PACIFIC GAS & ELECTRIC Co
Form PRE 14A
April 26, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement
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Definitive Proxy Statement
Definitive Additional Materials
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PG&E Corporation

Pacific Gas and Electric Company

Joint Notice of 2019 Annual Meetings
Joint Proxy Statement

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION – DATED APRIL 26, 2019

[ ], [ ], 2019

[ ] [a.m.] / [p.m.], Pacific Time

PG&E Corporation and Pacific Gas and Electric Company Headquarters
77 Beale Street, San Francisco, California

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION – DATED APRIL 26, 2019

PG&E Corporation

Pacific Gas and Electric Company

[ ], 2019

Dear Fellow Shareholders:

For PG&E Corporation and Pacific Gas and Electric Company, the past two years have been extraordinarily challenging, more so than any other time in our history. The devastating Northern California wildfires will stand as watershed moments for fire victims, our customers, our employees, our owners, and California.

California's energy providers, including us, are contending with a host of environmental, demographic, regulatory, legal, and financial factors that are shaping our business. Against this backdrop, and faced with a complex legal and financial situation as a result of the 2018 Camp fire and 2017 Northern California wildfires, the companies earlier this year filed to reorganize under Chapter 11. The primary goal of this court-supervised process is to fairly address our liabilities so that we can continue to provide safe and reliable service to our customers, while improving our overall operations.

We believe that the reorganization process is in the best interests of all the stakeholders, including wildfire claimants. In addition to the expeditious resolution of wildfire liability claims, the Chapter 11 filings allow for:

- fair treatment of fire victims and other claimholders;
- access to capital necessary to support ongoing operations and enable the companies to continue investing in systems, infrastructure, and critical safety efforts;

- a process to work with regulators and policymakers to determine the most effective way for customers to receive safe natural gas and electric service for the long-term in an operating environment that continues to be transformed by climate change; and

- ultimately, a reorganized enterprise with refreshed management and Board members who are committed to safety and reliability in all aspects of our business.

The tragic events of the past few years have made clear that the energy system status quo is no longer working for California. We have heard the calls for change and are committed to answering them with strong actions that will help us re-earn the trust of all our stakeholders. This starts at the top. We replaced PG&E Corporation's CEO and the vast majority of our Boards of Directors with experienced people with the commitment and expertise necessary to redirect our safety culture and navigate one of the most complex corporate reorganizations ever.

William "Bill" Johnson is joining us as Chief Executive Officer and President of PG&E Corporation. Bill brings substantial safety and operational expertise from his extensive career in the energy industry. With decades of experience at two major utility companies, Mr. Johnson has a deep understanding of managing risk and the responsibility of keeping customers safe.

Most recently, as President and CEO of the Tennessee Valley Authority (TVA), he was responsible for leading the nation's largest publicly owned utility in its mission of providing energy, environmental stewardship and economic development across a seven-state region. During his time at TVA, the organization achieved the best safety records in its 85-year history and has been a perennial top decile safety performer in the utility industry.

Bill also led the retirement of more than half of TVA’s coal generation, resulting in a reduction of TVA’s carbon emissions by 50% over the last decade. He also oversaw TVA’s expansion into utility scale solar in recent years, and pursued the modernization of its hydro assets to increase the amount of energy from that renewable resource.

We believe Mr. Johnson is the right leader at the right time for us. We also significantly revamped our Boards of Directors, as eight of ten incumbent directors resigned, and eleven new directors were appointed in their stead.

As detailed in the attached proxy statement, the new Boards include people who have expertise and experience in all areas necessary for us to navigate the complex challenges before us, and who come to the job committed to work tirelessly to help Pacific Gas and Electric Company be the safest, most reliable operator in the industry.

The management team and the Boards are also committed to working constructively with regulators, policymakers, and other stakeholders in an open and transparent fashion in support of California’s policy goals. We are determined to emerge from Chapter 11 as an enterprise that is positioned to deliver safe and reliable service for customers, create value for shareholders and help meet the challenges of climate change for California.

As always, we value your input and welcome the opportunity to engage with you to listen to your views and address your concerns.

We cordially invite you to attend the companies’ 2019 annual meetings, which will be held concurrently on [ ], [ ], 2019, at [ ] [a.m.] / [p.m.], Pacific Time at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California. Following this letter are a notice of the meetings and our 2019 Joint Proxy Statement containing information about the matters to be considered at the meetings.

Sincerely,

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company

Joint Notice of Annual Meetings of Shareholders of PG&E Corporation and Pacific Gas and Electric Company

[ ], [ ], 2019

[ ] [a.m.] / [p.m.], Pacific Time

PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street
San Francisco, California

To the Shareholders of PG&E Corporation and Pacific Gas and Electric Company:

The annual meetings of shareholders of PG&E Corporation and Pacific Gas and Electric Company will be held concurrently on [ ], [ ], 2019, at [ ] [a.m.] / [p.m.], Pacific Time, at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California, for the purpose of considering the following matters:

For PG&E Corporation and Pacific Gas and Electric Company shareholders:

- To elect the following 14 individuals nominated by the applicable Board of Directors to each serve as director on each Board for the ensuing year:

Richard R. Barrera	Cheryl F. Campbell	Kenneth Liang	Kristine M. Schmidt
Jeffrey L. Bleich	Fred J. Fowler	Dominique Mielle	Alejandro D. Wolff
Nora Mead Brownell	William D. Johnson*	Meridee A. Moore	
Frederick W. Buckman	Michael J. Leffell	Eric D. Mullins	

* In the event the PG&E Corporation shareholders vote against approving the Charter Amendment Proposal (as described below), any votes to elect Mr. Johnson to the PG&E Corporation Board will be disregarded.

- To ratify each Audit Committee's appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2019 for the respective company,

- To provide an advisory vote on each company's executive compensation, and

- To transact any other business that may properly come before the meetings and any adjournments or postponements of the meetings. Any matters raised before the meetings by shareholders must be properly submitted consistent with the respective company's Bylaw requirements and other applicable requirements.

For PG&E Corporation shareholders:

- To approve an amendment to the Restated Articles of Incorporation of PG&E Corporation to increase the maximum number of directors on the PG&E Corporation Board to 15 directors and to increase the minimum number of directors on the PG&E Corporation Board to 8 directors (the "Charter Amendment Proposal"), and

- To act upon proposals submitted by individual PG&E Corporation shareholders and described on pages [ ]-[ ].

Shareholders can go on-line at www.pgecorp.com/investors/financial_reports/ to access electronic copies of this 2019 Joint Proxy Statement and the 2018 Annual Report to Shareholders. Shareholders also may vote their proxies on-line as noted on page [ ] of the Joint Proxy Statement. Specific Internet voting instructions also are included on the shareholder's proxy card.

The Boards of Directors have set the close of business on May 15, 2019 as the record date for determining which shareholders are entitled to receive notice of and to vote at the annual meetings.

You are urged to read the Joint Proxy Statement carefully and, whether or not you plan to attend the meeting, to promptly submit a proxy: (a) by telephone or over the Internet following the easy instructions on the enclosed proxy card or (b) by signing, dating and returning the enclosed proxy card in the postage-paid envelope provided.

YOUR VOTE IS EXTREMELY IMPORTANT.

Even if you plan to attend the annual meetings, please act promptly to vote your shares by completing, signing and dating the proxy card and returning it in the postage-paid envelope provided. You may also vote your shares over the Internet or telephone by following the instructions on the enclosed proxy card.

Please vote soon so that your shares can be represented. Your vote is extremely important no matter how many shares you own. If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
Stockholders may call toll-free: 1 (877) 750-0502
Banks and Brokers may call collect: 1 (212) 750-5833

Dated: [ ], 2019

By Order of the Boards of Directors of
PG&E Corporation and Pacific Gas and Electric Company,

Linda Y.H. Cheng

Vice President, Corporate Governance and Corporate Secretary of
PG&E Corporation and Pacific Gas and Electric Company

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Joint Proxy Statement

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company are soliciting Proxies for use at the companies' 2019 annual meetings of shareholders, including any adjournments or postponements. The 2019 Annual Meetings are scheduled to be held concurrently on [ ], [ ], 2019, at [ ] [a.m.] / [p.m.], Pacific Time, at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California.

In connection with this Proxy solicitation, beginning on or about [ ], 2019, PG&E Corporation and the Utility each mailed or caused to be mailed to its respective shareholders a copy of the Joint Notice, this Proxy Statement, a Proxy Card or Voting Instruction Card, and the 2018 Annual Report. Certain shareholders who hold their shares of PG&E Corporation or Utility stock of record may have already received their copy of the 2018 Annual Report. The materials were sent to anyone who owned shares of common stock of PG&E Corporation and/or shares of preferred stock of the Utility at the close of business on May 15, 2019. This date is the record date set by the Boards to determine which shareholders may vote at and attend the 2019 Annual Meetings.

Your vote is extremely important. Even if you plan to attend the 2019 annual meetings, we request that you act promptly to vote your shares by completing, signing and dating the enclosed Proxy Card and returning it in the enclosed postage-paid envelope, or by voting over the Internet or by telephone by following the instructions provided on the enclosed Proxy Card, Voting Instruction Card, or notice.

Please see pages [ ]-[ ] for additional information regarding admission to the meeting and how to vote your shares.

Defined Terms Used in this Proxy Statement

"2006 LTIP" refers to the PG&E Corporation 2006 Long-Term Incentive Plan.

"2014 LTIP" refers to the PG&E Corporation 2014 Long-Term Incentive Plan.

"2018 Annual Report" refers to the PG&E Corporation and Pacific Gas and Electric Company 2018 Joint Annual Report to Shareholders.

"2019 Annual Meetings" refers to the 2019 annual meetings of shareholders of PG&E Corporation and the Utility, which will be held concurrently on [   ], 2019.

"2019 Proxy Materials" refers to the Joint Notice, this Proxy Statement, the Proxy Card or Voting Instruction Card, and the 2018 Annual Report.

"401(k) Plan" refers to the PG&E Corporation Retirement Savings Plan or the PG&E Corporation Retirement Savings Plan for Union-Represented Employees.

"Bankruptcy Code" refers to the United States Bankruptcy Code.

"Bankruptcy Court" refers to the U.S. Bankruptcy Court for the Northern District of California.

"BlueMountain" refers to Blue Mountain Credit Alternatives Master Fund L.P., together with certain of its affiliates.

"Board" refers to the Board of Directors of either PG&E Corporation or the Utility, as applicable.

"CD&A" refers to the section of the Proxy Statement entitled "Compensation Discussion and Analysis."

"CEO" refers to the position of Chief Executive Officer.

"Chapter 11" *refers to chapter 11 of title 11 of the U.S. Code.*

"Chapter 11 Cases" refers to voluntary petitions for relief under Chapter 11, which were filed by each of PG&E Corporation and the Utility on January 29, 2019, in the Bankruptcy Court.

"Charter Amendment Proposal" refers to the proposal for shareholders to approve an amendment to the Corporation Charter to increase the maximum number of directors on the Corporation Board to 15 directors and to increase the minimum number of directors on the Corporation Board to 8 directors (which the Corporation Board unanimously recommends the shareholders of PG&E Corporation vote FOR).

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"COO" refers to the position of Chief Operating Officer.

"Corporation" refers to PG&E Corporation.

"Corporation Board" refers to the Board of Directors of PG&E Corporation.

"Corporation Charter" refers to the PG&E Corporation Restated Articles of Incorporation.

"CPUC" refers to the California Public Utilities Commission.

"Guidelines" refers to the Corporate Governance Guidelines adopted by the Boards of PG&E Corporation and the Utility.

"Independent Auditor" refers to the independent registered public accounting firm.

"Joint Notice" refers to the Joint Notice of Annual Meetings of Shareholders of PG&E Corporation and Pacific Gas and Electric Company.

"LTIP" refers to the 2006 Long-Term Incentive Plan and/or the 2014 Long-Term Incentive Plan.

"NEO" or ***"Named Executive Officer"*** refers to an officer who is listed in the Summary Compensation Table of this Proxy Statement.

"NYSE" refers to the New York Stock Exchange.

"NYSE American" refers to the NYSE American stock exchange (formerly known as NYSE MKT, LLC and as the American Stock Exchange).

"PEO" refers to an officer or officers who serve as "principal executive officer" of PG&E Corporation or Pacific Gas and Electric Company, as appropriate.

"Proxy" refers to your authorization for another person or persons to vote your shares at the 2019 Annual Meetings, in the manner indicated on the Proxy. Also may refer to the person or persons so authorized (also called proxy holders).

"Proxy Card" refers to your proxy card, on which you may indicate how you would like the named proxy holders to vote your shares at the 2019 Annual Meetings.

"Proxy Statement" refers to this 2019 Joint Proxy Statement for PG&E Corporation and the Utility.

"RSU" refers to a restricted stock unit.

"SEC" refers to the United States Securities and Exchange Commission.

"Section 16 Officer" refers to any "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

"STIP" refers to the Short-Term Incentive Plan.

"TSR" refers to Total Shareholder Return, measured by stock price appreciation and dividends paid, relative to companies in the Performance Comparator Group.

"Utility" refers to Pacific Gas and Electric Company.

"Voting Instruction Card" refers to the form used by beneficial shareholders or participants in a 401(k) Plan to transmit instructions to the nominee or the plan trustee, respectively, on how to vote any shares for which that shareholder or plan participant has voting rights.

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2019 Proxy Statement Summary

This proxy statement summary highlights information to assist you in your review of this Proxy Statement. The summary does not contain all of the information that you should consider, and we encourage you to read the entire Proxy Statement carefully before voting.

Your vote is extremely important. Even if you plan to attend the 2019 Annual Meetings, we request that you act promptly to vote your shares by signing and dating the enclosed Proxy Card and returning it in the enclosed postage-paid envelope, or by voting your shares over the Internet or by telephone by following the instructions provided on the enclosed Proxy Card, Voting Instruction Card, or notice.

2019 Annual Meetings of Shareholders

•**Time and Date**	[ ] [a.m.] / [p.m.] Pacific Time on [ ], [ ], 2019
•**Place**	PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California
•**Record Date**	May 15, 2019
•**Voting**	Shareholders as of the record date are entitled to vote. Each share of PG&E Corporation common stock, Pacific Gas and Electric Company common stock, and Pacific Gas and Electric Company preferred stock is entitled to cast one vote on each of the respective company's director nominees and one vote on each of that company's other proposals.
•**Admission**	All shareholders as of the record date are invited to attend the 2019 Annual Meetings. Shareholders must have acceptable proof of share ownership as of the record date and valid photo identification in order to enter the meeting. Please see the instructions on pages [ ]-[ ].

Meeting Agenda and Voting Recommendations

The following items are expected to be voted on at the 2019 Annual Meetings. **The Boards unanimously recommend that you vote as follows:**

PG&E Corporation

Item	Board's Voting Recommendation	Voting Standard	Page Reference (for more detail)
Election of 14 directors*	**FOR** all nominees	Majority of votes cast	[ ]
Charter Amendment Proposal	**FOR**	Majority of outstanding common stock	[ ]
Ratification of Deloitte & Touche LLP as Independent Auditor for 2019	**FOR**	Majority of votes cast	[ ]
Advisory vote to approve executive compensation	**FOR**	Majority of votes cast	[ ]
Shareholder proposal: Corporation structure reform	**AGAINST**	Majority of votes cast	[ ]
Shareholder proposal: Improve shareholder proxy access	**AGAINST**	Majority of votes cast	[ ]

* In the event that the PG&E Corporation shareholders vote against approving the Charter Amendment Proposal (Item No. 2), any votes to elect Mr. Johnson to the Corporation Board will be disregarded.

Pacific Gas and Electric Company

Item	Board's Voting Recommendation	Voting Standard	Page Reference (for more detail)
Election of 14 directors	**FOR** all nominees	Majority of votes cast	[ ]
Ratification of Deloitte & Touche LLP as Independent Auditor for 2019	**FOR**	Majority of votes cast	[ ]
Advisory vote to approve executive compensation	**FOR**	Majority of votes cast	[ ]

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Director Nominees

We are asking shareholders of each company to vote “FOR” each of the director nominees listed below (it being understood that if the Charter Amendment Proposal is not approved, shareholders that vote on the Corporation’s Proxy Card will be deemed to vote for each of the director nominees to the Corporation Board other than Mr. Johnson and any votes to elect Mr. Johnson will be disregarded). As a result of the PG&E Corporation Board’s previously announced board refreshment process, in April 2019, eleven new directors (Richard R. Barrera, Jeffrey L. Bleich, Nora Mead Brownell, Frederick W. Buckman, Cheryl F. Campbell, Michael J. Leffell, Kenneth Liang, Dominique Mielle, Meridee A. Moore, Kristine M. Schmidt, and Alejandro D. Wolff) joined two continuing directors (Fred J. Fowler and Eric D. Mullins) on the Boards of PG&E Corporation and the Utility, with eight of ten then-incumbent directors stepping down. The then-incumbent directors of each Board, including the continuing directors, approved the appointments of the new directors. Mr. Johnson is expected to join the Board of Pacific Gas and Electric Company on May 2, 2019 concurrently with stepping into his role as CEO and President of PG&E Corporation.

In addition, the Boards of PG&E Corporation and Pacific Gas and Electric Company have nominated, and recommend that shareholders vote in favor of, the following candidates for election to the Boards at the 2019 annual meetings of shareholders:

Richard R. Barrera	Cheryl F. Campbell	Kenneth Liang	Kristine M. Schmidt
Jeffrey L. Bleich	Fred J. Fowler	Dominique Mielle	Alejandro D. Wolff
Nora Mead Brownell	William D. Johnson	Meridee A. Moore	
Frederick W. Buckman	Michael J. Leffell	Eric D. Mullins	

As noted above, there are currently 13 directors on the Board of PG&E Corporation, which is the maximum number of directors currently permitted under the Corporation Charter. In order to allow for the addition of more diverse perspectives and to enhance the collective effectiveness of the PG&E Corporation Board, shareholders are being asked to vote on a proposal to amend the Corporation Charter to increase the maximum size of the PG&E Corporation Board to 15 members (and to concurrently increase the minimum size of the PG&E Corporation Board to 8 members, as required by state law). **The Board of PG&E Corporation unanimously recommends that shareholders vote FOR each of PG&E Corporation’s director nominees and FOR the proposal to amend the Corporation Charter to increase the maximum size of the PG&E Corporation Board to 15 members.** Under each company’s Corporate Governance Guidelines, each member of each Board is elected annually and serves a one-year term.

We are confident these slates of nominees, including PG&E Corporation’s new CEO and President, Bill Johnson, will guide the companies through the Chapter 11 process while balancing the interests of all stakeholders.

In 2019, the elections of directors for the Corporation and for Pacific Gas and Electric Company are not contested, and therefore, directors of the Corporation and of Pacific Gas and Electric Company will be elected by a majority of the votes represented and voting at the 2019 Annual Meetings.

Below is summary information about each director nominee recommended by the Corporation and Utility Boards. See pages [ ] to [ ] for complete biographical information for each of the nominees. The Boards recommend that you vote FOR each of their nominees.

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Nominee	Age	Director Since	Principal Occupation	Current Committee Memberships	Other Current Public Company Boards
Richard R. Barrera	47	April 2019	Founder, CEO and Portfolio Manager, Roystone Capital Management LP	• Audit • Executive • Finance (Chair)	
Jeffrey L. Bleich	58	April 2019	Attorney, former Special Counsel to the President, U.S. Ambassador, and California State Bar President	• Compliance and Public Policy • Safety and Nuclear Oversight	
Nora Mead Brownell	71	April 2019	Founder, Espy Energy Solutions LLC	• Safety and Nuclear Oversight	
Frederick W. Buckman	73	April 2019	Retired President and CEO of Powerlink Transmission Company	• [ ]	
Cheryl F. Campbell	59	April 2019	Former Senior Vice President, Gas, Xcel Energy, Inc.	• Compliance and Public Policy • Executive • Finance • Safety and Nuclear Oversight (Chair)	
Fred J. Fowler	73	March 2012	Retired Chairman of the Board, Spectra Energy Partners, LP	• Finance • Safety and Nuclear Oversight	• DCP Midstream Partners, LP • Encana Corporation
William D. Johnson	65	N/A*	CEO and President of PG&E Corporation	N/A*	
Michael J. Leffell	60	April 2019	Founder, Portage Partners	• Compliance and Public Policy • Executive • Nominating and Governance (Chair)	
Kenneth Liang	57	April 2019	Former senior Managing Director and Head of Restructurings, Oaktree Capital Management	• Compensation • Finance	
Dominique Mielle	50	April 2019	Former Partner and Senior Portfolio Manager, Canyon Partners LLC	• Audit (Chair) • Executive	• Anworth Mortgage Asset Corporation • Studio City International

				• Compensation (Chair)	
Meridee A. Moore	61	April 2019	Senior Managing Member, Watershed Asset Management LLC	• Executive • Finance • Nominating and Governance	• BlackRock Capital Investment Corporation
Eric D. Mullins	57	September 2016	Managing Director and Co-CEO, Lime Rock Resources, L.P.	• Audit • Safety and Nuclear Oversight	• Anadarko Petroleum Company
Kristine M. Schmidt	55	April 2019	Retired Owner and Consultant of Swan Consulting Services, LLC; former President of ITC Great Plains; former Chair of the Western Energy Imbalance Market Governing Body	• Compliance and Public Policy (Chair) • Executive • Nominating and Governance • Safety and Nuclear Oversight	
Alejandro D. Wolff	62	April 2019	Former U.S. Ambassador to the Republic of Chile; former U.S. Ambassador to the United Nations	• Compensation • Compliance and Public Policy	• Albemarle Corporation • Versum Materials

* indicates that the applicable nominee is not a director of the Corporation or the Utility as of the date of this preliminary Proxy Statement, but is expected to become a member of the Board of the Utility on May 2, 2019.

