

PG&E Corp  
Form DEF 14A  
April 11, 2016  
**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

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**PG&E Corporation**

*(Name of Registrant as Specified in its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.**

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

**Fee paid previously with preliminary materials.**

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

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

**PG&E Corporation**  
**Pacific Gas and Electric Company**

Joint Notice of 2016 Annual Meetings  
Joint Proxy Statement

**Monday, May 23, 2016**

**10:00 a.m. Pacific Time**

PG&E Corporation and Pacific Gas and Electric Company Headquarters

77 Beale Street, San Francisco, California

**PG&E Corporation  
Pacific Gas and Electric Company**

**April 11, 2016**

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

**You are cordially invited to attend the 2016 annual meetings of PG&E Corporation and Pacific Gas and Electric Company. The meetings will be held concurrently on Monday, May 23, 2016, at 10:00 a.m., at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California. Entry to the meetings will be through the atrium on Beale Street, between Market Street and Mission Street.**

The following Joint Proxy Statement contains information about matters to be considered at both the PG&E Corporation and Pacific Gas and Electric Company annual meetings.

PG&E Corporation and Pacific Gas and Electric Company shareholders will be asked to vote on the following matters:

- nominees for director,
- ratification of the appointment of the independent registered public accounting firm for 2016, and
- advisory approval of executive compensation.

The Boards of Directors and management of PG&E Corporation and Pacific Gas and Electric Company recommend that you vote “FOR” each of these items.

Your vote on these items at the annual meetings is important. For your convenience, we offer you the option of submitting your proxy and voting instructions over the Internet, by telephone, or by mail. Whether or not you plan to attend the annual meetings, please vote as soon as possible so that your shares can be represented at the annual meetings.

Sincerely,

**Anthony F. Earley, Jr.**

*Chairman of the Board, Chief Executive Officer,  
and President of PG&E Corporation*

**Nickolas Stavropoulos**

*President, Gas  
Pacific Gas and Electric Company*

**Geisha J. Williams**

*President, Electric  
Pacific Gas and Electric Company*

**Joint Notice of Annual Meetings of Shareholders of PG&E Corporation and Pacific Gas and Electric Company  
Monday, May 23, 2016**

**10:00 a.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 Monday, May 23, 2016, at 10:00 a.m., 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 12 and 14 individuals, respectively, nominated by the applicable Board of Directors to each serve as director on each Board for the ensuing year:

Lewis Chew	Roger H. Kimmel	Anne Shen Smith
Anthony F. Earley, Jr.	Richard A. Meserve	Nickolas Stavropoulos*
Fred J. Fowler	Forrest E. Miller	Barry Lawson Williams
Maryellen C. Herringer	Rosendo G. Parra	Geisha J. Williams*
Richard C. Kelly	Barbara L. Rambo	

\*Nominees for director of Pacific Gas and Electric Company only.

To ratify each Audit Committee's appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2016 for each 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.

This notice serves as the notice of annual meetings for those shareholders of PG&E Corporation or Pacific Gas and Electric Company who previously elected to receive their proxy materials in paper format. All other shareholders were sent an "Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 23, 2016 and Notice of Annual Meeting of Shareholders" for PG&E Corporation or Pacific Gas and Electric Company, as applicable.

The Boards of Directors have set the close of business on March 24, 2016 as the record date for determining which shareholders are entitled to receive notice of and to vote at the annual meetings.

**Dated: April 11, 2016**

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

**Important Notice Regarding Internet Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 23, 2016. The Proxy Statement and the 2015 Annual Report are available online at: [investor.pgecorp.com/financials/annual-reports-and-proxy-statements](http://investor.pgecorp.com/financials/annual-reports-and-proxy-statements).**

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company are soliciting proxies for use at the companies' 2016 annual meetings of shareholders, including any adjournments or postponements. The 2016 annual meetings are scheduled to be held concurrently on Monday, May 23, 2016, at 10:00 a.m., 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 April 11, 2016, PG&E Corporation and the Utility each mailed to its respective shareholders (1) a Notice of Annual Meeting and Internet Availability of Proxy Materials, or (2) a copy of the Joint Notice of Annual Meetings of Shareholders, the Joint Proxy Statement, a proxy card or voting instruction card, and the PG&E Corporation and Pacific Gas and Electric Company 2015 Joint Annual Report to Shareholders. 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 March 24, 2016. This date is the record date set by the Boards to determine which shareholders may vote at and attend the annual meetings.

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.

**“2015 Annual Report”** refers to the PG&E Corporation and Pacific Gas and Electric Company 2015 Joint Annual Report to Shareholders.

**“Board”** refers to the Board of Directors of either PG&E Corporation or Pacific Gas and Electric, as applicable.

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

“**CEO**” refers to the position of Chief Executive Officer.

“**Corporation**” refers to PG&E Corporation.

“**CPUC**” refers to the California Public Utilities Commission.

“**Guidelines**” refers to the Corporate Governance Guidelines adopted by the Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company.

“**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 LTIP and/or the 2014 LTIP.

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

“**Notice of Internet Availability**” refers to the “Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 23, 2016 and Notice of Annual Meetings of Shareholders” for PG&E Corporation or Pacific Gas and Electric Company, as applicable, which was mailed to certain shareholders starting on or about April 11, 2016.

“**NYSE**” refers to the New York Stock Exchange.

“**NYSE MKT**” refers to the NYSE MKT LLC stock exchange (formerly known as the American Stock Exchange).

**“Proxy”** refers to your authorization for another person or persons – the proxy holder(s) – to vote your shares at the annual meetings, in the manner indicated on the proxy.

**“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 annual meetings of shareholders.

**“Proxy Statement”** refers to this 2016 Joint Proxy Statement for PG&E Corporation and Pacific Gas and Electric Company.

