissolution or winding up" shall include, without being limited to, a liquidation, dissolution or winding up of the Corporation resulting in the distribution of all of the net proceeds of a sale, lease or conveyance of all or substantially all of the property or business of the Corporation to any governmental body including, without limitation, any municipal Corporation or political subdivision or authority.

SECTION 4. *Conversion Privileges*. In the event any class or series of the Preferred Stock is issued with the privilege of conversion, such stock may be converted, at the option of the record holder thereof, at any time or from time to time, as determined by the Board of Directors, in the manner and upon the terms and conditions stated in the resolution establishing and designating the class or series and fixing and determining the relative rights and preferences thereof.

SECTION 5. *Redemption*. The Corporation, at its option to be exercised by its Board of Directors, may redeem the whole or any part of the Preferred Stock or of any class or series thereof at such time or times as may be fixed by the Board, at the applicable price for each share, and upon the terms and conditions which shall have been fixed and determined by the Board with respect thereto.

SECTION 6. *Voting Rights*. Each holder of record of shares of Preferred Stock shall have full, limited, multiple, fractional, conditional or no voting rights as shall be stated in the resolution or resolutions of the Board of Directors providing for the issue of such shares. Unless provided in such resolution or resolutions, no holder of shares of Preferred Stock shall have cumulative voting rights.

## DIVISION B-COMMON STOCK

SECTION 1. *Dividends and Shares in Distribution on Common Stock.* Subject to the rights of the holders of the Preferred Stock and subordinate thereto, the Common Stock alone shall receive all further dividends and shares upon liquidation, dissolution, winding up or distribution.

SECTION 2. *Voting Rights*. At any meeting of the shareholders, each holder of Common Stock shall be entitled to one vote per share.

**Article VI.**

The shareholders of the Corporation shall not have the right to cumulate their votes for the election of directors of the Corporation.

**Article VII.**

The following provisions of the Business Corporation Law of 1988 shall not be applicable to the Corporation: 15 Pa.C.S. § 2538 (relating to approval of transactions with interested shareholders) and 15 Pa.C.S. Subchapter 25G (relating to control-share acquisitions).

**Article VIII.**

Directors shall be elected as follows:

SECTION 1. *Uncontested Elections*. In an election of directors that is not a contested election:

(a) each share of a class or group of classes entitled to vote in an election of Directors shall be entitled to vote for or against each candidate for election by the class or group of classes; and
(b) to be elected, a candidate must receive the affirmative vote of a majority of the votes cast with respect to the election of that candidate.

SECTION 2. *Contested Elections*. In a contested election of directors, the candidates receiving the highest number of votes from each class or group of classes entitled to elect directors separately, up to the number of directors to be elected by the class or group of classes, shall be elected.

SECTION 3. *Definition*. For purposes of this Article VIII, a "contested election" is an election of directors in which there are more candidates for election by the class or group of classes than the number of directors to be elected by the class or group of classes and one or more of the candidates has been properly proposed by the shareholders. The determination of the number of candidates for purposes of this subsection shall be made as of:

(a) the expiration of the time fixed by these Amended and Restated Articles of Incorporation or the bylaws for advance notice by a shareholder of an intention to nominate directors; or
(b) absent such a provision, at a time publicly announced by the Board of Directors which is not more than 14 days before notice is given of the meeting at which the election is to occur.

**Article IX.**

*Amendment of Articles*. These Amended and Restated Articles of Incorporation may be amended in the manner from time to time prescribed by statute and all rights conferred upon shareholders herein are granted subject to this reservation.

**Article X.**

*Amendment of Bylaws*. Except as otherwise provided in the express terms of any class or series of Preferred Stock, the bylaws may be amended or repealed, or new bylaws may be adopted, either (i) by vote of the shareholders at a duly organized annual or special meeting of shareholders, or (ii) with respect to those matters that are not by statute committed expressly to the shareholders and regardless of whether the shareholders have previously adopted or approved the bylaw being amended or repealed, by vote of a majority of the board of directors of the Corporation in office at any regular or special meeting of directors.

**Article XI.**

*Uncertificated Shares*. Any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except as required by applicable law, including that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required by applicable law to be set forth or stated on certificates. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

**Article XII.**

*Calling Special Meetings*. A special meeting of shareholders may be called at any time by shareholders entitled to cast at least 25% of the votes that all voting shareholders, voting as a single class, are entitled to cast at the particular special meeting. The procedure to be followed by shareholders in calling a special meeting and the methodology for determining the percentage of votes entitled to be cast by the shareholders seeking to call a special meeting (including without limitation any minimum holding periods or other limitations or conditions) shall be as set forth in the Corporation's bylaws. Section 1756(b)(1) of the Pennsylvania Business Corporation Law shall not apply to the election of a director at a special meeting called by shareholders.