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Corporate Governance Highlights

- Significant board refreshment process to provide fresh perspectives and additional expertise to help address the changing nature of the companies' business and the serious challenges they face now and in the future
- Board refreshment process resulted in new PG&E Corporation CEO and eleven new directors who were appointed to the Corporation and Utility Boards in April 2019 to join two continuing directors, with eight of ten incumbent directors resigning
- All non-executive directors are currently independent (Mr. Johnson expected to be the only non-independent director)
- Independent key Board committees (excluding the Executive Committees)
- Independent non-executive Chair at both companies since December 2017 (independent lead director if the Chair is not independent)
- Executive sessions of independent directors at regular Board meetings
- Annual evaluation of CEO and President performance by independent directors
- Annual Board and committee self-evaluations
- Annual election of directors
- Majority vote for directors, with mandatory resignation policy and plurality carve-out for contested elections
- One share one vote
- No supermajority vote requirements
- Confidential voting policy for uncontested elections
- Director overboarding policy requiring Board approval for service on more than three other public company boards; directors who are principal executive officers of public companies must receive Board approval for service on more than two other public company boards
- Policy to consider diversity in the director nomination process
- Succession planning for the Boards of Directors, the CEO, and senior management
- Executive and director stock ownership guidelines
- Board oversight of risk management, and proxy statement disclosure on the Boards' roles and responsibilities with respect to risk management
- Board oversight of corporate sustainability, and disclosure on sustainability programs and performance
- Board oversight and transparent public disclosure of political activities
- Board oversight of compliance and ethics; the Chief Ethics and Compliance Officer has direct access to the Chair of the Compliance and Public Policy Committee of the PG&E Corporation Board
- Board oversight of enterprise-wide safety matters; the Chief Safety Officer reports to the Safety and Nuclear Oversight Committees of the Boards
- Policy limiting obtaining certain types of services from the Independent Auditor
- No poison pill; shareholder approval required for adoption
- Proxy access bylaw provisions that are consistent with prevailing market standards
- Regular investor outreach, including opportunities for dialogue with the Board's independent leadership when applicable

Vote to Approve Charter Amendment Proposal

We are asking shareholders of the Corporation to approve a resolution to amend the Corporation Charter to increase the maximum size of the Corporation Board to 15 members (and to concurrently increase the minimum size of the Corporation Board to 8 members), effective at the 2019 annual meeting. The Corporation Board recommends a "FOR" vote because it believes that increasing the size of the Corporation Board is in the best interest of the Corporation and its shareholders, will allow for more diverse perspectives on the Board and will enhance the overall effectiveness of the Corporation Board. The increase of the size of the Corporation Board will allow all 14 individuals nominated by the Corporation Board to serve as directors on the Corporation Board following the 2019 annual meeting with one additional vacant seat to be filled in the future as appropriate. In the event that the PG&E Corporation shareholders do not approve the Charter Amendment Proposal (Item No. 2), any votes to elect Mr. Johnson to the Corporation Board will be disregarded.

Auditors

As a matter of good corporate governance, we are asking shareholders of each company to ratify the selection of Deloitte & Touche LLP ("Deloitte & Touche") as that company's Independent Auditor for 2019. We provide information on fees paid to Deloitte & Touche beginning on page [ ]. Each Board recommends a vote "FOR" the proposal to ratify the appointment of Deloitte & Touche.

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Advisory Vote to Approve Executive Compensation

We are asking shareholders of each company to approve on an advisory basis the compensation paid for 2018 to that company's executive officers named in the Summary Compensation Table of this Proxy Statement ("say-on-pay" vote). Each Board recommends a "FOR" vote because it believes that the applicable company's compensation policies and practices were effective in achieving the companies' goals of rewarding sustained financial and operating performance and excellence, aligning the executives' long-term interests with those of our shareholders, and motivating executives to remain with the companies for long and productive careers.

Shareholder Proposals

The proxy materials contain two proposals submitted pursuant to SEC Rule 14a-8 by individual PG&E Corporation shareholders pertaining to (1) Corporation structure reform and (2) improvement of shareholder proxy access. These proposals are being submitted to PG&E Corporation shareholders only. The PG&E Corporation Board recommends that the Corporation's shareholders vote "AGAINST" these proposals for the reasons indicated beginning on page [ ].

General Information About the 2019 Annual Meetings and Voting

Answers to many frequently asked questions about the 2019 Annual Meetings and voting can be found in the Q&A section beginning on page [ ].

2020 Annual Meetings

• Deadline for submission of shareholder proposals for inclusion in the proxy statement:	[ ], 2020
• Period for submission of proxy access director nominees for inclusion in the proxy statement (PG&E Corporation only):	[ ], 2019 – [ ], 2020
• Period for submission of advance written notice of other business and nominations for director:	[ ], 2020 – [ ], 2020

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General Information About the 2019 Annual Meetings and Voting

How do I vote?

If your shares are registered to you directly, there are three ways to submit your Proxy:

- *Over the Internet*. You may submit your Proxy and vote your shares over the Internet by following the instructions on the Proxy Card.
- *By telephone*. If you received your proxy materials by mail, you may submit your Proxy and vote your shares by calling the toll-free number on the Proxy Card.
- *By mail*. If you received your proxy materials by mail, you may submit your Proxy and vote your shares by completing, signing, and dating the Proxy Card and mailing it in the postage-paid envelope provided.

You can also attend and vote at the 2019 Annual Meetings, however we encourage you to vote your proxy over the Internet, telephone, or mail prior to the meeting, even if you plan to attend in person. (See meeting location information on the back cover of this Proxy Statement).

If your shares are not registered to you directly but are held indirectly through a broker, bank, trustee, nominee, or other third party ("broker"), follow the instructions provided by your broker to vote your shares. If you do not submit voting instructions to your broker, the broker will not be permitted to vote your shares on any proposal, unless it constitutes a "routine" item and your broker is a member of the NYSE and permitted by NYSE rules to vote on "routine" items. The election of directors, the say-on-pay vote, the Charter Amendment Proposal and shareholder proposals, for example, are "non-routine" items.

If you are a 401(k) Plan participant, specific instructions for voting are noted on the Voting Instruction Card.

Can I change my vote?

If your shares are registered to you directly, you can change your vote or revoke your Proxy any time before it is exercised by doing one of the following before the applicable deadline: (1) returning a signed Proxy Card with a later date, (2) entering a new vote over the Internet or by telephone, (3) notifying the Corporate Secretary of PG&E Corporation or the Utility, as appropriate, in writing, at 77 Beale Street, P.O. Box 770000, San Francisco, California

94177 or (4) submitting a written ballot at the 2019 Annual Meetings. Your attendance at the 2019 Annual Meetings will not automatically revoke your Proxy unless you vote again at the 2019 Annual Meetings.

If you are a participant in a 401(k) Plan, you may change your vote at any time prior to [ ] [a.m.] / [p.m.], Eastern time, on [ ], [ ], 2019. The last vote that the 401(k) Plan trustee receives from you within this timeframe will be the vote that is counted. Participants in a 401(k) Plan are not eligible to vote in person at the 2019 Annual Meetings.

If your shares otherwise are not registered to you directly but are registered in the name of your nominee (such as a broker, bank, trustee, or other third party), follow the instructions provided by your nominee to change your vote or revoke your voting instructions.

What is the voting deadline?

If you hold your shares directly and submit your Proxy over the Internet or by telephone, your vote must be received by [ ] [a.m.] / [p.m.], Eastern time, on [ ], [ ], 2019. These Internet and telephone voting procedures comply with California law. If you submit your Proxy by mail, your vote must be received by [ ] [a.m.] / [p.m.], Pacific time, on [ ], [ ], 2019.

If you are a participant in a 401(k) Plan, your voting instructions must be received by [ ] [a.m.] / [p.m.], Eastern time, on [ ], [ ], 2019, for the 401(k) Plan trustee to vote your shares.

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If your shares otherwise are not registered to you directly but are registered in the name of your nominee (such as a broker, bank, trustee, or other third party), please consult information provided by the nominee.

Have other candidates been nominated for election at the 2019 Annual Meetings in opposition to PG&E Corporation Board's nominees?

As of the date of this preliminary Proxy Statement, no other candidates have been nominated for election at the 2019 Annual Meetings in opposition to the Corporation Board nominees. Previously, BlueMountain had provided notice of its intent to nominate a slate of 13 nominees for election to the Corporation Board at the 2019 annual meeting in opposition to the Corporation Board's recommended nominees. In connection with a settlement agreement between the Corporation and BlueMountain, BlueMountain has withdrawn all of its nominees. For more information regarding the settlement agreement with BlueMountain please refer to page [ ].

What am I voting on, and what are each Board's voting recommendations?

PG&E Corporation shareholders will be voting on the following items and **the Board of the Corporation unanimously recommends that you vote as follows:**

Item No.	**Description**	**Board's Voting Recommendation**
1	Election of 14 directors*	FOR all nominees
2	Charter Amendment Proposal*	FOR this proposal
3	Ratification of Deloitte & Touche LLP as Independent Auditor for 2019	FOR this proposal
4	Advisory vote to approve executive compensation	FOR this proposal
5	Shareholder proposal: Corporation Structure Reform	AGAINST this proposal
6	Shareholder proposal: Amendment of proxy access bylaw provisions	AGAINST this proposal

* In the event that the PG&E Corporation shareholders vote against approving Item No. 2 (Charter Amendment Proposal), any votes to elect Mr. Johnson to the Corporation Board will be disregarded.

The Utility's shareholders will be voting on the following items and **the Board of the Utility unanimously recommends that you vote as follows**:

Item No.*	**Description**	**Board's Voting Recommendation**
1	Election of 14 directors	FOR all nominees

3	Ratification of Deloitte & Touche LLP as Independent Auditor for 2019	FOR this proposal
4	Advisory vote to approve executive compensation	FOR this proposal

*There is no Item No. 2 proposal for the Utility.

What vote is required to approve each item?

A majority voting standard applies to the election of each director nominee and to the approval of Item Nos. 3, 4, 5, and 6. Under a majority voting standard, approval occurs if the shares voted "for" a director nominee or other item exceed the number of shares voted "against" that nominee or item. In addition, the shares voting affirmatively must equal at least a majority of the quorum that is required to conduct business at each meeting. This means that the shares voting affirmatively must be greater than 25 percent of the outstanding shares entitled to vote.

The approval of Item No. 2 (Charter Amendment Proposal) with respect to the Corporation requires the vote of a majority of the Corporation's outstanding shares of common stock as of the record date. In the event that the shareholders of the Corporation do not approve the Charter Amendment Proposal, then any votes to elect Mr. Johnson will be disregarded.

In determining whether a majority of the shares represented and voting have elected a director nominee or approved a proposal, abstentions and any broker non-votes (see the definition below under "What is a broker non-vote?") will not be considered.

For all matters subject to a majority voting standard (i.e., all matters other than the Charter Amendment Proposal), abstentions and broker non-votes that occur with respect to the election of a director nominee or a proposal could prevent the election of a nominee or the approval of a proposal if the number of shares voting affirmatively does not constitute a majority of the required quorum. For the Charter Amendment Proposal, abstentions and any broker non-votes will have the same effect as a vote against this proposal and could prevent the approval of this proposal if the number of shares voting affirmatively does not constitute a majority of the Corporation's outstanding shares of common stock as of the record date.

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Abstentions and broker non-votes will be treated as present for the purpose of determining whether a quorum is present at each meeting.

Where shareholders are being asked for an advisory vote or for ratification (Item Nos. 3, 4, 5, and 6), any voting results with respect to these items will be non-binding on the affected company but will be considered by that company's Board.

What is a broker non-vote?

If you hold your shares indirectly through your broker, then your broker is the registered holder of your shares and submits the Proxy to vote your shares. You are the beneficial owner of the shares, and typically you will be asked to provide your broker with instructions as to how you want your shares to be voted. Under the rules of the NYSE, if you fail to provide your broker with voting instructions, your broker can use its discretion to vote your shares on "routine" matters, like the ratification of the appointment of the Independent Auditor. However, your broker may not use its discretion to vote your shares on "non-routine" matters, like director elections, advisory votes on executive compensation, the Charter Amendment Proposal and the shareholder proposals. When a broker votes your shares on routine matters but is unable to vote your shares on other non-routine matters because you have failed to provide instructions on how to vote any non-routine matters, a "broker non-vote" occurs with respect to these other non-routine matters.

What shares am I entitled to vote?

If you are a PG&E Corporation registered shareholder, you are entitled to vote all the shares of PG&E Corporation common stock that you own (or for which you have been given the right to provide instructions as to how such shares should be voted) as of the close of business on May 15, 2019 (the "record date"). If you are a Utility registered shareholder, you are entitled to vote all the shares of Utility preferred stock that you own (or for which you have been given the right to provide instructions as to how such shares should be voted) as of the record date. This includes shares held directly in your name as the shareholder of record and shares held for you as the beneficial owner through a broker or other nominee.

If you are a registered holder of both PG&E Corporation common stock and Utility preferred stock, you are entitled to vote separately on each company's proposals.

We encourage shareholders to submit proxies in advance of the 2019 Annual Meetings over the Internet, by telephone, or by mail. You can ensure that your shares are voted at the 2019 Annual Meetings by following the instructions on the enclosed Proxy Card and submitting your votes over the Internet or by telephone, or by completing, signing, dating and returning the enclosed Proxy Card.

How many copies of the 2019 Proxy Materials will I receive?

Registered Holders and 401(k) Plan Participants

You will receive one copy of the 2019 Proxy Materials for each account.

Beneficial Owners

If you receive your proxy materials through Broadridge Investor Communication Solutions (“Broadridge”), and there are multiple beneficial owners at the same address, you may receive fewer copies of the 2019 Proxy Materials than the number of beneficial owners at that address. SEC rules permit Broadridge to deliver only one copy of the 2019 Proxy Materials to multiple beneficial owners sharing an address, unless the applicable company receives contrary instructions from any beneficial owner at that address.

If you receive your proxy materials through Broadridge and (1) you currently receive only one copy of the 2019 Proxy Materials at a shared address but you wish to receive an additional copy of the 2019 Proxy Materials or of any future notices or proxy materials, or (2) you share an address with other beneficial owners who also receive their separate proxy materials through Broadridge and you wish to request delivery of a single copy of the proxy materials to the shared address in the future, please contact the office of the Corporate Secretary of PG&E Corporation or Pacific Gas and Electric Company, as appropriate, at 77 Beale Street, P.O. Box 770000, San Francisco, California 94177, or call 1-415-973-8200. We will promptly honor your request.

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What does it mean if I receive more than one Proxy Card on or about the same time?

It means that your PG&E Corporation common shares or Utility preferred shares are registered differently or are in more than one account. In order to vote all of your shares, please sign and return each Proxy Card or, if you vote over the Internet or by telephone, vote once for each Proxy Card you receive.

Are proxy materials for the 2019 Annual Meetings available online?

Yes. You can go online at *investor.pgecorp.com/financials/annual-reports-and-proxy-statements* to access the 2019 Proxy Materials.

What if I submit my Proxy but I do not specify how I want my shares voted?

For PG&E Corporation's registered shareholders, the Corporation's proxy holders will vote your shares in accordance with the Corporation Board's recommendations, which are as follows: "For" each of the Corporation Board's nominees for director, "For" Item Nos. 2, 3, and 4 and "Against" Item Nos. 5 and 6. If the Charter Amendment Proposal (Item No. 2) is not approved, shareholders that vote on the Corporation's Proxy Card will be deemed to vote for each of the nominees other than Mr. Johnson and any votes to elect Mr. Johnson will be disregarded. For the Utility's registered shareholders, the Utility's proxy holders will vote your shares in accordance with the Utility Board's recommendations, which are as follows: "For" each of the nominees for director and "For" Item Nos. 3 and 4 (there is no Item No. 2 proposal for the Utility).

What if I do not submit my Proxy or Voting Instruction Card?

If you are a registered shareholder, your shares will not be voted if you do not submit your Proxy or vote in person at the 2019 Annual Meetings. If you are a participant in a 401(k) Plan, your shares will not be voted if you do not submit your Voting Instruction Card. If you hold your shares through a broker (or other intermediary), your broker may vote your shares in the broker's discretion on "routine" matters, as discussed above under "What is a broker non-vote?".

Your vote is extremely important. Even if you plan to attend the 2019 Annual Meetings, we request that you act promptly to vote your shares by completing, signing and dating the enclosed Proxy Card and returning it in the enclosed postage-paid envelope, or by voting over the Internet or by telephone by following the instructions provided on the enclosed Proxy Card, Voting Instruction Card, or notice.

Is my vote confidential?

PG&E Corporation and the Utility each have adopted a confidential voting policy under which shareholder votes are revealed only to a non-employee proxy tabulator or an independent inspector of election, except (1) as necessary to meet legal requirements, (2) in a dispute regarding authenticity of proxies and ballots, (3) in the event of a proxy contest if the other party does not agree to comply with the confidential voting policy, and (4) where disclosure may be necessary for either company to assert or defend claims. The policy allows the companies to engage shareholders, and to directly or indirectly (1) accept voting information that is voluntarily provided by shareholders, or (2) request and obtain final shareholder voting information that is or will be publicly disclosed pursuant to law, regulation, or similar requirements.

Who will count the votes?

[ ] will act as the proxy tabulators and the inspectors of election for the 2019 Annual Meetings. [ ] is independent of PG&E Corporation and the Utility and their respective directors, officers, and employees. Corporate Election Services will be the voting instruction tabulator for the 401(k) Plan.

How many shares are entitled to vote at the 2019 Annual Meetings?

As of the record date, there were [ ] shares of PG&E Corporation common stock, without par value, outstanding and entitled to vote. Each share is entitled to one vote.

As of the record date, there were [ ] shares of Utility first preferred stock, $25 par value, and [ ] shares of Utility common stock, $5 par value, outstanding and entitled to vote. Each share is entitled to one vote.

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May I attend the 2019 Annual Meetings?

Only PG&E Corporation and Utility shareholders who held shares as of the record date (May 15, 2019), or their duly appointed legal proxies, may attend the 2019 Annual Meetings. If you plan to attend the meeting, you must:

- Present a government-issued photo identification at the 2019 Annual Meetings, such as a driver's license, state-issued ID card, or passport, and
- Establish proof of ownership using one of the following permitted methods:

Registered Shareholders	Any <u>**one**</u> of the following: • **Registered Shareholder List:** Your name will be verified against our list of registered shareholders as of the record date; or • **Proxy Card:** You may present the Proxy Card at Shareholder Registration that you received in the mail (in case you voted by Internet or telephone, or intend to vote your shares at the Annual Meeting)
Beneficial Owners through a 401(k) Plan	Any <u>**one**</u> of the following: • **Shareholder List:** Your name will be verified against PG&E Corporation's list of shareholders provided by the 401(k) Plan trustee (Fidelity) as of the record date; or • **Voting Instruction Card:** You may present the top portion of the Voting Instruction Card that you received in the mail showing your name, address, and valid control number at Shareholder Registration.
Other Beneficial Owners	Any <u>**one**</u> of the following: • **Account Statement:** You may present a copy of your March 2019 brokerage or bank account statement showing that you owned PG&E Corporation or Utility stock as of the record date; • **Voting Instruction Card:** You may present the Voting Instruction Card that you received in the mail showing your name, address, and valid control number; • **Legal Proxy:** You may present a valid legal proxy from your broker, bank, trustee, or nominee holding your shares, containing your name, address, and valid control number; or • **Letter from Intermediary:** You may present a letter from the broker, bank, trustee, or nominee holding your shares, confirming that you owned PG&E Corporation or Utility stock as of the record date.

If you do not have a valid photo identification or proof of your stock ownership, you will not be admitted to the 2019 Annual Meetings. Please note that the following items will not be allowed in the meeting: cameras, video or tape recorders, and other electronic recording devices, or any other items that might be disruptive or pose a safety or security risk. For your protection, all purses, briefcases, backpacks, and packages will be subject to inspection, and you may be required to check these items. Photography and video/audio recording are not permitted at the 2019 Annual Meetings. Please arrive early enough to allow yourself adequate time to clear security.

Even if you plan to attend the 2019 Annual Meetings, we request that you act promptly to vote your shares by voting over the Internet or by telephone by following the instructions provided on the enclosed Proxy Card, Voting Instruction Card, or notice or by completing, signing and dating the enclosed Proxy Card and returning it in the enclosed postage-paid envelope.

May I bring a guest to the 2019 Annual Meetings?

Each registered shareholder or beneficial owner may bring either a spouse or a domestic partner as his or her guest to the 2019 Annual Meetings.

Whom can I contact if I have questions or need assistance in voting my shares, or if I need additional copies of the 2019 Proxy Materials?

Please contact Innisfree, the firm assisting us in the solicitation of proxies, toll-free at 877-750-0502. Banks and brokers may call collect at 212-750-5833.

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How will the 2019 Annual Meetings be conducted?

The independent non-executive Chair of the Board of PG&E Corporation, or her designee, will preside over the 2019 Annual Meetings and will make any and all determinations regarding the conduct of the meetings.

All items of business described in Item Nos. 1-6 in this Proxy Statement will be deemed presented at the 2019 Annual Meetings.

How much will this Proxy solicitation cost?

All costs of soliciting proxies on behalf of PG&E Corporation and the Utility will be borne by PG&E Corporation and the Utility.

PG&E Corporation and the Utility hired Innisfree M&A Incorporated ("Innisfree") to assist in the distribution of proxy materials and solicitation of votes for a fee not to exceed $1,200,000 plus reasonable out-of-pocket expenses. PG&E Corporation and the Utility have agreed to indemnify Innisfree against certain liabilities relating to, or arising out of, its engagement. In addition, the Corporation and the Utility will reimburse brokerage houses and other custodians, nominees, and fiduciaries for reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to shareholders. The companies' solicitation of Proxies also may be made in person, by telephone, or by electronic communications by the companies' respective directors, officers, and employees, who will not receive additional compensation for those solicitation activities.

The total amount to be spent for the companies' solicitation of Proxies from the companies' respective shareholders for the 2019 Annual Meetings, including expenses for vote tabulation and inspection but excluding salaries and wages of regular employees and officers of the companies, is estimated to be approximately $1.73 million, approximately $280,000 of which has been accrued to date.