**“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.

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2016 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 you should read the entire Proxy Statement carefully before voting.*

PG&E Corporation and the Utility are committed to operating with integrity, accountability, and transparency. Adhering to strong corporate governance practices goes hand in hand with this commitment. Our governance policies and practices are detailed in the companies' Guidelines, which are adopted by the Boards. These Guidelines are regularly reviewed against industry best practices by the PG&E Corporation Nominating and Governance Committee and by the full Boards. Since the 2015 Joint Proxy Statement was issued, the Boards took action on the following governance matters:

- Refreshed the composition of the Nominating and Governance Committee by appointing a new member to the Committee.

- Clarified the description of the lead director's role and duties in our Guidelines to reflect the independent and active nature of this position and the interface between the lead director and the Chairman/CEO. In 2015, a PG&E Corporation shareholder proposal requesting adoption of an independent board chairman policy was supported by approximately 46 percent of the shares voted. To better understand the reasons for this level of shareholder support, management reached out to the Corporation's top institutional investors who had voted in favor of the proposal, and learned that, while some institutional investors always supported independent board chair proposals as a matter of policy, other investors voted on a case-by-case basis and considered the lead director's role and duties in their decision to support the shareholder proposal. Some of the investors that voted on a case-by-case basis conveyed the view that we could clarify or strengthen our description of the lead director's role and duties. We amended our Guidelines based on this feedback.

- Reinforced our commitment to a best-in-class compliance and ethics culture and program by electing a Chief Ethics and Compliance Officer. This newly created position reports directly to the PG&E Corporation Chairman and CEO and the Boards of Directors, including the Audit Committees and the PG&E Corporation Compliance and Public Policy Committee.

- Enhanced Board oversight of our compliance and ethics program by establishing the PG&E Corporation Compliance and Public Policy Committee. This Committee was established from the former Public Policy Committee. In addition to its responsibilities for public policy and corporate responsibility issues, this committee also assists the Boards and their respective Audit Committees in fulfilling the Boards' oversight duties with respect to compliance with legal and regulatory requirements and coordinating the compliance-related oversight work of the Boards' various committees.

- Proactively adopted proxy access bylaw provisions for PG&E Corporation. These provisions permit shareholders owning 3 percent or more of the Corporation's common stock for at least three years to nominate the greater of two directors or up to 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.

### Annual Meetings of Shareholders

**•Time and Date** 10:00 a.m., on Monday May 23, 2016

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

**•Record Date** March 24, 2016

**•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 meeting. Shareholders must have an admission ticket and valid photo identification in order to enter the meeting. Please see the instructions on page 86.

[Back to Contents](#)**Meeting Agenda and Voting Recommendations**

The following items are expected to be voted on at the annual meetings.

**PG&E Corporation**

<b>Item</b>	<b>Board's Voting Recommendation (for more detail)</b>	<b>Page Reference</b>
Election of 12 directors	<b>FOR</b> all nominees	<b>11</b>
Ratification of Deloitte & Touche LLP as Independent Auditor for 2016	<b>FOR</b>	<b>34</b>
Advisory vote to approve executive compensation	<b>FOR</b>	<b>39</b>

**Pacific Gas and Electric Company**

<b>Item</b>	<b>Board's Voting Recommendation (for more detail)</b>	<b>Page Reference</b>
Election of 14 directors	<b>FOR</b> all nominees	<b>11</b>
Ratification of Deloitte & Touche LLP as Independent Auditor for 2016	<b>FOR</b>	<b>34</b>
Advisory vote to approve executive compensation	<b>FOR</b>	<b>39</b>

**Director Nominees**

We are asking shareholders of each company to vote "FOR" each of the director nominees listed below. All nominees are current directors who were elected by shareholders at the 2015 annual meeting, with the exception of Nickolas Stavropoulos and Geisha J. Williams, who were elected to the Utility Board effective August 17, 2015, coincident with their election as Presidents of the Utility. In 2015, each incumbent PG&E Corporation director attended at least 92 percent of the total number of applicable PG&E Corporation Board and Board committee meetings, and each incumbent Utility director attended 100 percent of the total number of applicable Utility Board and Board committee meetings. Each director is elected annually by a majority of the votes represented and voting.

Below is summary information about each director nominee.

<b>Nominee</b>	<b>Age</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Current Committee Memberships</b>	<b>Other Public Memberships</b>
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					<b>Company Boards</b>
Lewis Chew	53	September 2009	Executive Vice President and Chief Financial Officer, Dolby Laboratories, Inc.	<ul style="list-style-type: none"> <li>•Audit</li> <li>•Compliance and Public Policy</li> <li>•Executive</li> <li>•Executive</li> </ul>	
Anthony F. Earley, Jr.	66	September 2011 (PG&E Corporation); June 2012 (Utility)	Chairman of the Board, CEO, and President, PG&E Corporation		•Ford Motor Company
Fred J. Fowler	70	March 2012	Retired Chairman of the Board, Spectra Energy Partners, LP	<ul style="list-style-type: none"> <li>•Finance</li> <li>•Nuclear, Operations, and Safety</li> </ul>	<ul style="list-style-type: none"> <li>•DCP Midstream Partners, LP</li> <li>•Encana Corporation</li> <li>•Spectra Energy Partners, LP</li> </ul>
Maryellen C. Herring	72	October 2005	Retired Executive Vice President, General Counsel, and Secretary, APL Limited	<ul style="list-style-type: none"> <li>•Audit</li> <li>•Compensation</li> <li>•Executive</li> <li>•Nominating and Governance</li> </ul>	•ABM Industries Incorporated
Richard C. Kelly	69	June 2013	Retired Chairman and CEO, Xcel Energy Inc.	<ul style="list-style-type: none"> <li>•Audit</li> <li>•Nominating and Governance</li> <li>•Nuclear, Operations, and Safety</li> </ul>	
Roger H. Kimmel	69	January 2009	Vice Chairman, Rothschild Inc.	<ul style="list-style-type: none"> <li>•Compliance and Public Policy</li> <li>•Finance</li> <li>•Nominating and Governance</li> </ul>	•Endo International plc



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<b>Nominee</b>	<b>Age</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Current Committee Memberships</b>	<b>Other Public Company Boards</b>
Richard A. Meserve	71	December 2006	President Emeritus, Carnegie Institution of Washington	<ul style="list-style-type: none"> <li>•Compliance and Public Policy</li> <li>•Executive</li> <li>•Nominating and Governance</li> <li>•Nuclear, Operations, and Safety</li> </ul>	<ul style="list-style-type: none"> <li>•Duke Energy Corporation</li> </ul>
Forrest E. Miller	63	February 2009	Retired Group President – Corporate Strategy and Development, AT&T Inc.	<ul style="list-style-type: none"> <li>•Audit</li> <li>•Compensation</li> <li>•Executive</li> </ul>	
Rosendo G. Parra	56	September 2009	Retired executive, Dell Inc.	<ul style="list-style-type: none"> <li>•Finance</li> <li>•Nominating and Governance</li> <li>•Nuclear, Operations, and Safety</li> </ul>	
Barbara L. Rambo	63	January 2005	CEO, Taconic Management Services	<ul style="list-style-type: none"> <li>•Compensation</li> <li>•Executive</li> <li>•Finance</li> <li>•Nominating and Governance</li> </ul>	<ul style="list-style-type: none"> <li>•West Marine, Inc.</li> </ul>
Anne Shen Smith	62	February 2015	Retired Chairman and CEO, Southern California Gas Company	<ul style="list-style-type: none"> <li>•Compliance and Public Policy</li> <li>•Nuclear, Operations, and Safety</li> <li>•Executive</li> </ul>	
Nickolas Stavropoulos*	58	August 2015	President, Gas, Pacific Gas and Electric Company	<ul style="list-style-type: none"> <li>•Executive</li> </ul>	
Barry Lawson Williams	71	September 1990 (Utility); December 1996 (PG&E Corporation)	Retired Managing General Partner and President, Williams Pacific Ventures, Inc.	<ul style="list-style-type: none"> <li>•Audit</li> <li>•Compensation</li> <li>•Executive</li> <li>•Finance</li> </ul>	<ul style="list-style-type: none"> <li>•Navient</li> </ul>
Geisha J. Williams*	54	August 2015	President, Electric, Pacific Gas and Electric Company	<ul style="list-style-type: none"> <li>•Executive</li> </ul>	

\* Nickolas Stavropoulos and Geisha J. Williams are nominees for the Utility Board only and are members of the Utility Executive Committee only.

## 2015 Corporate Governance Highlights

Substantial majority of independent directors (11 of 12 PG&E Corporation directors and 11 of 14 Utility directors)

- Succession planning for CEO and senior management
- Executive and director stock ownership guidelines

Independent key Board committees (excluding Executive Committees)

Independent lead director since 2003 (if the Chairman is not independent)	Board oversight of risk management, and proxy statement disclosure on the Boards' roles and responsibilities with respect to risk management
Executive sessions of independent directors at regular Board meetings	Board oversight and transparent public disclosure of political activities
Annual evaluation of CEO performance by independent directors	Board oversight of ethics and compliance
Annual Board and committee self-evaluations	Policy against obtaining certain types of services from the Independent Auditor
Annual election of directors	No poison pill; shareholder approval required for adoption
Majority vote for directors, with mandatory resignation policy and plurality carve-out for contested elections	Confidential voting policy
One share one vote	Policy regarding number of other public company board seats held by directors
No supermajority vote requirements	Proxy access bylaw provisions

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## **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 each company’s Independent Auditor for 2016. We provide information on fees paid to Deloitte & Touche on page 35.

## **Advisory Approval of Executive Compensation**

We are asking shareholders of each company to approve on an advisory basis the compensation paid to that company’s executive officers named in the Summary Compensation Table of this Joint Proxy Statement. Each Board recommends a “FOR” vote because it believes that the applicable company’s compensation policies and practices are 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.

## **2017 Annual Meetings**

- |   |                                       |
|---|---------------------------------------|
| • Deadline for submission of shareholder proposals for inclusion in the proxy statement:        | December 12, 2016                     |
| • Period for submission of proxy access director nominees for inclusion in the proxy statement: | November 12, 2016 - December 12, 2016 |
| • Deadline for written notice of other business and nominations for director:                   | February 27, 2017                     |

## **General Information About the Annual Meetings and Voting**

Answers to many frequently asked questions about the annual meetings and voting can be found in the Q&A section beginning on page 83.

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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 12 directors to serve on the Board of PG&E Corporation and 14 directors to serve on the Board of the Utility. The 12 nominees for director of the Corporation also are nominees for director of the Utility. Nickolas Stavropoulos and Geisha J. Williams are nominees for director of the Utility only.

All nominees are current directors who were elected by shareholders at the 2015 annual meetings, with the exception of Nickolas Stavropoulos and Geisha J. Williams, who were elected to the Utility Board effective August 17, 2015, coincident with their election as Presidents of the Utility. They are nominated for re-election in 2016.

If elected as director, all of the nominees have agreed to serve and will hold office until the next 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 annual meetings to accept nomination or election as a director, the named proxyholders will vote for substitute nominees at their discretion.

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

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

The Boards select nominees for director based on recommendations received from the Nominating and Governance Committee.

The Boards believe that each nominee for director is a qualified, dedicated, ethical, and highly regarded individual. 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 company'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.

Collectively, the distribution of the nominees' experience, skills, and expertise, among other characteristics reflects a balanced and multi-disciplinary Board, and appropriately meets the needs of the companies.

\* Includes Nickolas Stavropoulos and Geisha J. Williams, who are nominees for the Utility only.

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**Lewis Chew**

**Age:** 53

**Director Since:** September 2009

**Current Board Committees:** Compliance and Public Policy (Chair); Audit; Executive

**Current Position:** Executive Vice President and Chief Financial Officer of Dolby Laboratories, Inc. (audio, imaging, and voice technologies) since June 2012

**Prior Positions:**

Mr. Chew previously was Senior Vice President, Finance and Chief Financial Officer of National Semiconductor Corporation (design, manufacturing, and sale of semiconductor products) (2001 to 2011). Before that, he was a Partner and certified public accountant at KPMG, LLP (accounting firm), where he served mainly technology and financial institution clients.