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Item No. 1: Election of Directors of PG&E Corporation and Pacific Gas and Electric Company

Shareholders are being asked to elect 14 directors to serve on the Board of PG&E Corporation and on the Board of the Utility. All of the nominees for director of the Corporation also are nominees for director of the Utility. In the event that the Charter Amendment Proposal (Item No. 2) is not approved, shareholders that vote on the Corporation's Proxy Card will be deemed to vote for each of the nominees other than Mr. Johnson and the votes for Mr. Johnson will be disregarded, and only 13 directors will be elected to the PG&E Corporation Board.

If elected as director, all of the nominees have agreed to serve and will hold office until the 2020 annual meetings or until their successors shall be elected and qualified, except in the case of death, resignation, or removal of a director.

If any of the nominees become unavailable at the time of the 2019 Annual Meetings to accept nomination or election as a director, the proxyholders named on the PG&E Corporation or Utility proxy card (as applicable) will vote for substitute nominees at their discretion.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend Using the Proxy Card to Vote FOR Each of the Nominees for Director Presented in This Joint Proxy Statement.

If you have any questions, please contact Innisfree, our proxy solicitor assisting us in connection with the 2019 Annual Meetings, by calling toll free 877-750-0502.

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Certain Agreements with BlueMountain

In connection with BlueMountain's proposal to nominate director candidates that has since been withdrawn, Mr. Buckman entered into a nomination agreement (the "Nomination Agreement") with BlueMountain, pursuant to which Mr. Buckman agreed, among other things, to be nominated by BlueMountain for election to the Corporation Board at the 2019 annual meeting, and, if elected, to serve as a director of the Corporation. Pursuant to the Nomination Agreement, BlueMountain agreed to pay to Mr. Buckman $100,000 in connection with the nomination. The Nomination Agreement includes customary reimbursement and indemnification provisions in favor of Mr. Buckman.

On April 22, 2019, Richard C. Kelly resigned from the Boards of the Corporation and the Utility. Also, PG&E Corporation entered into a Settlement Agreement (the "Settlement Agreement") with BlueMountain. In connection with the execution and delivery of the Settlement Agreement, and effective upon such resignation, Frederick W. Buckman was appointed to fill the resulting vacancies on the Boards.

Pursuant to the terms of the Settlement Agreement with BlueMountain, the Corporation has agreed to propose an amendment, and recommend that the Corporation's shareholders vote in favor of such amendment at the 2019 annual meeting of the shareholders of the Corporation, to the Corporation's Restated Articles of Incorporation to increase the maximum size of the Board to fifteen members. Under the Settlement Agreement, subject to the approval of such amendment by the shareholders of the Corporation, the Boards will endeavor to select a person to be appointed to each of the Boards, taking into account such person's clean energy / clean energy technology expertise, ties to the state of California, and expertise relating to the achievement of California's clean energy goals. In addition, the Corporation has agreed to engage Christopher A. Hart to provide consulting services to the CEO of the Corporation regarding matters of safety.

The full text of the Settlement Agreement is attached as an exhibit to the Corporation's Current Report on Form 8-K filed with the SEC on April 23, 2019.

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NOMINEES FOR DIRECTORS OF PG&E CORPORATION AND PACIFIC GAS AND ELECTRIC COMPANY

As summarized in the below director biographies, the Boards were significantly changed in April 2019. The new Boards' members' skills and experiences cover areas we believe are most important to our sustainable success going forward. Mr. Johnson is expected to join the Board of the Utility on May 2, 2019 and is nominated to both Boards at the 2019 Annual Meetings, subject to approval of the Charter Amendment Proposal. Mr. Johnson brings substantial safety and operational expertise from his extensive career in the energy industry. The two continuing directors provide diverse expertise, years of leadership and experience, and the institutional knowledge believed to be necessary to ensure stability and continuity on the Boards. The eleven new directors for the PG&E Corporation and Utility Boards provide fresh perspectives, leadership experience, and specific expertise to lead the companies through their current challenges and drive necessary cultural and operational changes. The new directors include:

- Industry leaders who have dedicated their careers to delivering safe and reliable utility service to millions of customers;
- Leaders with fresh perspectives on safety and risk management; and
- Leaders with over 125 years of collective experience in financial and operational restructurings, which often involved making fundamental changes to corporate culture. This experience will not only help guide the Corporation and the Utility through Chapter 11, but will also enable cultural change at the Corporation and the Utility.

The Boards believe that each nominee for director is a qualified, dedicated, ethical, and highly regarded individual. The Corporation and the Utility also each believe that a diverse Board with a mix of operational, safety, risk management, governance, regulatory, compliance, legal, restructuring, strategic planning, financial, audit, and business experience will be critical to continue improvements to safety, drive operational excellence and navigate the restructuring process. The refreshed Boards, as a whole, include individuals who are committed to further enhancing the safety culture, understanding and properly responding to customer concerns, and fairly treating wildfire victims, employees, retirees, and other stakeholders. There are no agreements, arrangements or understandings between the eleven new directors and any third party relating to their respective nominations for election to the Boards at the 2019 Annual Meetings.

The information provided below includes a chart and a description of each nominee's specific experience, qualifications, attributes, and skills that indicate why that person should serve as a director of the applicable company, in light of the Corporation's and the Utility's business and structure. The Boards do not believe that each nominee must possess all of the characteristics shown in the chart below in order for each Board, as a whole, to function effectively.

The Corporation and the Utility believe that, collectively, the distribution of the nominees' experience, skills, and expertise, among other characteristics, reflects a balanced and multi-disciplinary Board at each company, and appropriately meets the needs of the companies.

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Each director is elected for a one-year term, and in general, the Nominating and Governance Committee will recommend, and each Board will re-nominate, an existing director for re-election if the Committee and the Board each believe that the individual would continue to be a productive and effective contributor to the Board, unless that individual no longer is eligible for re-nomination under the applicable company's Board of Directors retirement policy or he or she declines to stand for re-election.

With respect to diversity, the Nominating and Governance Committee's policy, as reflected in the companies' respective Corporate Governance Guidelines, is to seek a range of different backgrounds, perspectives, skills, and experiences. Nine of the 14 director nominees for each company's Board are diverse with respect to gender or ethnicity.

The Nominating and Governance Committee and the Boards annually review whether the diversity represented by the members of the Boards serves the needs of the companies, given the current operating environment. If a diversity gap is identified, the Committee will consider and prioritize the need to close that gap, along with other factors, in its director recruitment process. The diversity represented by the director nominees is shown below.

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Richard R. Barrera

Age: 47

Director Since: April 2019

Current Board Committees: Finance (Chair); Audit; Executive

Current Position: Founder, CEO and Portfolio Manager, Roystone Capital Management LP (an asset management firm that invests across the capital structure in both debt and equity)

Prior Positions:

Mr. Barrera previously was a Partner and Co-Portfolio Manager at Redwood Capital Management and Glenview Capital Management (both private investment management firms).

Other Board Experience:

Mr. Barrera is a member of the board of Mount Sinai Children's Center Foundation and a member of the board of Success Academy Charter Schools.

Experience, Skills, and Expertise:

Mr. Barrera has over 20 years of asset management and financial expertise investing in businesses undergoing transformations across a wide range of sectors. Throughout his career, Mr. Barrera has invested across the electric utility and independent power industries and has directly participated in numerous restructurings both in and out of Chapter 11. Mr. Barrera's restructuring experience includes several bankruptcies involving complex litigation and a number of telecommunication restructurings in which he actively helped companies recapitalize balance sheets to enable successful operational turnarounds.

Jeffrey L. Bleich

Age: 57

Director Since: April 2019; independent non-executive Chair of the Board of the Utility since April 2019

Current Board Committees: Compliance and Public Policy; Safety and Nuclear Oversight

Current Position: Attorney

Prior Positions:

Mr. Bleich was a partner in the San Francisco, CA office of Dentons US LLP (a multinational law firm) from 2016 to April 2019. Mr. Bleich served as a member of the Senior Advisory Group to the Director of National Intelligence from 2014 to 2016. Mr. Bleich served as U.S. Ambassador to Australia from 2009 to 2013 and also as Special Counsel to President Obama in the White House from 2008 to 2009. Mr. Bleich previously was a long-time partner at the California law firm Munger, Tolles & Olson LLP, where he was recognized as one of California's leading litigators, litigated a variety of complex civil cases and handled landmark state and U.S. Supreme Court pro bono cases.

Other Board Experience:

Mr. Bleich is a member of the board of Nuix Pty. Ltd (from 2017 to present) and the advisory board of Amber Kinetics, Inc. (from 2017 to present). Mr. Bleich serves on several boards, including as Chair of the Fulbright Foreign Scholarship Board (appointed by President Obama).

Experience, Skills, and Expertise:

Mr. Bleich has over three decades of experience resolving complex domestic and international disputes and specializing in cybersecurity. In addition to his legal and public sector experience, Mr. Bleich has served on the boards of numerous private organizations, including as the Chair of the California State University Board of Trustees, President of the California State Bar, a member of the Governor's International Trade and Investment Council, and President of the Bar Association of San Francisco. Mr. Bleich is a long-time California resident.

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Nora Mead Brownell

Age: 71

Director Since: April 2019; independent non-executive Chair of the Board of PG&E Corporation since April 2019

Current Board Committees: Safety and Nuclear Oversight

Current Position: Co-Founder of Espy Energy Solutions LLC (an energy consulting group that provides strategic planning, marketing, business planning, and other consulting services to energy utilities, equipment manufacturers, service providers and financial institutions evaluating energy investments)

Prior Positions:

Ms. Brownell is a former Commissioner of the Federal Energy Regulatory Commission ("FERC"), a former member of the Pennsylvania Public Utility Commission and a former President of the National Association of Regulatory Utility Commissioners.

Prior Public Board Service During the Past Five Years:

National Grid (2012 to April 2019); Spectra Energy Partners (2007 to 2018); Oncor, Inc. (2007 to 2014)

Other Board Experience:

Ms. Brownell previously served on the boards of Tangent (2000 to April 2019) and Comverge Inc. (2007 to 2014). Ms. Brownell is also currently a director of Morgan Stanley Infrastructure Advisory Board and of Mead Family Investments (previously Times Publishing Co.) (1996 to present), and she previously served as a director of Direct Energy Advisory Board (2014 to 2017) and of New World Capital Advisory Board (2009 to 2016).

Experience, Skills, and Expertise:

Ms. Brownell is a former Commissioner of the FERC, a former member of the Pennsylvania Public Utility Commission and a former President of the National Association of Regulatory Utility Commissioners. During her time at FERC, Ms. Brownell oversaw the transition of the North American Electric Reliability Corporation to FERC oversight after Congress passed the Energy Policy Act of 2005, which provided for mandatory electric reliability standards. Ms. Brownell has been an advocate for consumer protection, competitive markets and national energy infrastructure development. She has worked extensively with California stakeholders to resolve market and infrastructure issues.

Frederick W. Buckman

Age: 73

Director Since: April 2019

Current Board Committees: [ ]

Most Recent Position: Retired President and Chief Executive Officer of Powerlink Transmission Company (transmission investment for private equity)

Prior Positions:

Mr. Buckman was President and CEO of Shaw Group's Power Group (engineering firm) (2009-2010), a managing partner for utilities at Brookfield Asset Management (alternative asset management company focusing on real estate, renewable power, infrastructure and private equity) (2007-2009), President and CEO of Trans-Elect (electric and gas transmission system development) (1999-2006), and has held various leadership positions in the utility and energy industry, including President and CEO of Pacificorp (electric energy company) (1994-1998) and CMS Energy (natural gas and electric energy company) (1986-1994). He also served on the Board of Directors of SmartWires, Inc. from 2011-2019 (transmission technology company).

Other Board Experience:

Mr. Buckman currently serves as a board member of StanCorp Financial Group Incorporated (insurance and financial services company) and Solomon Corporation (sales and service of transformers and related equipment).

Experience, Skills, and Expertise:

Mr. Buckman brings over 30 years of experience in the utility, energy, and asset management sectors. In addition to serving as the CEO of two U.S. utilities, Mr. Buckman has extensive experience in utility operation and management, safety assessment, engineering and construction management, project development and nuclear plant design.

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Cheryl F. Campbell

Age: 59

Director Since: April 2019

Current Board Committees: Safety and Nuclear Oversight (Chair); Compliance and Public Policy; Executive; Finance

Current Position: Consultant, Executive Director, Gold Shovel Standard Association (non-profit organization working to reduce damage to underground infrastructure)

Prior Positions:

Ms. Campbell spent 13 years at Xcel Energy, Inc. (utility supplier of electric power and natural gas service operating in eight Western and Midwestern states), most recently serving as the Senior Vice President, Gas and President and CEO of West Gas Interstate (a FERC-regulated pipeline owned by Xcel Energy) from 2011 to 2018. Prior to Xcel Energy Inc., Ms. Campbell worked for approximately 20 years at Coastal Corporation (El Paso Corporation) (provider of natural gas and related energy products) where she held various roles, including director.

Other Board Experience:

Ms. Campbell currently serves as a board member of Hoffman Southwest (a private equity-owned provider of water flow inspection, repair and cleaning services company) (2018 to present). Ms. Campbell previously served as a member of the Engineering Advisory Committee of the University of Colorado College of Engineering, a member of the Gas Pipeline Advisory Committee to the Department of Transportation and a member of the Colorado Oil and Gas Association Board.

Experience, Skills, and Expertise:

Ms. Campbell has 35 years of energy experience in midstream, interstate pipelines and utilities. During her tenure at Xcel Energy, Ms. Campbell developed Xcel Energy’s risk management, regulatory, environmental and operating plans for its gas assets while improving operating and financial results across the enterprise. Ms. Campbell also developed the same programs for WestGas InterState while she was serving as its President and CEO. Her experience includes strategic planning, operations, regulatory and risk management. Ms. Campbell is a champion of public and employee safety and served on the U.S. Department of Transportation’s Gas Pipeline Advisory Committee from 2013 to 2018, providing guidance to the Secretary of Transportation on the safety of the nation's gas pipeline infrastructure. Ms. Campbell also served as a member of the independent panel assessing the enterprise risk management and overall safety of the 11 gas utilities in Massachusetts in the aftermath of the September 2018 explosions and fires in Merrimack Valley.

Fred J. Fowler

Age: 73

Director Since: March 2012

Current Board Committees: Finance; Safety and Nuclear Oversight

Most Recent Position: Retired Chairman of the Board, Spectra Energy Partners, LP (master limited partnership that owns natural gas transmission and storage assets)

Other Current Public Company Boards: Encana Corporation (natural gas producer) since 2010 (serves on corporate responsibility, environment, health and safety committee, and human resources and compensation committee); DCP Midstream Partners, LP (master limited partnership that owns, operates, acquires, and develops midstream energy assets) since 2015 (serves on audit committee)

Prior Positions:

In addition to serving as Chairman of the Board of Spectra Energy Partners, LP (2008 to 2013), Mr. Fowler was President and CEO of Spectra Energy Corp (natural gas gathering and processing, transmission and storage, and distribution company) (2006 to 2008) and served as a director of that company. Before that, he held various executive positions with Duke Energy Corporation (gas and electric energy company) and its subsidiaries and predecessor companies, including President and COO of Duke Energy.

Prior Public Board Service During the Past Five Years:

Spectra Energy Partners, LP (2008 to 2017)

Other Board Experience:

Mr. Fowler is the former Chairman of the Board of the Interstate Natural Gas Association of America and a former director of the Gas Research Institute, the Gas Technology Institute, and the Institute of Nuclear Power Operations.

Experience, Skills, and Expertise:

Mr. Fowler brings extensive knowledge and over 45 years of experience in utility company operations, including safety, natural gas and gas liquids production, transportation and marketing, and electricity generation, transmission and distribution. He brings leadership, management, and business skills developed as an executive and a director of numerous public and privately held companies.

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William D. Johnson

Age: 65

Current Position: Incoming CEO and President, PG&E Corporation

Prior Positions:

Mr. Johnson served as President and CEO of the Tennessee Valley Authority (TVA) from 2012 to April 2019. Prior to his tenure at the TVA, Mr. Johnson was the Chairman, President and CEO of Progress Energy.

Experience, Skills, and Expertise:

Mr. Johnson brings over 20 years of utility experience and leadership as a utility industry executive. During his six-year tenure at TVA, he was responsible for leading the nation's largest public utility in its mission of providing energy, environmental stewardship and economic development across a seven-state region. During Mr. Johnson's time at TVA, the organization achieved the best safety records in its 85-year history and has been a perennial top decile safety performer in the utility industry. In that same period, retirement of more than half of TVA's coal generation, resulting in a reduction of TVA's carbon omissions by about 50% over the last decade. He was responsible for leading the generation of more than 50% of TVA's energy from non-greenhouse gas emitting sources. He also oversaw TVA's expansion into utility scale solar in recent years, with the addition of approximately 1,000 megawatts (mWs), and pursued the modernization of its hydro assets to increase the overall amount of renewable resources. TVA's renewable portfolio includes almost 2,400 mWs of wind and solar and 5,800 mWs of hydro capacity. Throughout his career in the electric utilities industry, Mr. Johnson has collaborated closely with elected officials and other community leaders to deliver safe and reliable electricity to millions of customers.

Michael J. Leffell

Age: 60

Director Since: April 2019

Current Board Committees: Nominating and Governance (Chair); Compliance and Public Policy; Executive

Current Position: Founder, Portage Partners LLC (a privately held company focused on sourcing, analyzing and monitoring non-traditional investment opportunities) and Chairman of Canoe Software (a financial technology company)

Prior Positions:

Prior to founding Portage Partners in 2010, Mr. Leffell was the Deputy Executive Managing Member of Davidson Kempner Capital Management, a global institutional investment management firm.

Prior Public Board Service During the Past Five Years:

Genco Shipping and Trading Limited (a publicly traded transportation services company) (2014-2016)

Experience, Skills, and Expertise:

Mr. Leffell has over 20 years of experience participating in the restructuring of multiple businesses under Chapter 11. In addition to serving as the Deputy Executive Managing Member of Davidson Kempner Capital Management, Mr. Leffell also co-managed the Distressed Investment strategy, including multiple positions in a broad range of large complex corporate restructuring and domestic and international bankruptcies that often implicated complex litigation.

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Kenneth Liang

Age: 57

Director Since: April 2019

Current Board Committees: Compensation; Finance

Most Recent Position: Former senior Managing Director and Head of Restructurings, Oaktree Capital Management (a global alternative investment management firm with expertise in credit strategies)

Prior Positions:

From Oaktree's formation in 1995 until June 2001, Mr. Liang was Oaktree's General Counsel. Before that, he served as a Senior Vice President at TCW Group.

Prior Public Board Service During the Past Five Years:

Tribune Media (media/entertainment/real estate company) (2013-2015); STORE Capital Corporation (a real estate investment trust) (2012 to 2016)

Other Board Experience:

Mr. Liang served as chairman of the board of Excel Maritime (dry bulk shipping company) (2014 to 2018). He also served on the boards of Chassix (automotive parts company) (2016 to 2018) and of Pulse Electronics (mobile electronics company) (2015 to 2018). Mr. Liang has also served on the board of Flintridge Preparatory School (2012 to 2018).

Experience, Skills, and Expertise:

Mr. Liang was a senior Managing Director and Head of Restructurings at Oaktree Capital Management's Opportunities Funds, Oaktree's largest investment strategy fund. Mr. Liang retired from Oaktree in April 2018 after being with

Oaktree since its inception over 20 years ago. Mr. Liang joined Oaktree at its formation in 1995 as an original equity holder and served as Oaktree's General Counsel until June 2001. Mr. Liang has extensive U.S. and international experience as a significant stakeholder in prominent and complex restructurings of many troubled businesses inside and outside of Chapter 11 and in court-supervised reorganizations, including Enron, Energy Future Holdings, Tribune and Caesars Entertainment. Mr. Liang holds a J.D. from Georgetown University and a B.S. from the University of Southern California, has been a long-time California resident and has close family relatives who live in PG&E Corporation's service area.

Dominique Mielle

Age: 50

Director Since: April 2019

Current Board Committees: Audit (Chair); Executive

Most Recent Position: Former Partner and Senior Portfolio Manager, Canyon Partners LLC (an investment manager that specializes in value-oriented special situation investments for institutional investors)

Other Current Public Company Boards: Anworth Mortgage Asset Corporation (mortgage REIT investment firm) since 2018 (serves on the compensation committee (chair), audit committee and nominating and corporate governance committee); Studio City International since 2018 (serves on the nominating and corporate governance committee (chair), compensation committee and audit and risk committee)

Prior Positions:

Ms. Mielle was a partner and senior portfolio manager at Canyon Partners, where she worked from 1998 to 2017. Before 1998, she worked at various investment banks, including Libra Investments, Lehman Brothers and Credit Lyonnais.

Experience, Skills, and Expertise:

Ms. Mielle has played key roles in complicated bankruptcies where public safety and the economic well-being of the public were critical issues requiring extensive engagement with government entities, regulatory agencies and affected communities. Ms. Mielle was a member of the creditors' committee for the Commonwealth of Puerto Rico, and also served as a restructuring committee member of American Airlines, Continental Airlines, Delta Airlines, Northwest Airlines and United Airlines in the wake of the September 11 attacks. Ms. Mielle earned an MBA from Stanford University. She is a long-time California resident.

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Meridee A. Moore

Age: 61

Director Since: April 2019

Current Board Committees: Compensation (Chair); Executive; Nominating and Governance; Finance

Current Position: Founder, CEO and Chief Investment Officer of Watershed Asset Management (a San Francisco-based alternative asset manager)

Other Current Public Company Boards: Blackrock Capital Investment Corporation since 2017 (serves on the audit committee and governance & compensation committee)

Prior Positions:

Before founding Watershed Asset Management, Ms. Moore was a Partner and Portfolio Manager at Farallon Capital Management (a global institutional investment firm).