**Experience, Skills, and Expertise:**

As an executive of a large business customer in the Utility's service area, Mr. Chew brings insights from a customer's perspective to the Board. He has specific financial expertise and executive management and leadership skills gained from serving as a chief financial officer of other large public companies and as an audit partner at KPMG, LLP. He also has experience managing and overseeing all financial functions at a large public company, as well as information technology, manufacturing and supply chain, global facilities, investor relations, business planning, corporate controllership, strategic planning, business development, worldwide operations finance, and global internal audit functions.

**Anthony F. Earley, Jr.**

**Age:** 66

**Director Since:** September 2011 (PG&E Corporation); June 2012 (Utility)

**Current Board Committees:** Executive (Chair)

**Current Position:** Chairman of the Board, CEO, and President of PG&E Corporation since September 2011

**Other Current Public Company Boards:** Ford Motor Company since 2009 (serves on compensation committee (chair), nominating and governance committee, and sustainability and innovation committee)

**Prior Positions:**

Mr. Earley previously was Executive Chairman of DTE Energy Company (integrated energy company) (October 2010 to September 2011). He also served as that company's Chairman of the Board and CEO (1998 to 2010) and President and CEO. Before joining DTE Energy Company, Mr. Earley served as President and Chief Operating Officer of Long Island Lighting Company (electric and gas utility in New York).

**Prior Public Board Service During the Past Five Years:**

Masco Corporation (home improvement and building products and services) (2001 to 2012); DTE Energy Company (1994 to 2011).

**Other Board Experience:**

Mr. Earley serves on the executive committee of the Edison Electric Institute and is former Chairman of that association. He also serves as a director of the Nuclear Energy Institute and is a member of its executive committee and its organization and compensation committee. Mr. Earley has served on the boards of numerous charitable and civic organizations, and currently serves on the boards of the Bay Area Council, United Way of the Bay Area, and the Exploratorium.

**Experience, Skills, and Expertise:**

Mr. Earley has extensive knowledge and experience across all aspects of the energy industry, including electric and gas utility operations, nuclear energy, and energy policy and regulation. He brings executive management, business, and civic leadership skills gained from a significant number of years as a CEO and a director of other large public companies.

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**Fred J. Fowler**

**Age:** 70

**Director Since:** March 2012

**Current Board Committees:** Finance; Nuclear, Operations, and Safety

**Current 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:** Spectra Energy Partners, LP since 2008 (serves on audit committee); 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 Chief Executive Officer 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 Chief Operating Officer of Duke Energy.

**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. Mr. Fowler also served on the board of TEPPCO Partners, LP (pipeline operator) from 1998 to 2003.

**Experience, Skills, and Expertise:**

Mr. Fowler brings extensive knowledge and over 45 years of experience in 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.

### **Maryellen C. Herringer**

**Age:** 72

**Director Since:** October 2005 (interim lead director of PG&E Corporation and the Utility and interim non-executive Chairman of the Utility Board from May to September 2011)

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

**Current Position:** Retired Executive Vice President, General Counsel, and Secretary of APL Limited (international transportation and logistics services company)

**Other Current Public Company Boards:** ABM Industries Incorporated (facilities services) since 1993 (non-executive Chairman of the Board; member of compensation committee, *ex officio* member of audit committee, corporate citizenship and communications committee, executive committee, and governance committee)

### **Prior Positions:**

Ms. Herringer held various executive positions at APL Limited and was responsible at various times for overseeing the legal, risk management, corporate communications, human resources, internal audit, tax, and community affairs functions. Prior to joining APL Limited, she was a partner in the international law firm of Morrison & Foerster LLP, Senior Vice President and General Counsel of Transamerica Corporation (insurance and financial services), and a partner in the law firm of Orrick, Herrington & Sutcliffe LLP.

### **Other Board Experience:**

Ms. Herringer is a member of the boards of trustees of Mills College, Vassar College, and the San Francisco Museum of Modern Art.

**Experience, Skills, and Expertise:**

Ms. Herringer brings leadership, business, legal, and management skills developed as an executive and a director of, and legal counsel to, other large public companies. Her specific expertise includes legal, corporate governance, risk management, and internal audit matters, as well as corporate transactions and mergers and acquisitions.

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**Richard C. Kelly**

**Age:** 69

**Director Since:** June 2013

**Current Board Committees:** Audit; Nominating and Governance; Nuclear, Operations, and Safety

**Current Position:** Retired Chairman and CEO of Xcel Energy Inc. (utility supplier of electric power and natural gas service operating in eight Western and Midwestern states)

**Prior Positions:**

Prior to serving as Chairman and CEO of Xcel Energy Inc. (2005 to 2011), Mr. Kelly held various executive positions at that company, including President, Chief Operating Officer, and Chief Financial Officer. Before the merger forming Xcel Energy Inc. in 2000, he held a variety of finance-related positions at predecessor companies New Century Energies and Public Service of Colorado.

**Prior Public Board Service During the Past Five Years:**

Canadian Pacific Railway (transcontinental railway in Canada and the United States) (2006 to 2014); Xcel Energy Inc. (2004 to 2011).

**Other Board Experience:**

Mr. Kelly is former Chairman of the Edison Electric Institute, a former board member of the Electric Power Research Institute and the Nuclear Energy Institute, and a former member of the National Petroleum Council and the National Advisory Council of the National Renewable Energy Laboratory. Mr. Kelly also was a director of BrightSource Energy, Inc. (solar thermal technology company) from 2011 to 2012. He currently serves as Chairman of the Board of Trustees of Regis University.

**Experience, Skills, and Expertise:**

Mr. Kelly brings over 40 years of diverse energy experience and leadership as a utility industry executive. His specific expertise includes finance, mergers and acquisitions, utility operations, clean energy, and nuclear and renewable power.