Other Board Experience:

Ms. Moore currently serves as a board member of Nextgen Climate America (NextGen Policy Center) (a California-based climate policy non-profit) (2014 to present) and as a director on the investment advisory board of Fiduciary Counselling Inc. Ms. Moore has served as a trustee of Right to Play International (2003 to 2018), Right to Play US (2004 to 2019) and Grace Cathedral (2011 to 2018). Ms. Moore also served on the boards of Morgans Hotel Group (2005 to 2007) and AMF Bowling Worldwide (2001 to 2003).

Experience, Skills, and Expertise:

Ms. Moore has over 25 years of investment and restructuring experience over a wide range of industries. She is the Founder, CEO and Chief Investment Officer of Watershed Asset Management, a San Francisco-based alternative asset manager. Watershed managed capital for institutional investors for 15 years. Ms. Moore has invested and participated in numerous restructurings in and out of Chapter 11, including PG&E Corporation's restructuring in 2001. Ms. Moore is a long-time California resident.

Eric D. Mullins

Age: 57

Director Since: September 2016

Current Board Committees: Audit; Safety and Nuclear Oversight

Current Position: Co-CEO of Lime Rock Resources, L.P. (private equity investment firm that acquires, operates, and improves oil and natural gas properties in the U.S.) since 2005

Other Current Public Company Boards: Anadarko Petroleum Company (independent oil and natural gas exploration and production company) since May 2012 (serves on audit committee (chair) and executive committee)

Prior Positions:

Prior to co-founding Lime Rock Resources, L.P. in 2005, Mr. Mullins worked in the investment banking division of Goldman Sachs & Co. for 15 years, most recently as managing director in the firm's Energy and Power Group, where he led numerous financing, structuring, and strategic advisory transactions for public and private oil and gas exploration and production companies.

Other Board Experience:

Mr. Mullins currently serves as a member of the Baylor College of Medicine Board of Trustees.

Experience, Skills, and Expertise:

Mr. Mullins brings operational, business development, and mergers and acquisition experience in the energy sector, as well as director and audit committee experience from his other public company board service. He also brings strategic management, leadership, and corporate financial expertise developed as an executive in the investment banking industry working with both public and private companies in the natural resources and utilities sector.

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Kristine M. Schmidt

Age: 55

Director Since: April 2019

Current Board Committees: Compliance and Public Policy (Chair); Executive; Nominating and Governance; Safety and Nuclear Oversight

Most Recent Position: Former Chief Executive Officer of Peak Utility Services Group (utility services contractor)

Prior Positions:

Ms. Schmidt was the President, founder and owner of Swan Consulting Services (a consulting company that provides strategic, regulatory and advisory services to utilities and equipment and services related businesses in the electricity and natural gas utility industry) from 2015 to 2018. Before that, she was President of ITC Great Plains and Vice President at ITC Holdings (independent electric high voltage transmission owner and operator).

Other Board Experience:

Ms. Schmidt served as a member of the Western Energy Imbalance Market Governing Board (which has the primary governance responsibility and decisional authority for the interstate wholesale energy imbalance market in the western region). Ms. Schmidt also served on the board of Peak Utility Services Group in 2018.

Experience, Skills, and Expertise:

Ms. Schmidt has over 35 years of experience in the electricity industry, having worked for and consulted with some of the largest public utilities throughout the United States. Over the last 25 years, Ms. Schmidt's experience was primarily in the regional wholesale market arena and high voltage transmission development and regulatory policies. The regional wholesale markets are critical across the United States to efficiently and cost-effectively integrate large scale renewables. Ms. Schmidt has served as a FERC Commissioner Advisor, addressing national policies and reforms resulting from the California Energy Crisis and FERC's expanded authority from the Energy Policy Act, among other key policy issues. Ms. Schmidt was the Chair of the inaugural Western Energy Imbalance Market (WEIM) Governing Body, which promotes the integration of surplus renewables energy into the grid, and was a member of the board with governance responsibility over the wholesale energy imbalance market in the western region, including California. Ms. Schmidt was previously CEO of Peak Utility Services Group, a leading utility construction service provider. She was also a corporate officer with the nation's largest independent high voltage transmission company, ITC Holdings Corporation, and the President of ITC Great Plains, which has the highest percentage of utility scale wind power in the nation. Ms. Schmidt has also held various senior management responsibilities for public utilities, including Xcel Energy, and served on the board of Peak Utility Services Group.

Alejandro D. Wolff

Age: 62

Director Since: April 2019

Current Board Committees: Compliance and Public Policy; Compensation

Previous Position: Former Managing Director, Gryphon Partners (global advisory firm focused on emerging and frontier markets)

Other Current Public Company Boards: Albemarle Corporation (public specialty chemicals company) since 2015 (serves on the Health, Safety and Environment committee and as chair of the executive compensation committee); Versum Materials (public specialty chemicals company) since 2016 (serves as the lead independent director and chair of the governance and nominating committee)

Prior Positions:

Mr. Wolff served in the U.S. State Department for 34 years, including serving as the U.S. Ambassador to the Republic of Chile from 2010 to 2013 and the U.S. Ambassador to the United Nations from 2005 to 2010.

Other Board Experience:

Mr. Wolff currently serves as a board member of JetSMART Holdings Limited (private airline operating in South America) (2017 to present). Mr. Wolff is also an advisory board member of the Counter Extremism Project.

Experience, Skills, and Expertise:

Alejandro D. Wolff brings decades of experience in high-level political, economic, and security issues from his 34-year career in the U.S. State Department. His has experience managing natural disaster, conflict, and terrorist-response situations, and a successful negotiating record of bridging differences among numerous constituencies with competing interests. As Ambassador to the Republic of Chile, Mr. Wolff promoted U.S.-origin renewable energy alternatives for Chile, including solar power. Mr. Wolff currently serves as a director of Albemarle Corporation ("Albemarle"), a global specialty chemicals company. As a member of Albemarle's Health, Safety & Environment Committee, Mr. Wolff brings considerable knowledge of clean energy, sustainability, renewable energy and electricity storage. Mr. Wolff also serves as the Lead Independent Director and Chair of the Corporate Governance and Nominating Committee of Versum Materials, an electronic materials company with operations in California, and as a director of JetSMART Holdings, an airline in South America. Mr. Wolff was a long-term resident of California, graduated from the University of California, Los Angeles, and continues to have close ties to California.

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Corporate Governance

PG&E Corporation's and the Utility's corporate governance practices provide a framework within which the Boards and management can pursue strategies that will drive long-term value for the companies and their respective shareholders. The foundation for these practices is the independent nature of each Board and its fiduciary responsibility to the company's shareholders. These practices are reviewed against industry trends and input from the companies' institutional investors and other shareholders.

CORPORATE GOVERNANCE GUIDELINES

Corporate governance practices are documented in Guidelines that are adopted by the Boards of PG&E Corporation and the Utility. The Guidelines are reviewed and updated from time to time as recommended by the Nominating and Governance Committee, and were last updated in April 2019. Other corporate governance practices also are set forth in the charters of the various committees of the Corporation and Utility Boards (see "Website Availability of Governance Documents" on page [ ]).

BOARD LEADERSHIP STRUCTURE

Chair of the Board – Duties; Executive Session Meetings

At both PG&E Corporation and the Utility, the Chair of the Board is a member of the Board. The Chair's primary duty is to preside over meetings of the Board, including special meetings. The Chair also is responsible for setting meeting agendas, and representing the Board in any meeting with major shareholders. Additionally, the Chair is consulted regarding Board nominees and the composition and chairmanship of Board committees.

At both companies, the independent directors meet at each regularly scheduled Board meeting in executive session. These executive session meetings generally are chaired by the independent Chair of the Board (or if the Chair is not independent, by the independent lead director). Nora Mead Brownell is PG&E Corporation's independent non-executive Chair of the Board, and Jeffrey L. Bleich is the Utility's independent non-executive Chair of the Board. Ms. Brownell chairs executive session meetings of the Corporation's independent directors as well as concurrent executive session meetings of the Corporation's and the Utility's independent directors; Mr. Bleich chairs executive session meetings of the Utility's independent directors only. The independent Chair establishes the agenda for each executive session meeting, and also determines which, if any, other individuals (including members of management) attend each meeting.

Chair of the Board and CEO Positions

Each company's Board maintains a flexible policy regarding board leadership structure, including whether the offices of Chair and CEO (or President, if the office of CEO is not filled) should be separate and, if the roles are separate, whether the Chair should be elected from management or from among the non-management directors. The Board regularly assesses the appropriateness of the Board's leadership structure, given the specific facts at the time of assessment.

PG&E Corporation

At PG&E Corporation, the positions of Chair and CEO have been separate since March 1, 2017. In April 2019, Nora Mead Brownell became PG&E Corporation's independent non-executive Chair of the Board. Separating the roles of Chair and CEO allows the CEO (currently John Simon, who is serving as Interim CEO until Bill Johnson takes office as expected on May 2, 2019) to continue to focus on the business of PG&E Corporation and its strategic priorities during this time of transition, while the Chair leads the Board of Directors. Among other things, Ms. Brownell's extensive utility, regulatory, and leadership experience will allow her to support the CEO during this time of transition, while serving as an effective link between the Board and the CEO.

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At the Utility, the positions of Chair and principal executive officer have been separated since January 2008. In April 2019, Jeffrey L. Bleich became the independent non-executive Chair of the Board. Nickolas Stavropoulos retired as President of the Utility on August 30, 2018. The office of President has not been filled since that time, and since April 12, 2019, the functions of the office of Utility President have been allocated among the following three individuals: Michael Lewis (Senior Vice President, Electric Operations), Jesus Soto, Jr. (Senior Vice President, Gas Operations), and Jim Welsch (Vice President, Nuclear Generation and Chief Nuclear Officer). Under this interim structure, all three individuals are principal executive officers of the Utility. Continuing to separate the Chair and principal executive officer roles preserves continuity during this period of transition at the Utility. In addition, the Utility is able to benefit from the complementary skill sets and business experiences of the independent non-executive Chair (Mr. Bleich) and the principal executive officers (Messrs. Lewis, Soto, and Welsch). As a subsidiary of PG&E Corporation, the Utility also benefits from the fact that Ms. Brownell is a member of the Utility Board, as well as from her perspective as PG&E Corporation Chair. Pursuant to the CPUC's affiliate rules, no individual may serve as Chair of the Board, CEO, or President, or in a functionally equivalent position, of both PG&E Corporation and the Utility.

Independent Lead Director

At each company, if the Chair is not independent, then the independent directors must elect an independent lead director from among the independent chairs of the standing PG&E Corporation and Utility Board committees. Currently, each company has an independent Chair, and neither company has an independent lead director.

For more information on the criteria and specific duties of a lead director, please see each company's Corporate Governance Guidelines (see "Website Availability of Governance Documents" on page [   ]).

BOARD AND DIRECTOR GENERAL INDEPENDENCE AND QUALIFICATIONS

On both PG&E Corporation's Board and the Utility's Board, at least 75 percent of the directors are independent, as required by each company's Guidelines. The definitions of "independence" are identical for each company, are set forth in each company's Guidelines, and reflect applicable NYSE definitions. Each company's Guidelines are available on the company's website (see "Website Availability of Governance Documents" on page [   ]).

A majority of PG&E Corporation's directors also are independent as defined by the NYSE. The Utility Board is exempt from NYSE American rules requiring that at least a majority of the directors meet the stock exchange's definition of "independent director" because PG&E Corporation holds approximately 96 percent of the voting power of the Utility and the Utility is a "controlled" subsidiary.

The Boards of the Corporation and the Utility have determined that each of the following director nominees is independent according to the applicable company's Guidelines: Richard R. Barrera, Jeffrey L. Bleich, Nora Mead Brownell, Frederick W. Buckman, Cheryl F. Campbell, Fred J. Fowler, Michael J. Leffell, Kenneth Liang, Dominique Mielle, Meridee A. Moore, Eric D. Mullins, Kristine M. Schmidt, and Alejandro D. Wolff. PG&E Corporation and the Utility also have determined that from January 1, 2018 to the date of this preliminary Proxy Statement, each of the following past directors was independent while serving on the Boards, according to the applicable company's Guidelines: Lewis Chew, Jeh C. Johnson, Richard C. Kelly, Roger H. Kimmel, Richard A. Meserve, Forrest E. Miller, Benito Minicucci, Rosendo G. Parra, Barbara L. Rambo, and Anne Shen Smith. (Jeh C. Johnson, who resigned as a director of the Utility on December 7, 2017, served on the Board of the Corporation as of January 1, 2018 but did not stand for reelection at the Corporation's 2018 annual meeting of shareholders and served through the last day of his term, May 22, 2018. Roger H. Kimmel served on the Boards of the Corporation and the Utility but resigned from both Boards on January 14, 2019.)

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In assessing each director's and director nominee's independence, the companies considered transactions between PG&E Corporation or the Utility and their respective directors and director nominees, and their immediate family members, and certain entities with which the directors, director nominees, or their immediate family members were affiliated. These transactions primarily involved (a) the Utility's provision of utility services at rates or charges fixed in conformity with law or governmental authority and (b) membership fees paid to a non-profit entity affiliated with one of the companies' directors (in amounts below the $10,000 threshold for Audit Committee review pursuant to the companies' Related Party Transaction Policy), which the Boards determined were not material and did not affect the director's or director nominee's independence.

There are no family relationships between any director of the Corporation or the Utility, executive officer of the Corporation or the Utility, or person nominated or chosen to become a director or executive officer of the Corporation or the Utility.

BOARD COMMITTEE DUTIES

The Boards of PG&E Corporation and the Utility have numerous permanent standing committees, which support each Board's basic responsibilities. Each Board also may establish temporary *ad hoc* committees, subcommittees, or other informal governing bodies from time to time.

Each Board's permanent standing committees are described below. For each of these committees, the applicable company's Board has adopted a formal charter that sets forth the committee's duties and responsibilities; current copies of the charters are available on the companies' websites (see "Website Availability of Governance Documents" on page [ ]).

Where a committee exists at PG&E Corporation only, that committee's responsibilities include assisting and advising the Utility Board on matters within the committee's scope of responsibility.

Committee Name[1]	**Company**	**Primary Duties/Scope of Responsibility**
Executive	PG&E Corporation and Utility	Exercises powers and performs duties of the applicable Board, subject to limits imposed by state law.
Audit[2]	PG&E Corporation and Utility	Oversees and monitors:

- Integrity of the company financial statements, and financial and accounting practices
- Internal controls over financial reporting, and external and internal auditing programs
- Selection and oversight of the companies' Independent Auditor
- Compliance with legal and regulatory requirements, in concert with other Board committees
- Related party transactions
- With the assistance of other Board committees, risk management and assessment

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Committee Name[1]	Company	Primary Duties/Scope of Responsibility
Compensation	PG&E Corporation	Oversees matters relating to compensation and benefits, including: • Compensation for non-employee directors • Development, selection, and compensation of policy-making officers • Annual approval of the corporate goals and objectives of the PG&E Corporation CEO and the Utility CEO (or if the Utility CEO office is not filled, any Utility President or Principal Executive Officer) • Management evaluation and officer succession • Employment, compensation, and benefits policies and practices • Potential risks arising from compensation policies and practices • Retention and oversight of the Committee's independent compensation consultants, legal counsel, or other advisors
Compliance and Public Policy	PG&E Corporation	Coordinates the compliance-related oversight of the various committees of the Boards, including: • The companies' compliance and ethics program • Compliance with laws, regulations, and internal policies and standards • Internal or external compliance reviews, investigations, or audits Oversees public policy, sustainability, and corporate responsibility issues that could affect customers, shareholders, or employees, including: • Energy and utility policy positions • Environmental protection, quality, and compliance • Community relations programs, activities, and contributions • Political contributions and political activities • Workforce development and diversity and inclusion • Supplier diversity
Finance	PG&E Corporation	Oversees matters relating to financial and investment planning, policies, and risks, including: • Strategic plans and initiatives • Financial and investment plans and strategies[3] • Dividend policy • Proposed capital projects and divestitures • Financing plans • Use of derivative instruments • Major commercial banking, investment banking, financial consulting, insurance, and other financial relationships • Major financial risk exposures
Nominating and Governance	PG&E Corporation	Oversees matters relating to selection of directors and corporate governance, including: • Recommending Board candidates, including reviewing skills and characteristics required of Board members • Selection of the chairmanship and membership of Board committees, and the nomination of a lead director of each company's Board, if necessary • Corporate governance matters, including the companies' governance principles and practices, and the review of shareholder proposals • Evaluation of the Boards' performance and effectiveness
Safety and Nuclear Oversight	PG&E Corporation and Utility	Oversees matters relating to safety, operational performance, and compliance issues related to the Utility's nuclear, generation, gas and electric transmission, and gas and electric distribution operations and facilities ("Operations and Facilities"), including:

- Principal risks arising out of the Operations and Facilities, the process used by management to analyze and identify these risks, and the effectiveness of programs to manage or mitigate these risks
- The Corporation's and the Utility's goals, programs, policies, and practices with respect to promoting a strong safety culture
- Periodically visiting the Utility's nuclear and other operating facilities

(1) This chart provides information regarding duties for the Boards' permanent standing committees. Each of the Corporation and Utility Boards also has established an ad hoc committee to assist the Board and its committees in a review of issues related to the Chapter 11 Cases.

(2) Established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934.

(3) Each year, the Finance Committee presents for the PG&E Corporation and the Utility Boards' review and/or concurrence (1) a multi-year financial outlook for the Corporation and the Utility that, among other things, summarizes projected financial performance and establishes the basis for the annual budgets, and (2) an annual financial performance plan that establishes financial objectives and sets operating expense and capital spending budgets that reflect the first year of the multi-year financial outlook. Members of the Boards receive a monthly report that compares actual to budgeted financial performance and provides other information about financial and operational performance.

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COMMITTEE MEMBERSHIP, INDEPENDENCE, AND QUALIFICATIONS

The current membership of PG&E Corporation's and the Utility's standing Board committees as of the date of this Proxy Statement is shown in the table below.

	Executive Committees	**Audit Committees**	**Compensation Committee**	**Compliance and Public Policy Committee**	**Finance Committee**	**Nominating and Governance Committee**	**Safety and Nuclear Oversight Committees**
Independent Directors:							
Richard R. Barrera	X	X					
Jeffrey L. Bleich[1]	X			X			X
Nora Mead Brownell[2]	X						X
Frederick W. Buckman[3]							
Cheryl F. Campbell	X			X	X		
Fred J. Fowler					X		X
Michael J. Leffell	X			X			
Kenneth Liang			X		X		
Dominique Mielle[4]	X						
Meridee A. Moore[4]	X				X	X	
Eric D. Mullins[4]		X					X
Kristine M. Schmidt	X					X	X
Alejandro D. Wolff			X	X			
Number of Meetings in 2018 (PG&E Corporation/Utility where applicable)	0/0	8/8	3	6	6	3	6/6

Committee Chair

(1) Chair of the Utility Executive Committee only. Independent non-executive Chair of the Utility Board.
(2) Chair of the Corporation Executive Committee only. Independent non-executive Chair of the PG&E Corporation Board.
(3) Mr. Buckman's committee memberships will be updated if determined prior to filing the definitive Proxy Statement.
(4) Independent audit committee financial expert, as defined by the SEC and applicable stock exchanges, and as determined by the Boards. Background information on each audit committee financial expert can be found in the director biographies beginning on page [ ].

Committee Membership Requirements

Each of the permanent standing committees (other than the Executive Committees) is composed entirely of independent directors, as defined in the applicable company's Guidelines and the Committee's charters. In addition, the Audit Committees, the Compensation Committee, and the Nominating and Governance Committee are composed entirely of independent directors, as required and defined by the NYSE. Because the Utility is a "controlled" subsidiary of PG&E Corporation for purposes of the NYSE American standards, the Utility is not subject to NYSE American rules that otherwise would require that the Utility's Board committees responsible for executive compensation and governance be comprised of "independent" directors, as defined by NYSE American, and would impose requirements on the Utility's director nomination and compensation-setting processes.

Each member of the Audit Committees and each member of the Compensation Committee also satisfies heightened independence standards established by SEC rules and applicable stock exchange requirements regarding independence of audit committee members and compensation committee members. Each member of the Audit Committees also is financially literate. Each "audit committee financial expert" is identified in the above table, and has accounting and related financial management expertise.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2018, the members of the Compensation Committee were Forrest E. Miller (Chair), Richard C. Kelly, Rosendo G. Parra and Barbara L. Rambo. There were no impermissible interlocks or inside directors on the Compensation Committee.

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DIRECTOR SERVICE ON OTHER PUBLIC COMPANY BOARDS

If a director is considering serving on the board of another public company (in addition to PG&E Corporation, the Utility, and their respective subsidiaries), that director must inform the Chair of the Nominating and Governance Committee and the Chair of the Board of the Corporation and/or the Utility, as applicable, before accepting membership on any such board. Unless otherwise approved by the applicable Board, (1) a director may not serve on more than three public company boards (in addition to the Corporation and Utility Boards), and (2) a director who is the principal executive officer of a public company (including the Corporation and the Utility) may not serve on more than two public company boards in addition to the board of his or her employer. For these purposes, the Boards of the Corporation and the Utility would count as one board.

If an Audit Committee member simultaneously serves on the audit committees of three or more public companies other than PG&E Corporation, the Utility, and their respective subsidiaries, that Committee member must inform the applicable company's Board. In order for that member to continue serving on the Audit Committees, each Board must affirmatively determine that the simultaneous service does not impair that committee member's ability to serve effectively on the applicable Audit Committee.

All members of the Boards are in compliance with the above policies regarding service on other public company boards, as well as on audit committees of other public company boards.

DIRECTOR MEETING ATTENDANCE DURING 2018

During 2018, there were 23 meetings of the PG&E Corporation Board. Each of the incumbent Corporation directors attended 95% or more of the aggregate of all meetings of the Corporation Board and of the Corporation Board committees on which that director served during 2018.

During 2018, there were 23 meetings of the Utility Board. Each of the incumbent Utility directors attended 95% or more of the aggregate of all meetings of the Utility Board and of the Utility Board committees on which that director served during 2018.

Each member of the Board of PG&E Corporation or the Utility is expected to attend that company's annual meetings of shareholders. With the exception of one director, all 12 then-current directors attended the Corporation's 2018 annual meeting, and all 12 then-current directors attended the Utility's 2018 annual meeting. Jeh Johnson was a member of the PG&E Corporation Board at the time of the 2018 annual meeting (which was the last day of his term), but was not renominated for election at, and did not attend, that meeting.

DIRECTOR NOMINATION PROCESS

As part of the companies' commitment to change, the Boards of PG&E Corporation and the Utility conducted a board refreshment process to add fresh perspectives to the Boards to help address the serious challenges the companies face now and in the future. Although the Boards of the Corporation and the Utility historically sought to balance board refreshment with established board experience, the Corporation and the Utility are facing extraordinary challenges resulting from the 2017 and 2018 Northern California wildfires. In light of these extraordinary challenges, the Corporation and the Utility determined to make substantial changes to their respective Boards.

On January 4, 2019, the Corporation Board issued a press release announcing that, as part of a series of changes to reinforce the companies' commitment to safety and improvement, the Corporation Board was conducting a board refreshment process that included searching for new directors at both the Corporation and the Utility. The Nominating and Governance Committee engaged Spencer Stuart, a leading national search firm, to assist the Nominating and Governance Committee in identifying and evaluating potential new director nominees.

As a result of the board refreshment process, in April 2019, eleven new directors joined two continuing directors on the Boards of PG&E Corporation and the Utility, with eight of ten then-incumbent directors stepping down.

The following sections of this Proxy Statement describe PG&E Corporation's and the Utility's ordinary course director nomination process, which differs in some respects from the substantial board refreshment process culminating in April 2019.

Company Nominees – Characteristics and Qualifications

In general, the Boards of PG&E Corporation and the Utility each select nominees for director based on recommendations received from the Nominating and Governance Committee. The Committee's recommendations are based upon a review of the qualifications of Board candidates and consultation with the Chair of the Board of the Corporation or the Utility, as applicable, and with the Corporation CEO.

The Nominating and Governance Committee's goal is to create for each company a balanced and multi-disciplinary Board composed of qualified, dedicated, ethical, and highly regarded individuals who have experience relevant to the company's operations, understand the complexities of the company's business environment, and possess capabilities to provide valuable insight, judgment, and oversight. The Committee also considers overall independence of the Boards, as defined in each company's Guidelines.

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The Committee considers factors such as diversity, age, skills, and any other factors that it deems appropriate, and annually reviews and recommends to the Boards the appropriate skills and characteristics required of Board members, given the current composition and needs of each company's Board. Since 2018, the Committee has considered specific safety experience as an assessment factor in its director nomination process, and the extent to which nominees (both individually and as a group) possess the experience, skills, and expertise shown in the chart on page [ ]. In its consideration of diversity, the Nominating and Governance Committee and the Boards seek to include a diversity of backgrounds, perspectives and skills among the Boards' members, as well as applicable legal requirements. The Nominating and Governance Committee reviews the composition of the companies' Boards and Board committees, including with respect to the companies' commitment to the diversity of the Boards.

Under each company's Board of Directors retirement policy, the Boards may not designate any person as a candidate for election or re-election as a director after such person has reached the age of 75, unless the applicable company's Board determines that it is in the best interests of the company to re-nominate that director. Under this policy, the Boards also consider tenure, and generally target an average tenure for all directors of 10 years or less. In general, the Nominating and Governance Committee will recommend, and the Boards will re-nominate, an existing director for re-election if the Committee and the Boards each believe that the individual would continue to be a productive and effective contributor to the Boards.

Director Nominee Selection Process

Company Nominees – Sources

As shown in the diagram above, the Nominating and Governance Committee accepts recommendations for director nominees from a variety of sources, including independent executive search firms, shareholders, management, and Board members. The Committee uses the same criteria to review all candidates recommended for nomination at the annual meetings, including candidates recommended by shareholders.

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Shareholders may recommend a person for the Committee to consider as a nominee for director of PG&E Corporation or the Utility, as applicable, by writing to that company's Corporate Secretary. Each such recommendation must include:

1. A brief description of the candidate,
2. The candidate's name, age, business address, and residence address,
3. The candidate's principal occupation and the class and number of shares of the company's stock owned by the shareholder and the candidate,
4. Any other information that would be required under the rules of the SEC in a proxy statement listing the candidate as a nominee for director, and
5. Any material interest that the shareholder has in the candidate's nomination.

Recommended candidates may be required to provide additional information. The companies also may request additional information regarding the candidate or the shareholder, consistent with the information requirements applicable to shareholder nominations.

The following nominees for election at the 2019 Annual Meetings who have not previously stood for election were recommended by the Corporation shareholders: Barrera, Campbell, Brownell, Buckman, Leffell, Liang, Mielle, Moore, Schmidt, and Wolff. The following nominees for election at the 2019 Annual Meetings who have not previously stood for election were initially identified by the Nominating and Governance Committee's independent executive search firms: Bleich and Johnson.

Shareholder Nominations

On February 17, 2016, the PG&E Corporation Board adopted proxy access bylaw provisions that permit shareholders owning 3 percent or more of the Corporation's outstanding common stock for at least three years to nominate the greater of two directors or 20 percent of the Board, and to include these nominees in the Corporation's proxy materials. The number of shareholders who may aggregate their shares to meet the ownership threshold is limited to 20. Nominations are subject to the eligibility, procedural, and disclosure requirements set forth in the Corporation's bylaws.

Shareholders of either company who wish to nominate directors directly at an annual meeting in accordance with the procedures in the applicable company's bylaws should follow the instructions under "2020 Annual Meetings - Can shareholders introduce proposals (other than proxy access proposals, but including director nominations) during the 2020 annual meetings?" on page [ ].

BOARD AND COMMITTEE SELF-EVALUATIONS

The Nominating and Governance Committee oversees the process for evaluating and assessing the performance of the PG&E Corporation and Utility Boards, as applicable, including Board committees. At least annually, each Board or the Nominating and Governance Committee conducts an evaluation to determine whether the applicable Board as a whole and its committees are functioning effectively.

If the evaluation is conducted by the Nominating and Governance Committee, that Committee presents its conclusions to the applicable full Board for review and concurrence.

For each of the Corporation and the Utility, the Board evaluation includes an assessment of the Board's contribution as a whole and of specific areas in which the Board and/or management believes that a better contribution could be made. The evaluation also considers any feedback that might be received from individual directors regarding the performance of the chair. The Audit Committees, the Compensation Committee, the Compliance and Public Policy Committee, the Finance Committee, the Nominating and Governance Committee, and the Safety and Nuclear Oversight Committees conduct annual self-evaluations. The Nominating and Governance Committee may request the results of any Board committee evaluation for consideration in the Board evaluation.

The Nominating and Governance Committee annually considers the format of the evaluations, including whether a third-party facilitator should be used. Since 2015, the evaluation process has included:

1. One-on-one interviews with each director to solicit each director's input regarding Board and committee performance. Interview topics also address the annual performance of the PG&E Corporation CEO and the Utility Principal Executive Officer(s). The Chair of the Nominating and Governance Committee and the Chairs of the Boards conduct the one-on-one interviews with each director.

2. The Chair of the Nominating and Governance Committee and the Chairs of the Boards provide Board Committee feedback to each Committee Chair.

3. The Chair of the Nominating and Governance Committee, the Chairs of the Boards, and the PG&E Corporation CEO discuss the results of the one-on-one interviews.

4. Each Committee and the full Board conduct separate self-evaluations that include actionable follow-up items for the coming year.

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RISK MANAGEMENT

Since the San Bruno tragedy in 2010, the Boards have continuously sought to enhance the quality of oversight for risk management, compliance, and safety. In addition to receiving regular deep dive reviews of enterprise-level risks, risk management at the companies has transitioned from a largely qualitative approach to a quantitative one. This approach continues to evolve with the development and use of operational risk modeling to support data-driven decision making – a direction supported by the CPUC.

In recent years, that rigorous strategic process has begun to explicitly recognize risks from a changing climate, including heat waves, more frequent and extreme storms and wildfires, drought, subsidence, and rising sea levels. In 2017, we launched an array of foundational work to help the Utility anticipate and plan for changing weather and climate-change related events.

In 2018, the Utility engaged independent experts to advise on best practices in wildfire safety. Recommendations will inform the prioritization and resourcing of critical risk mitigation work and will feed into the next Wildfire Mitigation Plan to be filed with the CPUC, which now is an annual requirement.

As described below, the companies' risk management governance structures allow risks to be assessed both under a Board-directed review process and also from a "bottoms-up" approach that allows operational experts to add their knowledge and identify emerging issues for the companies.

Further, and as described more fully on pages [ ] – [ ], the companies have also strengthened board and management-level duties with regards to related aspects of risk oversight and management, including board oversight for compliance and ethics, and safety.

Board-Level Duties

The Boards oversee the companies' risk management policies and programs and management has day-to-day responsibility for assessing and managing exposure to various risks.

Enterprise risks are reviewed annually by the Boards' Audit Committees, and oversight for specific risk categories is allocated to various Board committees (and this allocation is reviewed once every 12 months), consistent with the substantive scope of each committee's charter. Each such committee provides a report of its activities to the applicable Board. The specific allocation of Board-level risk oversight was last reviewed by the Audit Committees in 2018, resulting in (1) reassignment of oversight for Climate Resilience risk to the Safety and Nuclear Oversight (SNO) Committees from the Finance Committees, (2) the addition of the following risks to the list of top enterprise risks explicitly assigned to the oversight of Board committees: distribution overhead conductor, motor vehicle safety, and transmission overhead conductor; and (3) renaming of various risk categories. Generally the SNO Committees are allocated oversight responsibility for operational risks, and the Finance Committee is allocated oversight responsibility for business and financial risks. Most recently, the committees have been allocated oversight responsibility for the following types of enterprise risks:

- Safety and Nuclear Oversight Committees: climate-related, safety, cybersecurity, reliability, operations and facilities (including wildfire), emergency response, and records management.
- Finance Committee: business model.

The Boards and their respective committees also have specific oversight responsibility for risk management in the following additional areas:

- The Boards evaluate risks associated with major investments and strategic initiatives, with assistance from the Finance Committee.

- Each company's Audit Committee discusses the guidelines and policies that govern the processes for assessing and managing major risks (including the Enterprise and Operational Risk Management ("EORM") program that is discussed in more detail below), allocates to other Board committees the specific responsibility to oversee identified enterprise risks, generally oversees regulatory and legal compliance risks, and considers risk issues associated with overall financial reporting and disclosure processes.

- The Finance Committee discusses risk exposures related to energy procurement, including energy commodities and derivatives, and other enterprise risks, as assigned by the Audit Committees (as described above).

- The Safety and Nuclear Oversight Committees discuss risks related to the safety of the Utility's nuclear, electric, gas, and other operations and facilities, and oversees other enterprise risks, as assigned by the Audit Committees (as described above).

- The Compensation Committee oversees potential risks arising from the companies' compensation policies and practices.

Other risk oversight responsibilities also have been allocated, consistent with the overall substantive scope and duties of each Board and their respective committees.

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This allocation of Board-level risk oversight was last reviewed by the Audit Committees in April 2018, and is scheduled for review again in 2019.

The Boards' role in risk oversight has had no significant effect on either Board's leadership structure.

Management-Level Duties

Management has the day-to-day responsibility for identifying, assessing, and managing PG&E Corporation's and the Utility's exposure to various enterprise and operational risks. These risks range from asset-related risks to market and credit risks to public, employee, and contractor safety risks. The Chief Risk Officer's organization provides the framework to assess risks and to facilitate management decision making.

For enterprise and operational risks, the EORM program specifies the use of a risk assessment methodology called the Bowtie Analysis to facilitate the calculation of a risk score, which reflects the probability of the risk event occurrence given the historical frequency of key risk drivers and the potential consequences of the risk event. Risk consequences are measured in terms of potential impacts to safety (public, employee, or contractor), gas or electric reliability, the environment, and the company's financials. The risk scoring methodology assigns a 50 percent weighting to potential safety consequences to ensure that top safety risks receive senior management's attention.

The risk score then serves as a baseline from which to assess the need for further risk reducing actions and to assess the effectiveness of those actions over time. The goal of the EORM program is to demonstrate measurable risk reduction across the portfolio of enterprise and operational risks.

With respect to supporting the Boards' oversight activities:

- Management provides various reports to the Boards and their respective committees regarding different elements of corporate risk management programs and activities, and is responsive to requests made by the Boards and the committees.
- The companies' EORM program identifies and evaluates potential risks facing the enterprise, and nominates specific enterprise risks for Board-level oversight. The EORM program as a whole is implemented by management and overseen by the Audit Committees, which assign Board-level responsibility for oversight of specific enterprise risks to committees of either company's Board.
- In 2017, the company established a Vice President-level Risk Management Committee that meets monthly and provides strategic guidance and direction for the EORM program, makes recommendations to senior management on key aspects of risk management, and conducts regular deep dives into specific risks.
-

Each line of business ("LOB") within the companies has its own risk and compliance committee. These LOB committees review the enterprise and operational risks, and the compliance requirements within that LOB; review and approve risk analysis and mitigation strategies; and track mitigation progress and results. In many cases, compliance requirements are in place to mitigate a particular risk and are a starting point for reducing risk further. Each LOB risk and compliance committee is led by a senior officer and must include the LOB risk manager and compliance manager, and risk and compliance representatives from the companies' Chief Ethics and Compliance Office and the Chief Risk Office.

- Annually, the Chief Ethics and Compliance Officer and the Vice President, Internal Audit and Chief Risk Officer facilitate a senior management discussion of progress made in risk and compliance management, objectives for the coming year relative to the overall goal of the programs, i.e., measurable risk reduction and demonstrable compliance performance. In addition, the senior management team approves the company's enterprise risk list taking into consideration any material changes to risks identified throughout the year. Following review with the senior management team, these risks become an important factor in the development of each LOB's strategy and budget proposals.
- PG&E Corporation and the Utility have a Vice President, Internal Audit and Chief Risk Officer who functionally reports to the Audit Committees. This officer attends Board and Board committee meetings, and provides regular reports regarding various aspects of the companies' risk management policies, programs, and activities.

Compensation Risk Analysis

As discussed in more detail in the CD&A, the Compensation Committee's independent compensation consultant assists PG&E Corporation and the Utility with a review of the design of the companies' incentive plans relative to general compensation plan risk factors (or the potential for unintended consequences).

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Compliance and Ethics

During 2015, as part of PG&E Corporation's and the Utility's commitment to strengthen their compliance and ethics program and performance, the companies restructured the governance for managing compliance and ethics to highlight and delineate more clearly the responsibilities for the implementation, coordination, and monitoring of their compliance and ethics program.

Board-level oversight is shared by the Boards and their committees. The Compliance and Public Policy Committee coordinates the compliance-related oversight of the Boards, including, but not limited to: overseeing and evaluating the effectiveness of the companies' compliance and ethics program; reviewing periodic reports from management about the companies' compliance with laws, regulations, and internal policies and standards; and monitoring that management consistently communicates its commitment to an effective compliance and ethics program. The Audit Committees also assist the Boards with monitoring and overseeing compliance with legal and regulatory requirements, including reviewing matters that may impact the companies' financial statements. The Safety and Nuclear Oversight Committees review the companies' significant compliance risks, including those risks and issues related to the companies' nuclear, generation, gas and electric transmission, and gas and electric distribution operations and facilities.

This compliance governance structure helps promote a consistent approach to compliance and ethics across Board committees and the companies. The Compliance and Public Policy Committee works with management to regularly view and discuss compliance and ethics issues, including but not limited to reviews or reported compliance violations and employee misconduct. The Audit Committees, the Compliance and Public Policy Committee, and the Safety and Nuclear Oversight Committees meet jointly at least twice a year to, among other things, coordinate and discuss the companies' compliance and ethics program and monitor that significant compliance and ethics issues are reviewed and considered by the appropriate Board committees.

At the management level, the companies' Chief Ethics and Compliance Officer (CECO), in partnership with the lines of business, has day-to-day responsibility for overseeing and monitoring the company-wide compliance and ethics program. The lines of business are responsible for program implementation within their respective subject matter areas, and regularly report to the CECO on compliance and ethics matters, including through cross-functional officer committees that review, discuss, and make decisions regarding the companies' compliance and ethics related work. Management also has compliance and ethics committees at the level of the functional business units that provide strategic guidance on, and oversight of, their respective compliance and ethics programs, which may include the programs and systems designed to prevent, detect, mitigate, and remediate non-compliance. The CECO has direct access to the Chair of the Compliance and Public Policy Committee and may be required to report to the Committee on requested matters. The CECO also reports to the Safety and Nuclear Oversight Committees regarding activities relating to establishment of and performance on compliance and ethics metrics related to operations and facilities.

The CECO also oversees matters arising from the Utility's 2016 criminal convictions, stemming from the 2010 San Bruno gas pipeline explosion. These include the Utility's federal probation and independent third-party Monitorship. The Compliance and Ethics group communicates regularly with the Boards on these topics and provides the Boards updates following the Monitor's semi-annual reports on the Utility's progress towards satisfying its obligations under the terms of its sentencing. The monitor also provides its periodic report to the Boards and regularly attends Board meetings.

Political Contributions

The Compliance and Public Policy Committee reviews PG&E Corporation's and the Utility's political contributions and recommends Board approval limits for political contributions from the companies to candidates, measures, initiatives, political action committees, and certain other organizations that may engage in activities involving elections. All political contributions from the companies are made in full compliance with applicable federal, state, and local laws and regulations. The Compliance and Public Policy Committee also directs preparation of an annual report summarizing political contributions and certain other expenditures made by the companies during the preceding year. Additional information regarding each company's political engagement policies and political contributions is available on PG&E Corporation's website.

Corporate Sustainability

The Compliance and Public Policy Committee has primary oversight of corporate sustainability issues, such as environmental compliance and leadership, climate change resilience, community investments, workforce development, and diversity and inclusion. This includes an annual review of PG&E Corporation's and the Utility's sustainability practices and performance. Other committees of the Boards address other components of the companies' sustainability commitment, such as public and employee safety, operational excellence and investments to enable a low-carbon future. In addition, the Compensation Committee approves the structure of any STIP or LTIP, which can help reinforce the companies' sustainability commitment by rewarding eligible employees for achievement of business goals.

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Within management, the Chief Sustainability Officer of the Utility is responsible for developing and coordinating the companies' corporate sustainability initiatives and overseeing the companies' corporate sustainability reporting and performance measurement. This is done in coordination with other members of senior management who are responsible for functions such as supply chain management, environmental compliance, and customer energy solutions.

In 2017, the companies introduced a new framework defining our mission, vision, and culture, developed through extensive outreach and interactions with our employees, customers, and other stakeholders. Our vision of a sustainable energy future is focused on meeting the challenge of climate change while providing affordable energy for all customers.

During 2018, the companies demonstrated continued progress toward the sustainability goals. For example, during the year, 38.9 percent of the Utility's electricity came from renewable energy sources including solar, wind, geothermal, biomass, and small hydroelectric sources, exceeding California's annual renewable energy target of 28 percent. In addition, the Utility spent $2.98 billion with suppliers, service providers or contractors meeting the criteria for the Utility's Supplier Diversity Program in 2018, accounting for 41.43 percent of its total procurement. The Utility also brought the total number of interconnected private solar customers to nearly 400,000—about 20 percent of the nation's private rooftop solar.

For additional information regarding PG&E Corporation's sustainability efforts and progress, please see our comprehensive online Corporate Responsibility and Sustainability Report 2018, which can be accessed at the sustainability portion of PG&E Corporation's website at www.pgecorp.com/sustainability.

Safety

The PG&E Corporation and Utility Boards are responsible for oversight of safety. Specifically, the Safety and Nuclear Oversight Committees of the Boards are responsible for overseeing and reviewing policies, practices, goals, issues, risks, and compliance relating to safety, including public, employee, and contractor safety. This responsibility includes, among other things, overseeing goals, programs, policies and practices with respect to promoting a strong safety culture, and monitoring the impact of changes in laws and regulations affecting safety, including, for example, the Community Wildfire Safety Program. The Safety and Nuclear Oversight Committees also monitor and review the adequacy and direction of the corporate safety function.

In addition, the Compensation Committee, with advice from the Safety and Nuclear Oversight Committees, selects appropriate safety metrics for inclusion in executive compensation program and plans, and may adjust individual award amounts to reflect, among other reasons, safety performance. The Compliance and Public Policy Committee reviews compliance with safety requirements as part of its general oversight for compliance. The Finance Committee, as part of its responsibility for reviewing proposed major capital projects, reviews capital projects and programs with safety implications, such as projects and programs to enhance public or employee safety.

Within management, all officers, including the PG&E Corporation CEO and the Utility President (or the Utility officers fulfilling the President's functions), are responsible for safety and the instillation of safety culture. More specifically, the Chief Safety Officer ("CSO") is responsible for the occupational health and safety of employees and contractors and partners with the lines of business to develop and monitor the enterprise-wide safety program at PG&E Corporation and the Utility. Currently, the CSO reports directly to the Corporation Interim CEO, and also reports regularly to the Safety and Nuclear Oversight Committees, which in turn serve as a direct channel of communication between the CSO and the full Boards. The CSO also may be requested to provide reports to the full Boards regarding safety matters.

The Safety and Health organization partners with the lines of business to develop and monitor the enterprise-wide safety program at PG&E Corporation and the Utility, by helping guide safety process improvements; developing and deploying new initiatives, training, technology, incident investigation protocols, compliance programs and metrics; and conducting industry benchmarking to identify best safety practices.