**Roger H. Kimmel**

**Age:** 69

**Director Since:** January 2009

**Current Board Committees:** Compliance and Public Policy; Finance; Nominating and Governance

**Current Position:** Vice Chairman of Rothschild Inc. (international investment banking firm) since January 2001

**Other Current Public Company Boards:** Endo International plc (global specialty healthcare company) since May 2007 (non-executive Chairman of the Board; serves on nominating and governance committee (chair), and transactions committee; alternate member of audit committee and operations committee)

**Prior Positions:**

Mr. Kimmel previously was a partner in the international law firm of Latham & Watkins LLP, where his practice focused on mergers and acquisitions, capital markets, and corporate governance matters.

**Prior Public Board Service During the Past Five Years:**

Schiff Nutrition International, Inc. (vitamins and nutritional supplements company) (1996 to 2012).

**Other Board Experience:**

Mr. Kimmel has also served on the boards of a variety of privately held companies. He was Chairman of the Board of Trustees of the University of Virginia Law School Foundation from 2009 to June 2015, and is currently a member of the Board of Trustees of the Riverdale Country School.

**Experience, Skills, and Expertise:**

Mr. Kimmel's investment banking work includes cross-border and domestic public company mergers and acquisitions, capital market transactions, corporate governance, and advising special committees of boards of directors. He brings business, finance, and legal skills, as well as leadership and problem-solving skills developed as an executive and a director of, and legal counsel to, other large public companies. His specific expertise includes corporate transactions, finance, investment banking, international business, corporate governance, and legal matters.

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**Richard A. Meserve**

**Age:** 71

**Director Since:** December 2006

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

**Current Position:** President Emeritus, Carnegie Institution of Washington (not- for-profit scientific research institution); Senior Of Counsel to the international law firm of Covington & Burling LLP since April 2004; consultant on nuclear matters

**Other Current Public Company Boards:** Duke Energy Corporation (gas and electric energy company) since 2015 (serves on nuclear oversight committee and regulatory policy and operations committee)

**Prior Positions:**

Prior to serving as President of the Carnegie Institution of Washington (2003 to 2014), Dr. Meserve was Chairman of the U.S. Nuclear Regulatory Commission. He previously was a partner of Covington & Burling LLP. He also served as a member of the Blue Ribbon Commission on America's Nuclear Future (chartered by the Secretary of Energy) (2010 to 2012), as legal counsel to President Carter's science and technology advisor, and as a law clerk to Justice Harry A. Blackmun of the U.S. Supreme Court.

**Other Board Experience:**

Dr. Meserve has been a director of Tri Alpha Energy, Inc. (development of clean fusion energy technology) since 2012. He also serves as a member of the board of trustees of Universities Research Association, Inc. (consortium of research-oriented universities), and serves on the Council and Trust of the American Academy of Arts and Sciences and on the Council of the National Academy of Engineering.

**Experience, Skills, and Expertise:**

Dr. Meserve brings technical, legal, regulatory, and public policy expertise in numerous areas, including nuclear power, energy policy, and climate change, as well as leadership and business skills developed as an executive and a director of, and an advisor to, national and international scientific, research, and legal organizations. He currently is co-chairman of the U.S. Department of Energy's Nuclear Energy Advisory Committee and a member of the Secretary of Energy Advisory Board.

**Forrest E. Miller**

**Age:** 63

**Director Since:** February 2009

**Current Board Committees:** Audit (Chair); Compensation; Executive

**Current Position:** Retired Group President-Corporate Strategy and Development of AT&T Inc. (communications holding company)

**Prior Positions:**

Prior to serving as Group President-Corporate Strategy and Development of AT&T Inc. (2007 to 2012), Mr. Miller served as Group President of AT&T Corp., the Global Enterprise division of AT&T Inc., and held a variety of executive positions at SBC Communications (communications holding company) and its predecessor Pacific Telesis Group.

**Other Board Experience:**

Mr. Miller currently serves as a trustee of the Dallas Museum of Art and as a member of the board of the Baylor Health Care System Foundation in Dallas, Texas.

**Experience, Skills, and Expertise:**



Mr. Miller brings strategic management, leadership, and business skills developed as an executive of other large public companies in both regulated and competitive markets, as well as specific expertise in a number of areas, including strategic planning, business development, corporate finance, audit, mergers and acquisitions, government and regulatory affairs, and human resources.

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**Rosendo G. Parra**

**Age:** 56

**Director Since:** September 2009

**Current Board Committees:** Finance; Nominating and Governance; Nuclear, Operations and Safety

**Current Position:** Retired executive of Dell Inc. (international information technology company); co-founder and Partner of Daylight Partners (technology-focused venture capital firm) since December 2007

**Prior Positions:**

Mr. Parra previously held various executive and senior management positions at Dell Inc., including Senior Vice President for the Home and Small Business Group and Senior Vice President and General Manager, Dell Americas. In those roles, he led Dell Inc.'s activities in the Americas, including marketing, sales, manufacturing, logistics/distribution, call center operations, and services to all customer segments in the Americas.

**Prior Public Board Service During the Past Five Years:**

Brinker International (casual restaurant dining company) (2004 to 2015); NII Holdings, Inc. (mobile communications services in Latin America) (2008 to 2015).

**Experience, Skills, and Expertise:**

Mr. Parra brings business management, leadership, and problem-solving skills developed as an executive and a director of other large public companies, and specific experience in various areas, including technology, product development, manufacturing, sales, marketing, and customer service.

**Barbara L. Rambo**

**Age:** 63

**Director Since:** January 2005

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

**Current Position:** CEO of Taconic Management Services (management consulting and services company) since October 2009

**Other Current Public Company Boards:** West Marine, Inc. (boating specialty retailer) since November 2009 (independent board chair)

**Prior Positions:**

Ms. Rambo has held various executive positions with companies in the financial services and technology sectors. Prior to joining Taconic Management Services, she was CEO, Vice Chair, and a director of Nietech Corporation (consumer payments technology company) (2002 to 2009). She previously was CEO of Open Close Technologies (financial services technology company) (2000 to 2002). Ms. Rambo assumed that position after holding a number of executive positions at Bank of America, including head of National Commercial Banking.