The following management-level committees and teams are also involved in safety governance:

- **Enterprise Safety Committee:** Guides safety strategy and promotes continuous improvement in safety performance. The Committee meets regularly to review performance and address gaps and barriers to improvement. Members include senior leaders of the Corporation and the Utility, and leaders from the International Brotherhood of Electrical Workers and the Engineers and Scientists of California labor unions.
- **Line of Business Safety Councils:** Responsible for executing plans to reduce exposure to potential safety incidents. The Councils are composed of management, union, and grassroots team members. These efforts are supported by grassroots safety teams comprised of frontline employees who share ideas and partner to come up with effective solutions to reinforce a strong and proactive safety culture.

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Management Succession

At least annually, the PG&E Corporation and Utility Boards each review the applicable company's plan for CEO succession, both in the ordinary course of business and in response to emergency situations. Each company's Board also develops a profile of appropriate responsibilities, attributes, and requirements for the position of CEO, which reflects the Corporation's and the Utility's business functions, vision, and strategy. Potential candidates for CEO may be identified internally within the companies in consultation with the Compensation Committee (which oversees the evaluation of management) and the CEO, as well as externally through various sources, including independent third-party consultants.

The succession planning process also addresses the continuing development of appropriate leadership skills for internal candidates for CEO, as well as candidates for other leadership positions within the companies. The Compensation Committee is responsible for reviewing the CEO's long-range plans for officer development and succession for PG&E Corporation and the Utility.

Throughout 2018, the Compensation Committee addressed management succession and executive development in connection with its review of officer elections, promotions, and compensation matters during the year.

As announced on April 3, 2019, William "Bill" Johnson has been named Chief Executive Officer and President of PG&E Corporation. Mr. Johnson is expected to begin his new role on May 2, 2019. With the assistance of a leading search firm, Spencer Stuart, the PG&E Corporation Board of Directors conducted a national search for a new CEO, and the Board is confident that Bill Johnson is the right person to lead the company during this critical time. Mr. Johnson brings substantial safety and operational expertise from his extensive career in the energy industry. With more than a decade of combined chief executive experience at two large utility companies, Mr. Johnson has a deep understanding of managing risk and the responsibility of keeping customers safe. Most recently, he served as President and CEO of the Tennessee Valley Authority (TVA), where he was responsible for leading the nation's largest public utility in its mission of providing energy, environmental stewardship and economic development across a seven-state region. During Mr. Johnson's time at TVA, the organization achieved the best safety records in its 85-year history and has been a perennial top decile safety performer in the utility industry. In that same period, Mr. Johnson led the retirement of more than half of TVA's coal generation, resulting in a reduction of TVA's carbon omissions by about 50% over the last decade. He was responsible for leading the generation of more than 50% of TVA's energy from non-greenhouse gas emitting sources. He also oversaw TVA's expansion into utility scale solar in recent years, with the addition of approximately 1,000 megawatts (mWs), and pursued the modernization of its hydro assets to increase the overall amount of renewable resources. TVA's renewable portfolio includes almost 2,400 mWs of wind and solar and 5,800 mWs of hydro capacity. Throughout his career in the electric utilities industry, Mr. Johnson has collaborated closely with elected officials and other community leaders to deliver safe and reliable electricity to millions of customers.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New directors receive information on subjects that would assist them in discharging their duties.

On April 9 and 10, 2019, as part of the Board refreshment process, the PG&E Corporation and Utility Boards had a two-day on-site onboarding session and Board meeting during which the new directors and the continuing directors met together and with company officers to, among other things, discuss the overall context for the companies' current situation, share key information, establish the Boards' governance framework, and discuss areas of focus for the next 90 days. As part of the Boards' continuing onboarding process, the new directors are being provided with materials and presentations regarding, among other things, business operations for each of the Utility's lines of business; safety, risk management, and cybersecurity; corporate governance matters; legal proceedings (including the Utility's probation); the wildfire liabilities, risks, and response; the Chapter 11 Cases; the regulatory and legal landscape; California carbon reduction goals and other policy matters; financial performance and corporate finance matters; and other key stakeholder issues.

Directors also periodically receive briefing sessions or materials at regularly scheduled Board and Committee meetings on subjects and developments relevant to exercise of their Board and committee duties. Each director also receives information regarding opportunities for continuing education, and is expected to stay current on important developments pertaining to such director's function and duties to the companies by attending such programs as appropriate or otherwise.

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COMMUNICATING WITH DIRECTORS AND OFFICERS

Shareholder Engagement

PG&E Corporation and the Utility value our shareholders' views and are committed to ongoing constructive dialogue with shareholders to advance the long-term viability and interests of the companies.

We regularly provide opportunities for dialogue with shareholders to further promote the exchange of ideas regarding corporate governance and other issues. In addition, our outreach efforts with the Corporation's largest shareholders, who collectively hold a majority of the outstanding common stock, include discussions with members of senior management and the Boards, as applicable, ongoing meetings with our investor relations team, and other institutional shareholder forums.

PG&E Corporation has had a record of Board responsiveness to shareholders, demonstrated by the Board's voluntary adoption of proxy access bylaw provisions in 2016, as well as the refreshment of the entire Boards of Directors since 2010. Since the beginning of 2018, the Boards and management have engaged in the following shareholder engagement activities:

- Starting in 2018, Board members conducted in-person governance meetings focused on critical environmental, social, and governance issues that relate to the long-term strategy of the Corporation. Meetings focused on top active and passive shareholders, to gain insights and feedback on our business strategy and governance model.
- Officers regularly engaged with top institutional shareholders regarding significant events such as quarterly earnings calls, financial activities and announcements, and significant legal filings.
- Various company representatives reached out to representatives of the passive and current shareholder base seeking alterative views and approaches to Board refreshment.

Correspondence with Directors and Officers

Under the companies' Corporate Governance Guidelines, the independent Chairs of the Boards are responsible for responding to written communications that are directed to the Boards from shareholders and other parties. Section 32 of each company's Guidelines provides more details on these communications. (See "Website Availability of Governance Documents" on page [ ]).

Correspondence to directors and executive officers should be sent to the applicable company's principal executive office, in care of the Corporate Secretary. Consistent with procedures adopted and approved by the Boards, the Corporate Secretary will forward to the independent lead director or the independent non-executive Chair any communications addressed to the Board of Directors as a body or to all of the independent or non-management directors in their entirety, and such other communications as the Corporate Secretary, in his or her discretion, determines is appropriate. The Corporate Secretary also will receive communications directed to individual directors or officers, including the independent non-executive Chair or the independent lead director, and will forward those as appropriate.

The address of the principal executive office for each company is:

PG&E Corporation

Pacific Gas and Electric Company

77 Beale Street, P.O. Box 770000

San Francisco, California 94177

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Compensation of Non-Employee Directors

The Boards of PG&E Corporation and the Utility each establish the level of compensation for that company's non-employee directors, based on the recommendation of the Compensation Committee. Directors who also are current employees of either company receive no additional compensation for service as directors.

The Compensation Committee periodically reviews the amount and form of compensation paid to non-employee directors of PG&E Corporation and the Utility. As part of this review, the Committee reviews the compensation provided to the companies' non-employee directors as compared to other comparable U.S. peer companies (including both other utilities and companies within the S&P 250), with the objective of ensuring that non-employee director compensation is:

- Market-competitive in terms of annual compensation value, and
- Consistent with emerging market practices and trends.

Compensation paid to non-employee directors for 2018 for service on the Boards and their committees is based upon periodic compensation reviews conducted in consultation with the Committee's executive compensation consultant, Pay Governance LLC. The Compensation Committee's most recent reviews of non-employee director compensation were conducted in December 2017, December 2018, and February 2019. See "2019 Non-employee Director Compensation Program" beginning on page [ ]. The Compensation Committee used Pay Governance's benchmark analyses of director compensation at utility and Fortune 500 companies and Willis Towers Watson analysis of director compensation at companies undergoing Chapter 11 restructuring.

2018 Director Compensation

The following table summarizes the principal components of compensation paid or granted to individuals for their service as non-employee directors of PG&E Corporation and the Utility during 2018.

Name	**Fees Earned Or Paid in Cash ($)(1)**	**Stock Awards ($)(2)**	**Option Awards ($)(3)**	**All Other Compensation ($)(4)**	**Total ($)**
L. Chew	170,000	139,965		96	310,061
F. Fowler	120,000	139,965		96	260,061

J. C. Johnson(5)	47,143	0	96	47,239
R. C. Kelly	235,000	259,972	96	495,068
R. H. Kimmel	135,000	139,965	96	275,061
R. A. Meserve	135,000	139,965	96	275,061
F. E. Miller	170,000	139,965	96	310,061
B. Minicucci(6)	60,000	0	40	60,040
E. D. Mullins	120,000	139,965	96	260,061
R. G. Parra	120,000	139,965	1,096	261,061
B. L. Rambo	135,000	139,965	96	275,061
A. S. Smith	120,000	139,965	1,096	261,061

(1) Represents receipt of retainers described below following this table.

(2) Represents the grant date fair value of RSUs granted in 2018 measured in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, "Compensation—Stock Compensation" ("FASB ASC Topic 718"). Grant date fair value is measured using the closing price of PG&E Corporation common stock on the date of grant. In 2018, each non-employee director who was elected at the 2018 annual meetings of shareholders and was in office as of May 22, 2018—except the Chair of the PG&E Corporation Board—received 3,208 RSUs with a grant date value of $139,965. The Chair of the PG&E Corporation Board received 5,042 RSUs with a grant date value of $219,982. The aggregate number of stock awards outstanding for each non-employee director at December 31, 2018 was: Mr. Chew 3,208, Mr. Fowler 3,208, Secretary Johnson 0, Mr. Kelly 6,046, Mr. Kimmel 3,208, Dr. Meserve 3,208, Mr. Miller 3,208, Mr. Minicucci 0, Mr. Mullins 3,208, Mr. Parra 3,208, Ms. Rambo 3,208, and Ms. Smith 3,208.

(3) No stock options were granted in 2018. The aggregate number of option awards outstanding for each non-employee director at December 31, 2018 was: Mr. Chew 0, Mr. Fowler 0, Ms. Herringer 0, Secretary Johnson 0, Mr. Kelly 0, Mr. Kimmel 0, Dr. Meserve 0, Mr. Miller 4,090, Mr. Minicucci 0, Mr. Mullins 0, Mr. Parra 0, Ms. Rambo 0, and Ms. Smith 0.

(4) Represents (i) premiums paid for accidental death and dismemberment insurance, and (ii) matching gifts, paid or payable for 2018, to qualified organizations pursuant to the Matching Gifts Program, which establishes a set fund for matching eligible gifts made by employees and directors on a dollar-for-dollar basis, up to a total of $1,000 per calendar year per individual, as follows: Mr. Parra $1,000 and Ms. Smith $1,000.

(5) Secretary Johnson retired from the Corporation Board effective May 21, 2018.

(6) Mr. Minicucci joined the PG&E Corporation and Utility Boards effective July 1, 2018.

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Non-Employee Director Total 2018 Compensation Summary

	Per Quarter	Annual
Annual Retainer		
Non-Employee Directors[(1)]	$30,000	$120,000
Corporation Chair of the Board	$25,000 additional	$100,000 additional
Utility Chair of the Board[(1)]	$7,500 additional	$30,000 additional
Committee Chair Additional Retainers		
Audit Committees[(1)]	$12,500	$50,000
Compensation Committee	$5,000	$20,000
Other Permanent Standing Committees[(1)]	$3,750	$15,000
Special Committee Additional Retainer		
As determined by the applicable Board (none paid during 2018)		
Annual Equity Award		
Non-Employee Directors	n/a	$140,000
Corporation Chair of the Board[(1)]	n/a	$80,000 additional
Per-Meeting Fees		
No meeting fees for attendance at Board, Board committee, or shareholder meetings		
Special Committee Per-Meeting Fees[(1)]		
As determined by the applicable Board (none paid during 2018)		

(1) No additional retainer will be paid by the Utility for any quarter during which the director is paid a retainer from the Corporation for the same role.

Retainers and Fees

Retainers and fees are paid as descried in the above summary table. Any director who serves on the PG&E Corporation Board, Audit Committee, Executive Committee, or Safety and Nuclear Oversight Committee does not receive additional retainers for concurrent service on the Utility Board, Audit Committee, Executive Committee, or Safety and Nuclear Oversight Committee, as applicable.

Effective January 1, 2018, (1) a quarterly retainer of $7,500 was approved for the non-executive Chair of the Board of the Utility and (2) the quarterly retainer for the Chair of the Compensation Committee increased to $5,000 (from $3,750), and the quarterly retainers for the Chairs of the Finance Committee and the Compliance and Public Policy Committee increased to $3,750 (from $2,500).

Non-Employee Director Stock-Based Compensation

Under the 2014 LTIP, each non-employee director of PG&E Corporation is entitled to receive annual awards of stock-based compensation. Pursuant to the terms of the 2014 LTIP, as approved by PG&E Corporation's shareholders, the annual value of equity awards provided to any one non-employee director is limited to $400,000 in any calendar year.

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Awards for 2018 were granted on May 22, 2018. Each non-employee director's award—other than that for the Chair of PG&E Corporation—had a total aggregate value of $140,000 (rounded down to reflect awards equivalent to whole units with values equivalent to whole shares of PG&E Corporation common stock) and consisted of RSUs that were granted to each non-employee director after his or her election to the Board. The award for the Chair of PG&E Corporation had a total aggregate value of $220,000 (rounded down to reflect awards equivalent to whole units with values equivalent to whole shares of PG&E Corporation common stock) and consisted of RSUs that were granted after his election to the Board. These RSUs vest at the earlier of the end of the director's annual elected term or one year after the date of grant and are then settled as shares of PG&E Corporation common stock. RSUs also will vest and be settled upon the director's death or disability, or if there is both a Change in Control (as defined on page [ ]) and the director is terminated. Otherwise, RSUs are forfeited if the director ceases to be a member of the Board prior to vesting. Non-employee directors also may elect to defer settlement of vested RSUs.

Effective January 1, 2018, the total aggregate value of the annual award of stock-based compensation granted to the non-executive Chair of the Board of PG&E Corporation was increased to $220,000 (from $140,000). In addition, in December 2017, a $40,000 supplemental RSU award was approved for the non-executive Chair of the Board of PG&E Corporation. Under the PG&E Corporation Equity Grant Date Policy, the supplemental RSU award was granted on February 12, 2018. The award vested on February 12, 2019.

Stock Ownership Guidelines

Non-employee directors of PG&E Corporation are expected to own shares of PG&E Corporation common stock having a dollar value of at least five times the value of the then-applicable annual Board retainer. If any non-employee director is on the Utility Board only, then that director also may satisfy his or her stock ownership obligation with Utility preferred stock. Directors generally have five years to meet the guidelines. Ownership includes beneficial ownership of common stock, as well as RSUs and common stock equivalents. These guidelines were adopted to more closely align the interests of directors and each company's shareholders.

Deferral of Retainers and Fees

Under the PG&E Corporation 2005 Deferred Compensation Plan for Non-Employee Directors, directors of PG&E Corporation and the Utility may elect to defer all of their retainers, all of their meeting fees, or both. Directors who participate in the Deferred Compensation Plan may elect either to (1) convert their deferred compensation into common stock equivalents, the value of which is tied to the market value of PG&E Corporation common stock, or (2) have their deferred compensation deemed to be invested in the Utility Bond Fund (which is described in the narrative following the "Non-Qualified Deferred Compensation—2018" table beginning on page [ ]).

Reimbursement for Travel and Other Expenses

Directors of PG&E Corporation and the Utility are reimbursed for reasonable expenses incurred in connection with attending Board, Board committee, or shareholder meetings, or participating in other activities undertaken on behalf of the Corporation or the Utility.

Retirement Benefits from PG&E Corporation or the Utility

The non-employee directors of the Boards of PG&E Corporation and the Utility are not provided retirement benefits.

2019 Non-employee Director Compensation Program

In connection with the companies' financial situation, in late 2018 the companies retained Willis Towers Watson ("WTW") as an independent consultant for the discrete, targeted purpose of advising the Compensation Committee, the Boards of Directors, and management with respect to incentive plans, retention plans, and non-employee director compensation for companies undergoing financial restructurings.

On January 29, 2019, PG&E Corporation and the Utility each filed a voluntary petition for relief under Chapter 11 in the Bankruptcy Court. Post-petition, the companies can continue to pay regular cash directors' fees under the non-employee director compensation program in the ordinary course of business but may be limited in the ability to issue additional equity compensation to non-employee directors.

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Item No. 2: Amendment to Increase the Maximum Size of the Corporation's Board to 15 Directors

The Corporation Charter as currently in effect provides that the Corporation Board shall consist of a maximum of thirteen (13) directors and a minimum of seven (7) directors, as prescribed by the Corporation bylaws. Pursuant to Section 902 of the California Corporations Code, an amendment to the Corporation Charter may be adopted if approved by the Board and approved by the affirmative vote of a majority of the outstanding shares entitled to vote, either before or after the approval by the Board.

The Corporation Board asks its shareholders to approve the following (the "Charter Amendment Proposal"):

RESOLVED that part I of the third paragraph of the Corporation Charter be amended and restated as follows:

"The Board of Directors of the Corporation shall consist of such number of directors, not less than eight (8) nor more than fifteen (15), as shall be prescribed in the Bylaws."

The Charter Amendment Proposal will increase the maximum number of directors on the Corporation Board to 15 and increase the minimum number of directors on the Corporation Board to 8. The Charter Amendment Proposal will not affect the Corporation Board's existing power to amend the bylaws to increase or reduce the size of the Corporation Board within the limits set by the Corporation Charter.

The Corporation Board believes that increasing the size of the Corporation Board is in the best interest of the Corporation and its shareholders. The Corporation Board also believes that the Charter Amendment Proposal will allow for more diverse perspectives on the Board and will enhance the overall collective effectiveness of the Corporation Board. This increase will allow all 14 individuals nominated by the Corporation Board to serve as directors on the Corporation Board with one additional vacant seat to be filled in the future as appropriate.

The Board of Directors of PG&E Corporation Unanimously Recommends a Vote FOR the Charter Amendment Proposal.

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Item No. 3: Ratification of the Appointment of the Independent Registered Public Accounting Firm for PG&E Corporation and Pacific Gas and Electric Company

The Audit Committees of PG&E Corporation and the Utility each have selected and appointed Deloitte & Touche LLP ("Deloitte & Touche") as the independent auditor for that company to audit the consolidated financial statements as of and for the year ended December 31, 2019, and to audit the effectiveness of internal control over financial reporting as of December 31, 2019. Deloitte & Touche is a major national accounting firm with substantial expertise in the energy and utility businesses. Deloitte & Touche has served as the independent auditors for PG&E Corporation and the Utility since 1999.

One or more representatives of Deloitte & Touche are expected to be present at the annual meetings. They will have the opportunity to make a statement if they wish and are expected to be available to respond to questions from shareholders.

Each company's Board believes that this appointment of Deloitte & Touche is in the best interests of that company and its shareholders.

PG&E Corporation and the Utility are not required to submit these appointments to a vote of their shareholders. However, the Boards of Directors believe that requesting shareholder ratification of this selection is a good corporate governance practice. If the shareholders of either PG&E Corporation or the Utility do not ratify the appointment, the applicable Audit Committee will investigate the reasons for rejection by the shareholders and will reconsider the appointment. Even if a company's shareholders ratify the selection, the applicable Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of that company and its shareholders.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend a Vote FOR the Proposal to Ratify the Appointment of Deloitte & Touche.

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Information Regarding the Independent Auditor for PG&E Corporation and Pacific Gas and Electric Company

Selection and Oversight of the Independent Auditor

Each Audit Committee is responsible for the appointment, replacement, compensation, and oversight of the work of the independent auditor. The Audit Committees review the scope of the audit, including the terms of the engagement. The independent auditor reports directly to the Audit Committees; at each Audit Committee meeting, the independent auditor meets separately with the Audit Committees, without management present.

Annually, each Audit Committee also evaluates the independence, qualifications, and performance of the independent auditor, taking into account the opinions of management and the internal auditors. To ensure continuing independence of the independent auditor, the Audit Committees also consider whether there should be rotation of the independent auditor. In accordance with SEC rules, the lead audit partner may provide a maximum number of five consecutive years of service to the companies. Consistent with that requirement, Deloitte & Touche assigned a new lead auditor to lead the integrated audit of PG&E Corporation’s and the Utility’s financial statements, starting in 2017. The Audit Committees reviewed and evaluated the new lead auditor as part of its annual process for reviewing the independent auditor.

For 2019, the Audit Committees selected Deloitte & Touche as the companies’ independent auditor, following consideration of the following factors and criteria: (1) status as a registered public accounting firm and is subject to oversight by the Public Company Accounting Oversight Board; (2) status as a “Big Four” public accounting firm, nationally and internationally recognized as an expert in accounting and auditing; (3) having one of the largest utility practices of the “Big Four” public accounting firms; (4) having made a strong commitment to supporting supplier diversity; (5) having significant experience with the companies; and (6) having an experienced team, including the lead partner, familiar with the industry, assigned to the companies’ engagements. The Audit Committees also considered (1) Deloitte & Touche’s quality control report, (2) Deloitte & Touche’s discussion of its independence, and (3) a review of Deloitte & Touche’s proposed audit plan (including draft engagement letter) for 2019.

Although Deloitte & Touche has been the companies’ independent auditor since 1999, in 2015 and at the Audit Committees’ direction, the companies solicited bids from accounting firms to conduct the external audits of the companies’ financial statements for the year ending December 31, 2016. The bids were evaluated by the Auditor Selection Committee, which was comprised of members from the companies’ accounting, internal auditing, regulatory, operational, sourcing, and legal functions. The bids were evaluated with respect to four key factors: firm capabilities and background, firm resources and audit plan, supplier diversity plans, and pricing. Upon consideration of the information provided by the Auditor Selection Committee, each Audit Committee appointed Deloitte & Touche as the independent auditor for the year ending December 31, 2016.

Fees Paid to the Independent Auditor During 2018 and 2017

The Audit Committees have reviewed the audit and non-audit fees that PG&E Corporation, the Utility, and their respective controlled subsidiaries have paid to the independent auditor (including subsidiaries and affiliates), in order to consider whether the nature and relative value of those fees are compatible with maintaining the firm's independence.