**Prior Public Board Service During the Past Five Years:**

International Rectifier Corporation (power management technologies) (2009 to 2015).

**Other Board Experience:**

Ms. Rambo currently serves as a director of MUFG Union Bank, N.A. and MUFG Americas Holdings Corporation (Mitsubishi UFJ Financial Group - corporate, commercial, and retail banking, wealth management, investment banking).

**Experience, Skills, and Expertise:**

Ms. Rambo brings leadership and business skills developed as an executive and a director of other large public companies, with a focus on the financial services and technology sectors, and specific experience in corporate finance, capital markets, sales and marketing, operations, and executive management.

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**Anne Shen Smith**

**Age:** 62

**Director Since:** February 2015

**Current Board Committees:** Compliance and Public Policy; Nuclear, Operations, and Safety

**Current Position:** Retired Chairman and CEO of Southern California Gas Company (natural gas utility subsidiary of Sempra Energy serving southern California and portions of central California)

**Prior Positions:**

Prior to serving as Chairman and CEO of Southern California Gas Company (SoCalGas) (2012 to 2014) and President of SoCalGas (2012), Ms. Smith held various executive positions at that company, including Chief Operating Officer (2010 to 2012), Senior Vice President – Customer Services (2004 to 2010), and Vice President of Environment and Safety. She also served as Senior Vice President –Customer Services of San Diego Gas & Electric Company (natural gas and electric utility subsidiary of Sempra Energy serving San Diego County, California and a portion of Orange County, California) during her tenure in that position for SoCalGas (2004 to 2010).

**Prior Public Board Service During the Past Five Years:**

Southern California Gas Company (2012 to 2014).

**Other Board Experience:**

Ms. Smith currently serves as a director on the board of the California League of Conservation Voters Education Fund and is a member of The Trusteeship, an affiliate of the International Women’s Forum, and the Committee of 100, a national organization devoted to promoting U.S.-China relations. Ms. Smith previously served on the boards of directors of the American Gas Association, the Coalition for Clean Air, the Southern California Leadership Council, the UC Davis Energy Efficiency Center, Asian Americans Advancing Justice – Los Angeles, and the Hank Lacayo Institute for Workforce and Community Studies.

**Experience, Skills, and Expertise:**

Ms. Smith brings over 36 years of diverse energy experience and leadership as a utility industry executive. Her specific expertise includes utility operations, environmental policy, strategic planning, customer service, regulatory affairs, information technology, and public affairs.

**Nickolas Stavropoulos**

**Age:** 58

**Director Since:** August 2015 (Utility)

**Current Board Committees:** Executive (Utility)

**Current Position:** President, Gas of Pacific Gas and Electric Company

**Prior Positions:**

Prior to becoming President, Gas, Mr. Stavropoulos was the Utility's Executive Vice President, Gas Operations (June 2011 to August 2015), leading all aspects of the Utility's gas transmission and distribution operations, including planning, engineering, maintenance and construction, and emergency response. Before joining the Utility, Mr. Stavropoulos served as Executive Vice President and Chief Operating Officer of National Grid (2007 to 2011) (multinational electricity and gas utility), where he was responsible for all aspects of its U.S. gas distribution business. Prior to that role, Mr. Stavropoulos was President of KeySpan Energy Delivery, where he led the company's gas distribution group, field operations, and sales and marketing teams. He has also held several senior leadership roles at Colonial Gas Company and Boston Gas.

**Prior Public Board Service During the Past Five Years:**

Dynamics Research Corporation (US. government services, information technology, and management consulting firm) (2005 to 2014); Enterprise Bancorp Inc. (bank holding company) and Enterprise Bank (commercial bank) (2002

to 2011).

**Other Board Experience:**

Mr. Stavropoulos has served on the Board of Trustees of Bentley University since 2009.

**Experience, Skills, and Expertise:**

Mr. Stavropoulos brings over 35 years of gas systems and operations experience, as well as a detailed knowledge of the Utility's gas business. He has executive management, business, and leadership skills gained from leading gas transmission and distribution operations at the Utility and at other large utilities, and from overseeing the Utility's enterprise information technology and safety and shared services organizations.

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## **Barry Lawson Williams**

**Age:** 71

**Director Since:** December 1996, and lead director since May 2014 (PG&E Corporation); September 1990, and independent non-executive Chairman of Board since May 2014 (Utility)

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

**Current Position:** Retired Managing General Partner and President of Williams Pacific Ventures, Inc. (business investment and consulting) since 1987

**Other Current Public Company Boards:** Navient (loan management, servicing, and asset recovery; formerly SLM Corporation) since 2000 (serves on finance and operations committee (chair), compensation and personnel committee, and executive committee)

### **Prior Positions:**

Mr. Williams has been a general partner in various real estate joint ventures located primarily within the Utility's service territory.

### **Prior Public Board Service During the Past Five Years:**

The Simpson Manufacturing Company Inc. (building construction products) (1994 to 2014); Ameron International Corporation (multi-national manufacturer of highly engineered products and materials for the chemical, industrial, energy, transportation, and infrastructure markets) (2010 to 2011).

### **Other Board Experience:**

Mr. Williams has served as a director of CH2M Hill Companies, Ltd. (engineering) since 1996. He previously served on the Board of Trustees of The Northwestern Mutual Life Company (life and disability insurance and annuities) (1986 to 2015). Mr. Williams currently is a member of the Board of Directors of Sutter Health (community-based



non-profit health care), and the Governing Board of Management Leadership for Tomorrow (MLT) (non-profit organization supporting underrepresented students with skills and relationships needed to succeed in business).

**Experience, Skills, and Expertise:**

Mr. Williams brings management, leadership, and business skills developed as an executive and a director of numerous public and privately held companies. He has experience in numerous areas, including financial, audit, engineering, construction, real estate, and environmental matters, as well as mediation expertise. Mr. Williams' involvement in the local community provides a valuable perspective on the Utility's customer base. He also has an in-depth knowledge of PG&E Corporation and the Utility.

**Geisha J. Williams**

**Age:** 54

**Director Since:** August 2015 (Utility)

**Current Board Committees:** Executive (Utility)

**Current Position:** President, Electric of Pacific Gas and Electric Company

**Prior Positions:**

Prior to becoming President, Electric, Ms. Williams was the Utility's Executive Vice President, Electric Operations (June 2011 to August 2015), leading all aspects of the Utility's electric distribution, transmission, and substation operations, including planning, engineering, maintenance and construction, asset management, business planning, restoration, and emergency response. In September 2014, she assumed responsibility for the Utility's hydroelectric and fossil generation and energy procurement functions. Ms. Williams previously served as the Utility's Senior Vice President, Energy Delivery (December 2007 to May 2011). Before joining the Utility, Ms. Williams held officer-level positions leading electric distribution at Florida Power and Light Company, as well as a variety of positions of increasing responsibility in customer service, marketing, external affairs, and electric operations, at that company.

**Other Board Experience:**

Ms. Williams currently serves as a trustee of the California Academy of Sciences, director of the Association of Edison Illuminating Companies, director of the Edison Electric Institute, and director and chair of the Center for Energy and Workforce Development.

**Experience, Skills, and Expertise:**

Ms. Williams brings over 30 years of electric operations experience, as well as a detailed knowledge of the Utility's electric business. She has executive management, leadership, and business skills gained from leading the Utility's electric distribution, transmission, substation, power generation, energy procurement, and nuclear operations and enterprise customer care organization, as well as from managing various electric operations, marketing, customer service, external affairs, planning, administration, and budgeting functions at another large utility.

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## Corporate Governance

PG&E Corporation and the Utility are committed to good corporate governance practices that provide a framework within which the Boards and management of the Corporation and the Utility can pursue the companies' business objectives. 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' top institutional investors.

### **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 PG&E Corporation Nominating and Governance Committee. Other corporate governance practices also are set forth in the charters of the various committees of the Corporation and Utility Boards.

### **BOARD LEADERSHIP STRUCTURE**

#### Chairman of the Board - Duties

At both PG&E Corporation and the Utility, the Chairman of the Board is a member of the Board. The primary duty of the Chairman is to preside over meetings of the Board, including special meetings. The Chairman also is consulted regarding nominees for the Board and the composition and chairmanship of Board committees. If the Chairman is not an independent director, then following each executive session meeting of the independent directors, the independent lead director (see below), or his or her designee, has a discussion with the Chairman regarding the executive session meeting.

#### Independent Lead Director; Executive Session Meetings

At each company, if the Chairman 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. The lead director must have at least one year of experience as a director of the respective company, serves a term of three years (as lead director), and may be re-elected to consecutive terms. Specific duties for the lead director are substantially similar at both companies.

Barry Lawson Williams has served as the independent lead director of PG&E Corporation, and as the independent non-executive Chairman of the Utility, since May 12, 2014. In those capacities, Mr. Williams schedules, sets the agenda for, and presides over the executive session meetings at all regularly scheduled meetings of the companies' Boards. Each such executive session meeting has an agenda that includes standing items for discussion by the non-management directors without management present. These executive session meetings are used to, among other things, review the performance of the Corporation CEO, review executive development for management succession planning, discuss corporate governance issues, and provide feedback to the CEO. As lead director, Mr. Williams also actively participates in the planning of the regular meetings of the Boards, including suggesting and reviewing meeting agenda topics and approving information sent to the Boards. The lead director serves as an advisor to the Chairman and the CEO, and acts as the principal liaison between the Chairman and the independent directors.

The lead director may receive written communications (in care of the Corporate Secretary) from the companies' shareholders and other interested parties. The lead director also is available for consultation and direct communication with major shareholders.

At PG&E Corporation's 2015 annual meeting, a shareholder proposal requesting adoption of an independent board chairman policy received support from approximately 46 percent of the shares voted. Management reached out to the top institutional investors who had voted in favor of this shareholder proposal, in order to explore the reasons for

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their vote and discuss any concerns they had regarding the Corporation's governance practices. We learned that, while some institutional investors always supported independent board chair proposals as a matter of policy, other investors voted on a case-by-case basis and considered the role and duties of the Corporation's lead director in their decision to support the shareholder proposal. Some of the investors that voted on a case-by-case basis conveyed the view that we could clarify or strengthen our description of the lead director's role and duties in the Guidelines. In response to this feedback, the Corporation and the Utility amended their respective Guidelines relating to the lead director's role and duties, to clarify the nature of this position and the interface between the lead director and the Chairman/CEO.

## Chairman of the Board and CEO

PG&E Corporation and the Utility each believe that it is in the best interests of the company and its shareholders to have a flexible rule regarding whether the offices of Chairman and CEO should be separate. When a vacancy occurs in the office of either the Chairman or the CEO, the applicable Board will consider the circumstances existing at that time and will determine whether the role of Chairman should be separate from that of the CEO and, if the roles are separate, whether the Chairman should be elected from management or from among the non-management directors. In addition, at least annually, each Board reviews the respective company's Board leadership structure to assess whether it is appropriate.

In the past, PG&E Corporation and the Utility each have had both combined and separate Chairman and CEO positions. In each case, the applicable Board was able to consider all eligible directors and not exclude any eligible candidate from consideration for the position of Chairman. More recently, when the positions have been combined, each company also has had a strong and independent lead director.