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Table 1: Fees Billed to PG&E Corporation

(Amounts include Fees Billed to the Utility and its Subsidiaries shown in Table 2 below)

	2018	**2017**
Audit Fees	$5.505 million	$4.67 million
Audit-Related Fees	$0.245 million	$0.15 million
Tax Fees	$0	$0
All Other Fees	$0	$0

Table 2: Fees Billed to the Utility and its Subsidiaries

(Amounts are included in Fees Billed to PG&E Corporation shown in Table 1 above)

	2018	**2017**
Audit Fees	$4.896 million	$3.94 million
Audit-Related Fees	$0.245 million	$0.15 million
Tax Fees	$0	$0
All Other Fees	$0	$0

Audit Fees

Audit fees billed for 2018 and 2017 relate to services rendered by Deloitte & Touche and its affiliates in connection with reviews of Quarterly Reports on Form 10-Q, certain limited procedures on registration statements, the audits of the annual financial statements of PG&E Corporation and its subsidiaries and the Utility and its subsidiaries, the audits of both PG&E Corporation’s and the Utility’s internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, and support for statutory or regulatory filings or engagements and regulators’ reviews of auditor workpapers.

Audit-Related Fees

Audit-related fees billed in 2018 and 2017 relate to services rendered by Deloitte & Touche and its affiliates for nuclear decommissioning trust audits, consultations on financial accounting and reporting standards, required agreed-upon procedure reports related to contractual obligations of the Utility and its subsidiaries, advice regarding proposed transactions, advice regarding adoption of new accounting pronouncements, training, and advice concerning internal controls surrounding new applications, systems, or activities.

Tax Fees

Deloitte & Touche and its affiliates provided no services in this category during 2018 and 2017.

All Other Fees

Deloitte & Touche and its affiliates provided no services in this category during 2018 and 2017.

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Obtaining Services from the Independent Auditor

Annual Review and Pre-Approval of Services

For each fiscal year, each Audit Committee approves a list of services that will be obtained during that year by the applicable company and its controlled subsidiaries and affiliates from the independent auditor (including its affiliates). The approved services generally are consistent with the descriptions below:

Category	**Description**
Audit services	Audit and review of annual and quarterly financial statements, expressing opinions on the conformity of the audited financial statements with generally accepted accounting principles, auditing management's assessment of the effectiveness of internal control over financial reporting, and services that only the independent auditor reasonably can provide (e.g., comfort letters, statutory and regulatory audits, attest services, consents, assistance with and review of documents filed with the SEC, and assistance with new accounting standards, laws, and regulations).
Audit-related services	Assurance and related services that traditionally are performed by the independent auditor (e.g., agreed-upon procedure reports related to contractual obligations and financing activities, consulting regarding accounting pronouncements, nuclear decommissioning trust audits, and attest services).
Tax services	Advice relating to compliance, tax strategy, tax appeals, and specialized tax issues, all of which also must be permitted under the Sarbanes-Oxley Act.
Non-audit services	None.

The Audit Committees also approve maximum fee amounts for each approved service.

As part of the review process, the Audit Committees assess, among other things, the impact of that service on the independent auditor's independence.

During 2018, management adopted a policy of retaining D&T, Deloitte Consulting, or their subsidiaries or affiliate (together, "Deloitte") for non-audit services only if the services (1) do not impair D&T's independence, in fact or appearance, and are permitted by any rules regarding auditor independence, and (2) when aggregated, total amounts paid per year by the companies to Deloitte for "tax service" and "other services" (non-audit services) will be no more than 20 percent of the expected amounts that the companies will pay to Deloitte for "audit services" and "audit-related services."

Mid-Year Monitoring and Approval of Additional Services

During the year, management periodically updates each Audit Committee as to the extent to which the approved services have already been provided. The Audit Committees also must approve (1) any proposed new services that were not approved during the annual review, and (2) any increase in authorized fee amounts for previously approved services.

Delegation of Pre-Approval Authority

Each Audit Committee has delegated to its Committee Chair, or to any other independent Committee member if the Chair is not available, the authority to pre-approve services provided by the applicable company's independent auditor. These pre-approvals must be presented to the full Audit Committee at the next regularly scheduled Committee meeting.

Services Provided During 2018 and 2017

During 2018 and 2017, all services provided by Deloitte & Touche to PG&E Corporation, the Utility, and their consolidated affiliates were approved consistent with the applicable pre-approval procedures.

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Report of the Audit Committees

The Audit Committees ("Committees") of PG&E Corporation and Pacific Gas and Electric Company are comprised of independent directors and operate under written charters adopted by their respective Boards. The members of the Audit Committees of PG&E Corporation and the Utility are identical. At both PG&E Corporation and the Utility, management is responsible for internal controls and the integrity of the financial reporting process.

The Committees reviewed and discussed the audited consolidated financial statements of PG&E Corporation and the Utility with management and the independent auditor. The Committees also discussed with the independent auditors the matters that are required to be discussed by the Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 1301—Communications with Audit Committees.

Deloitte & Touche LLP was the independent auditor for PG&E Corporation and the Utility in 2018. Deloitte & Touche LLP provided to the Committees the written disclosures and letter required by applicable requirements of the PCAOB regarding an independent auditor's communications with an audit committee concerning independence and non-audit services, and the Committees discussed with Deloitte & Touche LLP that firm's independence.

Based on the Committees' review and discussions described above, the Committees recommended to the respective Boards that the audited consolidated financial statements for PG&E Corporation and the Utility be included in the PG&E Corporation and Pacific Gas and Electric Company Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission.

Audit Committees of the Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company

February 19, 2019

Lewis Chew, Chair
Richard C. Kelly
Forrest E. Miller
Eric D. Mullins(1)

(1) The four names listed above reflect the composition of the Audit Committees as of February 19, 2019, the date of this report of the Audit Committees.

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Item No. 4: Advisory Vote on Executive Compensation for PG&E Corporation and Pacific Gas and Electric Company

PG&E Corporation and the Utility each ask their respective shareholders to approve the following:

RESOLVED that the compensation paid for 2018 to the company's executive officers named in the Summary Compensation Table of this Joint Proxy Statement, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables, and the accompanying narrative discussion, is hereby APPROVED.

PG&E Corporation and the Utility each believe that its executive compensation policies and practices for 2018 were effective in tying a significant portion of pay to performance, while providing competitive compensation to attract, retain, and motivate talented executives, and align the interests of our executive officers with those of our shareholders.

In establishing PG&E Corporation's officer compensation programs for 2018 (which also cover officers of the Utility), the Compensation Committee established three objectives. These objectives, and how these objectives were met for 2018, are discussed in the CD&A, which can be found immediately following this Item No. 4. These objectives are summarized below.

- **A significant portion of every officer's compensation should be tied directly to PG&E Corporation's performance, without promoting excessive risk-taking.**

With the exception of base salary and perquisites, all elements of 2018 annual officer compensation were tied to corporate operational and/or financial performance and, therefore, provided a direct connection between compensation and performance in the achievement of both key operating results and long-term shareholder value. For Geisha J. Williams, who served as the PG&E Corporation CEO and President during 2018, approximately 89 percent of 2018 target compensation was tied to corporate performance. For the other NEOs, approximately 75 percent of average 2018 target compensation was tied to corporate performance.

The Compensation Committee's independent general compensation consultant, Pay Governance LLC, advised that for 2018 there were no material issues regarding PG&E Corporation's and the Utility's executive compensation programs, and that the design of the companies' incentive pay plans posed a low risk. As such, incentive plan design posed a low likelihood of incenting employees to engage in behaviors that are likely to have an adverse material impact on the companies.

- **A significant component of officer compensation should be tied to PG&E Corporation's long-term performance for shareholders, in the form of long-term incentive awards.**

The annual long-term incentive awards for 2018 were comprised of 20 percent performance shares using a relative TSR measure, 10 percent performance shares using a safety measure, 5 percent performance shares using a financial measure, 45 percent RSUs, and 20 percent stock options. Performance shares granted in 2018 vest, if at all, at the end of a three-year period, and their value is also tied to the price of PG&E Corporation common stock. In addition, the value of performance shares using a TSR measure is tied to the relative three-year performance of PG&E Corporation common stock price appreciation and dividends paid, as compared to the TSR of companies in the 2018 Performance Comparator Group. RSUs vest over a three-year period, and their value is tied directly to the price of PG&E Corporation common stock. Stock options vest over three years and only have cash value if the price of PG&E Corporation common stock upon exercise exceeds the stock option exercise price.

- **Target cash compensation (base salary and target short-term incentive) should be competitive with the median target cash compensation for comparable officers in the 2018 Pay Comparator Group.**

Target cash compensation for 2018 generally was within a range of 15 percent above to 15 percent below the corresponding market median for companies in the 2018 Pay Comparator Group.

This vote is non-binding and is required by Section 14A of the Securities Exchange Act of 1934. PG&E Corporation and the Utility each currently plan to submit this vote to shareholders annually and expect to next submit this matter to shareholders in connection with next year's annual shareholder meeting. If the shareholders of either company do not approve this proposal, the Compensation Committee and members of management will investigate the reasons for disapproval and will consider those reasons when developing future executive compensation programs, practices, and policies.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend a Vote FOR This Proposal to Approve the Compensation of Each Company's Executive Officers Named in the Summary Compensation Table, as Described in This Joint Proxy Statement.

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Compensation Committee Report

The Compensation Committee of PG&E Corporation is comprised of independent directors and operates under a written charter adopted by the PG&E Corporation Board. The Compensation Committee is responsible for overseeing and establishing officer compensation policies for PG&E Corporation, the Utility, and their subsidiaries.

The Compensation Committee has reviewed and discussed the section of this Joint Proxy Statement entitled "Compensation Discussion and Analysis" with management. Based on its review and discussion with management, the Compensation Committee has recommended to the Boards of PG&E Corporation and the Utility that the "Compensation Discussion and Analysis" section be included in this Joint Proxy Statement.

February 19, 2019

Forrest E. Miller, Chair
Richard C. Kelly
Rosendo G. Parra
Barbara L. Rambo[1]

(1) The four names listed above reflect the composition of the Compensation Committee as of February 19, 2019, the date of this Compensation Committee report.

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Compensation Discussion and Analysis

This CD&A describes the companies' compensation philosophy, executive compensation program, and how the NEOs were compensated in 2018. The CD&A discusses:

1. **Performance and Pay Highlights**
2. **Compensation Program Objectives and Competitive Market Review**
3. **Risk and Governance Approach**
4. **2018 NEO Compensation Structure**
5. **2019 NEO Compensation Structure**
6. **Committee Conclusion**

Detailed information regarding 2018 NEO compensation can be found in the Executive Officer Compensation Information section following this CD&A.

1. PERFORMANCE AND PAY HIGHLIGHTS

Corporate Performance Overview

Much like 2017, 2018 was an extremely difficult year for PG&E Corporation, the Utility, and our stakeholders with respect to recent wildfires in California. The devastating 2017 and 2018 wildfires impacted our customers and communities on an unprecedented level. PG&E Corporation's stock price declined in the wake of the October 2017 Northern California wildfires and dropped precipitously after the November 2018 Camp fire. This resulted in steeply negative total shareholder return on a one-, three-, and five-year basis. Although 2018 earnings from operations were above target,[1] we have reported a combined $14.0 billion in pre-tax charges related to both the 2018 Camp fire and the 2017 Northern California wildfires for fiscal 2018, with full year GAAP net losses of $6.9 billion. On January 29, 2019, PG&E Corporation and the Utility each voluntarily filed for reorganization under Chapter 11.

The magnitude of our financial challenges are reflected in our executive compensation outcomes for the year. Performance awards tied to 2016-2018 TSR resulted in no payout, outstanding stock options are currently entirely underwater, and unvested restricted stock unit (RSU) grants are worth 38 percent of value as of April 1, 2019. Our Compensation Committee ("Committee") exercised discretion to reduce 2018 Short-Term Incentive Plan (STIP) payouts to zero, although we performed above target with respect to certain operational and compliance, safety, customer service, and financial goals. Our executives' realized pay for the year is substantially lower than the value at grant, representing the strong alignment of their interests with those of our shareholders.

As a result of the Chapter 11 Cases, the 2019 executive compensation program may differ significantly from that in prior years. In addition, certain compensation provided to executive officers during the pendency of the Chapter 11 Cases may be subject in certain instances to approval by the Bankruptcy Court. The Committee has been working with its advisors, including WTW, to review the 2019 executive compensation program in an effort to balance the financial situation facing the companies with the need to continue to recruit and retain qualified executives to guide the companies through a period of uncertainty, including the unpredictability of the stock price and the resulting effect on the incentive and retentive value of equity-based awards. In February 2019, the Committee determined that the NEOs will not participate in the 2019 STIP and expects that the companies will continue to evaluate all aspects of the 2019 executive compensation program, including base salary, short- and long-term incentives, and other benefits.

1 PG&E Corporation discloses historical financial results and bases guidance on "earnings from operations" in order to provide a measure that allows investors to compare the underlying financial performance of the business from one period to another, exclusive of items that management believes do not reflect the normal course of operations. Earnings from operations are not a substitute or alternative for income available for common shareholders presented in accordance with Generally Accepted Accounting Principles ("GAAP") (see Exhibit A at the end of this CD&A for a reconciliation of results based on earnings from operations to results based on income available for common shareholders in accordance with GAAP).

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We remain committed to providing safe and reliable gas and electric services to our customers. The safety of our employees, our customers, and our communities are of utmost importance to us and we are taking active steps to reduce wildfire risk and assist in rebuilding efforts. As a part of those efforts, we are conducting enhanced inspections of our electric transmission and distribution systems in high fire-threat areas. We recognize the importance of recruiting and retaining talented leaders as we enter this next phase as a company and have announced the appointment of Mr. Johnson as our new Chief Executive Officer and President, with Mr. Johnson expected to enter this role on May 2, 2019. As a result of the Board's previously announced Board refreshment process, in April 2019 eleven new directors joined two continuing directors on the Board of PG&E Corporation and the Utility, with eight of ten then-incumbent directors stepping down. Mr. Johnson is expected to join the Board of Pacific Gas and Electric Company on May 2, 2019 concurrently with stepping into his role as Chief Executive Officer and President of PG&E Corporation. We believe that these steps position us to continue to improve our safety and operational effectiveness.

Short-Term Performance and Pay

2018 SHORT-TERM INCENTIVE PLAN RESULTS

The STIP is the annual cash incentive plan for executives. Performance is measured against targets previously approved by the Compensation Committee.

Overall safety performance, measured with respect to certain pre-set compliance, employee, and operational safety goals exceeded target. More specifically, performance for the Diablo Canyon Power Plant Reliability and Safety Indicator met the stretch goal for both units. Performance for the Public Safety Index exceeded target through focused effort from the Vegetation Management group and contractors to maintain continuous compliance through numerous quality control and quality assurance audits across the system. Performance for the Asset Records Duration Index exceeded target through increased accountability, work visibility, and focus by the clerical, construction, estimating, and mapping teams. Specifically, increased utilization of real-time reports allowed immediate visibility to orders with issues, so actions could be taken to reduce cycle times. Performance for the Gas In-Line Inspection and Upgrade Index exceeded target through successful completion of medium- and high-risk projects. Performance for the Gas Dig-Ins Reduction measure exceeded stretch goal due to a 3.5 percent decrease in dig-ins with a 13.5 percent increase in volume of Underground Service Alert tickets compared to the same period in 2017. Performance for the Serious Injuries and Fatalities (SIF) Corrective Action Index exceeded target through good performance on timely completion of corrective actions and completed SIF investigation reports.

Customer performance was above stretch goal. Record reliability satisfaction perception and significantly improved pricing satisfaction boosted 2018 performance. Customer focus and customer service satisfaction also significantly improved in 2018 along with several other key survey drivers. Additionally, the Utility met estimating and construction cycle time targets approximately 91 percent of the time due to a focus by the Restoration & Construction teams to prioritize schedules based on customers' needs.

Financial performance as measured by earnings from operations exceeded the year-end target, primarily driven by the expected cost recovery of insurance premiums above amounts included in authorized revenues as a result of the CPUC authorizing a Wildfire Expense Memorandum Account, and tax favorability associated with the 2017 tax return, partially offset by higher emergency and restoration costs.

Overall company STIP results resulted in a final company performance score of 1.601.

After reviewing overall company performance in light of the devastating 2018 Camp fire, the hardships incurred by communities and others, and the companies' financial circumstances including the need to seek relief under Chapter 11, management recommended that the Committee exercise its discretion and reduce the company performance score to zero. The Committee and Boards accepted the recommendation and **no 2018 STIP awards were paid.**

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Long-Term Performance and Pay

Our equity-based incentive plan is designed to link executive performance to long-term shareholder returns. Awards consist of (1) performance shares which cliff-vest following a three-year performance period, (2) RSUs with time-based vesting, and (3) stock options with time-based vesting.

2016 Performance Share Result - TSR

Fifty percent of long-term incentive plan (“LTIP”) awards granted in 2016 were allocated to performance shares with the payout determined by comparing PG&E Corporation’s TSR to that of the companies in its 2016 Performance Comparator Group. PG&E Corporation’s TSR ranked below all companies in the 2016 Performance Comparator Group for the three-year period from 2016 to 2018, resulting in no payout in 2019 with respect to these performance shares.

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE
AS OF DECEMBER 31, 2018

2016 Performance Share Result – Safety and Affordability

Ten percent of LTIP awards granted in 2016 were allocated to performance shares with the payout determined by measuring performance against equally-weighted safety and affordability goals. Safety performance, as measured by the 2016 through 2018 Lost Workday Case Rate, was below the threshold target. Affordability, as measured by three-year efficiency gains versus a $100 million target, achieved a 2.0 score. The overall result was a 100 percent payout in 2019 for these performance shares, which represented 10 percent of the total target LTIP grant value for 2016.

2016-2018 SAFETY AND AFFORDABILITY RESULTS

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CEO Realizable Compensation

The Compensation Committee believes that analyzing realizable pay is important in understanding the relationship between the targeted compensation that was approved for the CEO of PG&E Corporation and the compensation that was actually earned, or may still be earned, based on company performance.

For the past three years in aggregate, CEO realizable pay was 48 percent of target. Target compensation for each year includes salary, non-equity incentives at target, the value of stock awards granted (at grant date fair market value), change in pension value, and all other compensation.

Realizable compensation for each year includes salary, non-equity incentives earned, the value of stock awards (using the December 31, 2018 stock price for vested awards or, for outstanding unvested awards, the expected value at vesting based on the December 31, 2018 stock price), change in pension value, and all other compensation. Based on the significant reduction in TSR following 2017 and 2018 catastrophic wildfire events, no payouts are assumed for performance shares granted in 2017 and 2018 using a TSR measure. Target payouts are assumed for performance shares granted in 2017 and 2018 using safety and affordability or financial goals.

Effective March 1, 2017, Ms. Williams replaced Anthony F. Earley, Jr. as CEO of PG&E Corporation. The following chart presents Mr. Earley's compensation for 2016 and Ms. Williams' compensation for 2017 and 2018.

CEO TARGET AND REALIZABLE COMPENSATION
(2016 - 2018) IN $ MILLIONS

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2. COMPENSATION PROGRAM OBJECTIVES, PROCESS, AND COMPETITIVE MARKET REVIEW

2018 Officer Compensation Program Objectives

The Compensation Committee established PG&E Corporation's officer compensation program for 2018 to meet three primary objectives:

- Performance-Based Pay—A significant portion of total compensation is at risk based on PG&E Corporation and individual performance. Short- and long-term incentives reflect safety, customer, operational, and financial goals, and long-term shareholder returns, without promoting excessive risk-taking.
- Shareholder Alignment—A significant component of every officer's compensation is tied directly to PG&E Corporation's performance for shareholders. Performance is defined as TSR, measured by stock price appreciation and dividends paid, relative to companies in the Performance Comparator Group.
- Market-Competitive Compensation Levels—Target cash compensation (base salary and short-term incentive) should be competitive with the median target cash compensation for comparable officers in the Pay Comparator Group.

PG&E Corporation's and the Utility's 2018 compensation policies and practices described below and elsewhere in this Proxy Statement are designed to meet these objectives. These objectives for 2018 were largely unchanged from 2017.

The Committee also considers shareholder advisory votes as part of its review of executive compensation programs and practices. In May 2018, PG&E Corporation's and the Utility's shareholders approved the companies' NEO compensation for 2017 with votes of 94.9 percent and 99.9 percent, respectively. The Committee considered these results and, given the level of shareholder support, made no material changes to compensation policies in 2018.

Executive Officer Compensation-Setting Process

The executive officer compensation setting process for 2018 was consistent with that in prior years. Each year, the independent members of the applicable Board, based on the Compensation Committee's advice and recommendation, approve the amounts of total target compensation for the CEO of PG&E Corporation and the CEO of the Utility (or, if the Utility CEO office is not filled, the Utility President or equivalent). Such approvals are made following a review of comparative data, advice from the Committee's independent compensation consultant, and an assessment of individual performance, objectives, and scope of responsibilities. The Committee also approves the amounts of total target compensation for all other executive officers based upon a review of comparative data, advice from its independent compensation consultant, and recommendations from the Corporation CEO and the Utility CEO (or, if the Utility

CEO office is not filled, the Utility President or equivalent), as applicable. The Committee uses comparative data throughout the year to set the total target compensation of new executive officers. The Committee also reviews other benefits provided to executive officers.

The PG&E Corporation Board has delegated to the Compensation Committee the authority to administer the 2014 LTIP, under which equity-based awards have been made. In addition, the Corporation Board has delegated to the Corporation CEO the authority to grant LTIP awards to certain eligible participants within the guidelines adopted by the Committee.

The PG&E Corporation CEO and the Utility CEO (or, if the Utility CEO office is not filled, the Utility President or equivalent) generally attend a portion of each Compensation Committee meeting but excuse themselves from the Committee's deliberations or decisions with respect to their own pay. At the Committee's request, the Corporation CEO and the Utility CEO (or, if the Utility CEO office is not filled, the Utility President or equivalent) review with the Committee the performance of the other NEOs. The Corporation CEO and the Utility CEO (or, if the Utility CEO office is not filled, the Utility President or equivalent), as applicable, also recommend adjustments, if any, in base pay, annual incentive awards, and LTIP awards for the other NEOs.

These recommendations are given appropriate weight by the Committee in the compensation-setting process, given each CEO's and President's direct knowledge of the performance and contributions of each NEO. The Committee may exercise its discretion to accept, reject, or modify their recommendations based on the Committee members' collective assessment of the NEOs' performance and pay position relative to the peer group, as well as PG&E Corporation's overall financial and operating performance and other factors that the Committee deems appropriate.

The Compensation Committee may delegate its authority with respect to ministerial matters under the 2014 LTIP to the PG&E Corporation CEO or the PG&E Corporation Senior Vice President, Human Resources.

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The PG&E Corporation Board has delegated to the Corporation CEO the authority to approve compensation, within guidelines approved by the Compensation Committee, to lower-level officers—excluding Section 16 Officers—and to non-officer employees. With respect to equity awards, such Committee-approved guidelines include the LTIP annual award value ranges for different categories of employees, an aggregate cap on the value of awards for any given year, and the terms and conditions of all LTIP awards to be made during the year. The guidelines also specify the grant date for annual LTIP awards. Actual awards are made within the range of target LTIP values previously approved by the Committee.

Consultants and Advisers

The Compensation Committee retains independent compensation consultants to advise the Committee on compensation programs and practices, including pay levels for non-employee directors and for officers.

For establishing 2018 compensation, the Compensation Committee retained Pay Governance LLC (“Pay Governance”) as its independent consultant for general compensation issues. Neither Pay Governance nor any of its affiliates provided any services to management of PG&E Corporation, the Utility, or their affiliates, although Pay Governance has maintained a working relationship with management in order to fulfill Pay Governance’s primary role as adviser to the Compensation Committee. Pay Governance is a nationally recognized independent firm providing consulting assistance to corporations to develop compensation programs for senior executives, key employees, and boards of directors. Pay Governance was first selected as the Compensation Committee’s independent consultant in September 2014, following the Committee’s review of numerous candidate firms.

During 2018, Pay Governance advised the Compensation Committee on the following matters:

- Non-employee director compensation,
- Executive compensation competitive market,
- Executive compensation emerging trends and best practices,
- Shareholder advisory firms’ pay and performance analyses,
- Compensation risk analysis,
- Proxy statement disclosures relating to compensation,

- Severance and change-in-control practices and policies,
- Corporate governance best practices relating to compensation, and
- Compensation matters relating to CEO transition.

In late 2018, the companies retained Willis Towers Watson ("WTW") as an independent consultant for the discrete, targeted purpose of advising the Compensation Committee, the Boards of Directors, and management with respect to incentive plans, retention plans, and non-employee director compensation for companies undergoing financial restructurings. WTW received $150,000 in fees during 2018 for such services. WTW also has historically provided the companies with customary actuarial and consulting services with respect to employee compensation and benefit plan administration. WTW received $2.3 million for such services during 2018. The WTW representatives who work on the targeted executive and director compensation issues for the companies have no relationships with PG&E Corporation's and the Utility's Board members and executive management (other than through the provisions of such targeted consulting services) and are independent of the WTW team working on ordinary course matters for the companies. Compensation that would be received by the WTW executive and director compensation team is not directly tied to the other fees paid to WTW by PG&E Corporation and the Utility.

The Compensation Committee determined that no conflicts of interest were raised by the work of Pay Governance or WTW during 2018.

The Compensation Committee also has discretion to engage other compensation consultants, as well as legal counsel and other advisers, although it did not do so during 2018. The Committee will consider any advisers' and consultants' independence, and whether the work of any compensation consultants will raise any conflict of interest. PG&E Corporation pays the reasonable compensation costs for any such advisers and consultants.

Management also may retain compensation consultants to assist management and the Compensation Committee in connection with compensation matters.

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2018 NEO Compensation Competitive Market Review

For 2018, the Compensation Committee used a Pay Comparator Group of publicly traded gas and electric utilities to evaluate market practice and assess PG&E Corporation's and the Utility's competitive pay position, supplemented by data for the broader energy services sector or general industry, as appropriate. All elements of NEO total direct pay (base pay and short- and long-term incentive targets) were compared individually and in aggregate to the applicable benchmark data.

The Committee does not adhere strictly to formulas or survey data to determine the actual mix and amounts of compensation. The Committee considers various additional factors, including each NEO's scope of responsibility and organizational impact, experience, and performance, as well as PG&E Corporation's and the Utility's overall safety, operating, and financial results. This flexibility is important in supporting the overall pay-for-performance philosophy and in meeting the Committee's objectives of attracting, retaining, and motivating a talented executive leadership team.

In setting 2018 compensation levels, base pay and short-term incentive targets were aligned with the market median.

Target annual LTIP award values for 2018 reflect long-term incentive award trends of the market. Specifically, performance share awards using a TSR metric are designed to (1) provide payouts commensurate with PG&E Corporation's TSR performance as compared to the 2018 Performance Comparator Group, and (2) deliver long-term incentive compensation at approximately the 60^{th} percentile level of the 2018 Pay Comparator Group, upon achievement of 60^{th} percentile TSR performance as compared to the 2018 Performance Comparator Group. If the Corporation's TSR performance is at the median level of the 2018 Performance Comparator Group, participants will realize a payout below target award values. Actual amounts realized by NEOs depend on the Corporation's performance, as measured by stock price and relative TSR performance as compared to the 2018 Performance Comparator Group and by actual safety and financial performance as compared to established targets. Stock options only have value if the price of PG&E Corporation common stock upon exercise exceeds the stock option strike price.

Pay Comparator Group

For 2018, the Pay Comparator Group used to benchmark compensation elements consisted of all companies listed in the Philadelphia Utility Index, with two replacements. Sempra Energy and WEC Energy Group, Inc. were used as comparators in place of American Water Works, due to its dissimilar business model, and El Paso Electric because, with annual revenues under $1 billion, it is too small to be a reasonable comparator. The Philadelphia Utility Index, which is administered by NASDAQ, consists of a group of 20 companies (including PG&E Corporation) that are selected by NASDAQ based on having a primary business in the electric utility sector and meeting minimum market capitalization criteria.

A total of 19 companies were included in the 2018 Pay Comparator Group.

AES Corporation	Duke Energy Corporation	
Ameren Corporation	Edison International	Public Service Enterprise Group
American Electric Power Company, Inc.	Entergy Corporation	Sempra Energy
CenterPoint Energy, Inc.	Eversource Energy	Southern Company
Consolidated Edison, Inc.	Exelon Corporation	WEC Energy Group, Inc.
Dominion Resources, Inc.	FirstEnergy Corp.	Xcel Energy Inc.
DTE Energy Company	NextEra Energy, Inc.	

In addition, supplemental data for the broader energy services segment, adjusted for PG&E Corporation's revenues, was provided by WTW from its proprietary Energy Services executive compensation survey, which includes information from over 100 energy services companies. Due to the proprietary nature of the data, WTW did not disclose the companies matching individual benchmark positions.

Performance Comparator Group

Each year, PG&E Corporation and the Utility also identify a Performance Comparator Group that is used only for evaluating PG&E Corporation's relative TSR performance to determine payouts for LTIP performance shares. In determining the composition of the Performance Comparator Group for 2018, the Compensation Committee decided that the Performance Comparator Group will include companies (1) that are categorized consistently by the investment community as "regulated," as opposed to "less regulated," based on analysis of revenue sources (i.e., the companies have business models similar to the Corporation and the Utility), and (2) that have a market capitalization of at least $4 billion. The Committee first selected companies listed on the Philadelphia Utility Index that meet these criteria and then selected additional companies that also meet these criteria. A total of 15 companies were included in the Performance Comparator Group for performance shares granted in 2018.

Alliant Energy Corporation	DTE Energy Company	Pinnacle West Capital Corporation
Ameren Corporation	Duke Energy Corporation	SCANA Corporation
American Electric Power Company, Inc.	Edison International	Southern Company
CMS Energy Corporation	Eversource Energy	WEC Energy Group, Inc.
Consolidated Edison, Inc.	NiSource Inc.	Xcel Energy Inc.

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3. RISK AND GOVERNANCE APPROACH

The companies' compensation programs emphasize sound governance practices. Our executive compensation practices, as aligned with best practices, include:

Our Compensation Practices	NOT Our Compensation Practices
Pay for Performance. A majority of compensation is "at risk" and linked to shareholder interests.	**No Unearned Dividends Paid.** No dividends or dividend equivalents are paid on unvested equity awards.
Shareholder Outreach. Discussions with key institutional investors on a regular basis.	**No Repricing of Options and Stock Appreciation Rights.** Repricing requires shareholder approval.
Clawback Policy. Clawback policy with a three-year reach-back triggered by (1) financial restatement, (2) material miscalculation of performance measure, or (3) fraud or misconduct resulting in material financial or reputational harm to either company. *Revised February 2018 and February 2019.*	**No Tax Gross-Ups.** No tax gross-ups are provided, except for limited programs generally available to all management employees.
Double Trigger. Change-in-control severance requires a "double trigger."	**No Hedging or Pledging.** Policy restricts hedging and pledging of either company's stock.
Realizable Pay. The Compensation Committee reviews tally sheets and considers realizable pay	**No Additional Service Credit.** Policy against granting additional credited service under the Supplemental Executive Retirement Plan.
Limited Severance Benefits. Benefits are limited to one times base salary plus target STIP bonus, pro-rata vesting of performance shares, and one-year continued vesting of RSUs and options.	
Compensation Consultant. The Compensation Committee engages an independent consultant and has a policy concerning independence.	
Ownership Guidelines. Share ownership and retention requirements (6X base salary for the CEO; 1.5X to 3X for other NEOs, except Mr. Thomason).	

Executive Stock Ownership Guidelines

The 2010 Executive Stock Ownership Guidelines are designed to encourage senior executive officers to achieve and maintain a minimum investment in PG&E Corporation common stock at levels set by the Compensation Committee, and to further align executive interests with those of PG&E Corporation's shareholders. Executive stock ownership guidelines are increasingly viewed as an important element of a company's governance policies.

For NEOs in 2018, the stock ownership target for Ms. Williams was six times base salary, the target for Messrs. Malnight, Wells, and Simon was three times base salary, and the target for Messrs. Soto and Hogan was one and one-half times base salary. Mr. Thomason is not subject to stock ownership guidelines. Prior to his retirement, the stock ownership target for Mr. Stavropoulos was three times base salary.

Until an executive meets the applicable stock ownership guideline, he or she must retain 50 percent of the net shares realized from the vesting of RSUs or stock units (including performance shares), after accounting for tax withholding. For calculating compliance with the guidelines, unvested RSUs and unvested stock units are not considered, except in the case of RSUs after a participant is retirement-eligible (as defined in the applicable award agreement).

Clawback Policy

In February 2018, and again in February 2019, the Compensation Committee approved changes to the Clawback Policy, broadening the scope of events to which recoupment applies, including events not predicated on a restatement. The policy now provides the Committee and Boards with the discretion to seek recoupment of payments made to a Section 16 Officer under the following circumstances:

- if either company restates financial statements that were filed with the SEC for any of the past three completed fiscal years, or
- if during any of the past three completed fiscal years a material miscalculation occurred with respect to the amount of any payment made to an individual who was a Section 16 Officer, or
- if any individual in the past three fiscal years engaged in fraud or other misconduct, and such fraud or misconduct caused material financial or reputational harm to either company.

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Compensation Risk Analysis

Pay Governance assists PG&E Corporation and the Utility with a review of the design of the companies' incentive plans relative to general compensation plan risk factors. The companies reviewed the overall compensation pay structure, the overall mix of compensation vehicles, the structure of the incentive plans, other company pay plans, and governance for oversight of program design and administration. With respect to incentive plan structure, the companies specifically examined target and maximum compensation payable from each plan, the nature and mix of performance measures, the governance structure, the risk of earnings manipulation posed by the incentive structure, and the extent to which the NEO pay program rewards short-term decisions at the risk of long-term performance. The companies also generally considered other compensation policies (such as clawback and anti-hedging policies), other compensation plans relating to severance and change-in-control benefits, and compensation governance.

For 2018, Pay Governance concluded that there were no material issues regarding the companies' executive pay programs, and that the design of the companies' incentive pay plans has, overall, a low-risk profile.

To further ensure appropriate incentive metrics, the Compensation Committee also receives advice from the Safety and Nuclear Oversight Committees regarding appropriate safety and operational incentive measures.

Based on the foregoing, PG&E Corporation and the Utility concluded that the risks arising from the companies' overall compensation policies and practices are not reasonably likely to have a material adverse effect on either the Corporation or the Utility.

Tax Deductibility

With the passage of the Tax Cuts and Jobs Act of 2017, section 162(m) of the Internal Revenue Code no longer permits companies to deduct certain qualified performance-based executive compensation. As a result, in establishing compensation for 2018, the Committee no longer considered the tax deductibility limitations imposed by section 162(m).

Despite the new limits on the deductibility of performance-based compensation, the Committee continues to believe that a significant portion of NEO compensation should be tied to company performance.

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4.2018 COMPENSATION STRUCTURE

Named Executive Officers

Named Executive Officers of PG&E Corporation for 2018 (positions as of December 31, 2018)

- Geisha J. Williams—CEO and President, PG&E Corporation
- Jason P. Wells—Senior Vice President and Chief Financial Officer, PG&E Corporation
- John R. Simon—Executive Vice President and General Counsel, PG&E Corporation
- Jesus Soto, Jr.—Senior Vice President, Gas Operations, Pacific Gas and Electric Company
- Steven Malnight—Senior Vice President, Energy Supply and Policy, Pacific Gas and Electric Company
- Nickolas Stavropoulos—Special Advisor, Pacific Gas and Electric Company (previously President and COO, Pacific Gas and Electric Company through August 31, 2018; employment ended September 30, 2018)

Named Executive Officers of Pacific Gas and Electric Company for 2018 (positions as of December 31, 2018)

Ms. Williams and Messrs. Wells, Simon, Soto, Malnight, and Stavropoulos are considered NEOs of the Utility. The other NEOs of the Utility for 2018 are:

- Patrick Hogan—Senior Vice President, Electric Operations, Pacific Gas and Electric Company
- David S. Thomason—Vice President, Chief Financial Officer and Controller, Pacific Gas and Electric Company

As of December 31, 2018, three individuals concurrently served as PEOs of the Utility: Patrick Hogan, Steven Malnight, and Jesus Soto.

2018 Officer Compensation Program

NEOs received the following types of compensation during 2018.

Type	**Component**	**Key Elements**
Cash	Base Salary	• Determined annually, though merit increase adjustments, or lump sum in lieu of an adjustment, may be made mid-year. •

	Short-Term Incentive	Based on corporate performance against pre-established operational and performance goals that are set annually. • The Boards and the Compensation Committee have discretion to adjust payments (e.g., for external factors or individual performance) and to reduce awards to zero.
Equity	RSUs	• Generally have a three-year vesting period (one-third at the end of each year) while employed or after retirement.
	Performance Shares	• Generally vest after a three-year performance period (while employed or after retirement). • Payout is based on TSR relative to 15 peer companies selected by the Compensation Committee and achievement of safety and financial goals.
	Stock Options	• Generally have a three-year vesting period (one-third at the end of each year) while employed or after retirement. • Exercise price based on closing price of PG&E Corporation common stock on grant date.

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Type	**Component**	**Key Elements**
Post-Employment	Pension	• NEOs receive benefits based on their base pay and number of years of service, subject to limits imposed by the Internal Revenue Service. • Vested benefits are payable at the later of age 55 or separation from service. • Benefits may be reduced unless at least 35 years of service or age 65.
	Supplemental Pension	• Eligible NEOs receive benefits based on their base pay plus short-term incentive, and the number of years of service. • Benefits may be reduced unless at least 35 years of service or age 65, at time of separation, and are reduced by amounts payable from the tax-qualified pension plan. • Vested benefits are payable at the later of age 55 or separation from service.
	Deferred Compensation	• Officers elected after December 31, 2012 (Messrs. Hogan and Thomason) participate in the Defined Contribution Executive Supplemental Retirement Plan (DC-ESRP) rather than the supplemental pension plan described above. • For eligible NEOs, each time salary or STIP is paid, the company credits the participant's non-qualified deferred compensation account with an amount equal to 7 percent of the payment. • DC-ESRP account balances, including earnings, are distributed to the participant in up to 10 annual installments following the end of employment.
Other	Perquisites	• Limited perquisites include safety- and security-based car transportation services for the PG&E Corporation CEO and the Utility President; on-site parking; executive health services; partial subsidy of financial services; accidental death and dismemberment insurance; and other *de minimis* perquisites provided under a pre-approved perquisite policy. • Lump-sum annual cash stipend paid in lieu of providing broader perquisite benefits. • Also may include the following items that are available to other management employees: health club fee reimbursement and relocation services.

The following charts illustrate the percentage of target 2018 compensation allocated to base salary plus cash perquisite allowance, short-term incentives, and long-term incentives for the PG&E Corporation CEO and for the other NEOs on average. (Short-term incentives are shown at target payout levels, and long-term equity incentives are shown at 100 percent payout.)

For 2018, the Compensation Committee believes that these proportions of base salary relative to target short-term and long-term incentives provided the right mix to attract, retain, and motivate officers with the necessary skills and experience for the development and successful operation of PG&E Corporation's and the Utility's businesses. They also provided a direct connection between compensation and performance in both the achievement of key operating results and long-term shareholder value, as more fully described below.

A greater portion of the PG&E Corporation CEO's 2018 target compensation is tied to the long-term performance of PG&E Corporation, which the Committee believes is appropriate given the CEO's role.

Compensation paid to the NEOs was consistent with the types and forms of compensation provided during 2018 to all executive officers of the companies.

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Components of 2018 Officer Compensation – Cash

Base Salary

For NEO compensation, the base salary component falls within a range of 10 percent to 40 percent of target total compensation, depending on officer level.

This is consistent with the Compensation Committee’s objective of tying a significant portion of every NEO’s compensation directly to PG&E Corporation’s performance for shareholders through short-term and long-term incentives.

For 2018, the Committee approved a base salary increase budget of 3.25 percent. The comparative data indicated that the companies in the Pay Comparator Group expected to provide officers a 3.20 percent average salary increase in 2018.

In the case of NEOs, the base salary at PG&E Corporation and the Utility are targeted to be within a range of between 15 percent above and 15 percent below (the “15 percent band”) the median base salary of the appropriate benchmark position. The Committee believes that this level of comparability to the market is appropriate and consistent with its pay philosophy of taking into consideration factors other than market data in establishing individual pay levels, while delivering cash compensation that is competitive with the market.

Short-Term Incentives

The STIP is an at-risk component of pay. NEOs and other eligible employees may earn annual performance-based cash incentive compensation under the STIP based on achievement of financial and operational goals approved by the Committee and an individual executive’s achievements for the year. The Committee retains complete discretion to determine and pay all STIP awards to NEOs and other eligible employees. This includes discretion to reduce the final score on any and all measures downward to zero.

2018 STIP Structure and Results

For 2018, the Committee adopted a STIP structure that continued PG&E Corporation's and the Utility's focus on improving public and employee and contractor safety and customer satisfaction. The weights of the components – Safety, Customer Satisfaction, and Financial – were unchanged from 2017 at 50 percent, 25 percent, and 25 percent, respectively.

The Safety component was structured to provide a strong focus on the safety of employees, customers, and communities. It was made up of five subcomponents: (1) Nuclear Operations Safety, (2) Electric Operations Safety, (3) Electric and Gas Operations Safety, (4) Gas Operations Safety, and (5) Employee Safety. Three new safety measures were added for 2018 – Public Safety Index with a weight of 10 percent, Asset Mapping Duration Index with a weight of 10 percent, and Safe Driving Rate with a weight of 5 percent.

The Customer Satisfaction measures were designed to incent employees to be more responsive to customers' needs. One new customer satisfaction measure was added for 2018 – Customer Connection Cycle Time with a weight of 10 percent.

As in prior years, corporate financial performance was measured by PG&E Corporation's actual earnings from operations compared to budget.

Each STIP measure has a threshold, target, and maximum level of performance used to arrive at a score ranging from zero to 2.0 for that measure. Performance below the minimum performance level, or threshold, results in a zero score. Performance at the threshold results in a STIP score of 0.5. Target performance results in a STIP score of 1.0, and performance at or above the maximum established level results in a score of 2.0. A score of 1.0 provides 100 percent of an executive's target payout. Performance at the threshold and maximum levels delivers 50 percent and 200 percent of targeted payout, respectively. Linear interpolation is used to determine scores for performance between threshold and target, and between target and maximum.

The STIP overall performance score is the sum of the weighted cumulative average scores for performance on each of the STIP measures.

An NEO's final STIP score also may be increased or decreased by an individual performance modifier, which can range from 0 percent to 150 percent. The individual performance modifier is determined by the Committee based upon the PG&E Corporation CEO's assessment of an executive's performance, or the applicable Board's assessment in the case of the CEO's or the Utility President's (or equivalent officer's) performance, for the year.

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For 2018, the measures and related weightings, thresholds, targets, maximums, and results for calculating the STIP performance score were as follows:

2018 STIP Measures	**Weight**	**Threshold**	**Target**	**Maximum**	**Result**	**Score**	**Weighted Average Score**
SAFETY COMPONENT (50%)							
Nuclear Operations Safety							
Diablo Canyon Power Plant Reliability and Safety Indicator							
Unit 1 Reliability and Safety Indicator	2.5%	85.3	96.4	100.0	100.0	2.000	0.050
Unit 2 Reliability and Safety Indicator	2.5%	85.3	87.6	90.0	90.0	2.000	0.050
Electric Operations Safety							
Public Safety Index	10%	0.5	1.0	2.0	1.9	1.888	0.189
Gas and Electric Operations Safety							
Asset Records Duration Index							