## **PG&E Corporation**

At PG&E Corporation, the positions of Chairman and CEO are combined. Anthony F. Earley, Jr. has served as the Chairman, CEO, and President of the Corporation since September 13, 2011. The Corporation Board believes that having Mr. Earley serve concurrently as the Corporation's Chairman and CEO is the appropriate Board leadership structure at this time, even after considering the fact that approximately 46 percent of the shares voted at the 2015 annual meeting supported a shareholder proposal to separate the positions of Chairman and CEO. Among other things, Mr. Earley's extensive utility and leadership experience allows him to serve as an effective link between the Board and management, and to raise key issues (including those related to various business risks overseen by the Board) and stakeholder interests to the Board's attention. Because the CEO bears primary responsibility for managing the Corporation's day-to-day business, he is well positioned to chair regular Board meetings and help ensure that key business issues at the Corporation and its subsidiaries and stakeholder interests are addressed by the Board. Barry Lawson Williams, the Corporation's current independent lead director, brings a wealth of experience as a director of the Corporation and the Utility. Mr. Williams' extensive knowledge of the Corporation complements Mr. Earley's deep operational and executive experience in the utility industry. Further, the presence of an independent lead director at the Corporation enhances the Board's authority to act independently from management, notwithstanding the fact that the Chairman also is an executive officer of the company.

## **Pacific Gas and Electric Company**

At the Utility, the positions of Chairman and principal executive officer are separated. Nickolas Stavropoulos and Geisha J. Williams both were elected as Presidents of the Utility effective August 17, 2015 and therefore serve as the principal executive officers. Barry Lawson Williams is the Utility's independent non-executive Chairman. At the time of Mr. Stavropoulos' and Ms. Williams' election, the Utility Board believed that separating the roles of Chairman and principal executive officer was appropriate given, among other things, the need for continuity during a transition in the Utility's principal executive officer positions. More recently, the Utility Board confirmed its belief that the Chairman position should be separated from the principal executive officer positions, to help enable the Utility to benefit from the complementary skill sets and business experiences of the independent non-executive Chairman (Mr. Williams) and the Presidents (Mr. Stavropoulos and Ms. Williams). As a subsidiary of PG&E Corporation, the Utility also benefits from Mr. Earley's position as Chairman and CEO of the Corporation. Mr. Earley, however, may not serve in either of these capacities at the Utility. In conformance with certain rules of the CPUC, the same individual may not serve as Chairman of the Board, CEO, or President, or in a functionally equivalent position, of both the Corporation and the Utility.

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## **BOARD AND DIRECTOR GENERAL INDEPENDENCE AND QUALIFICATIONS**

Both PG&E Corporation's Board and the Utility's Board have satisfied each Board's objective that at least 75 percent of the directors should be independent, as defined in that company's Guidelines. The NYSE rules also require that a majority of the Corporation's directors be independent, as defined by the NYSE, and that independent directors meet at least annually in executive session. The Utility Board is exempt from NYSE MKT rules requiring that at least a majority of the directors meet the stock exchange's definition of "independent director" because the Corporation holds approximately 96 percent of the voting power of the Utility and the Utility is a "controlled subsidiary." The definition of "independence" in each company's Guidelines reflects the applicable NYSE and NYSE MKT definitions. Each company's definition of independence is set forth in that company's Guidelines, which are available on each company's website (see "Website Availability of Governance Documents" on page 82).

The Boards of PG&E Corporation and the Utility have affirmatively determined that each of the following directors is an independent director according to that company's Guidelines: Lewis Chew, Fred J. Fowler, Maryellen C. Herringer, Richard C. Kelly, Roger H. Kimmel, Richard A. Meserve, Forrest E. Miller, Rosendo G. Parra, Barbara L. Rambo, Anne Shen Smith, and Barry Lawson Williams.

In the process of determining each director's independence, the Boards considered transactions between PG&E Corporation or the Utility and their respective directors and their immediate family members, and certain entities with which the directors or their immediate family members were affiliated. These transactions primarily involved the Utility's provision of utility services at rates or charges fixed in conformity with law or governmental authority, which the Boards determined were not material and did not affect the director's independence.

## **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 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; the charters are available on the companies' websites (see "Website Availability of Governance Documents" on page 82).

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	Company	Primary Duties/Scope of Responsibility
<b>Executive</b>	PG&E Corporation and Utility	Exercises powers and performs duties of the applicable Board, subject to limits imposed by state law.
<b>Audit<sup>(1)</sup></b>	PG&E Corporation and Utility	Oversees and monitors: <ul style="list-style-type: none"> <li>• Integrity of the company financial statements, and financial and accounting practices</li> <li>• Internal controls over financial reporting, and external and internal auditing programs</li> <li>• Selection and oversight of the companies' Independent Auditor</li> <li>• Compliance with legal and regulatory requirements, in concert with other Board committees</li> <li>• Related party transactions</li> <li>• With the assistance of other Board committees, risk management and assessment</li> </ul>
<b>Compensation</b>	PG&E Corporation	Oversees matters relating to compensation and benefits, including: <ul style="list-style-type: none"> <li>• Compensation for non-employee directors</li> <li>• Development, selection, and compensation of policy-making officers</li> <li>• Annual approval of the corporate goals and objectives of the PG&amp;E Corporation CEO and the Utility Presidents</li> <li>• Management evaluation and officer succession</li> <li>• Employment, compensation, and benefits policies and practices</li> <li>• Potential risks arising from compensation policies and practices</li> <li>• Retention and oversight of the Committee's independent compensation consultants, legal counsel, or other advisors</li> </ul>



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Committee Name	Company	Primary Duties/Scope of Responsibility
<b>Compliance and Public Policy</b>	PG&E Corporation	<p>Coordinates the compliance-related oversight of the various committees of the Boards, including:</p> <ul style="list-style-type: none"> <li>• The companies' compliance and ethics program</li> <li>• Compliance with laws, regulations, and internal policies and standards</li> <li>• Internal or external compliance reviews or audits</li> </ul> <p>Oversees public policy, sustainability, and corporate responsibility issues that could affect customers, shareholders, or employees, including:</p> <ul style="list-style-type: none"> <li>• Environmental protection, quality, and compliance</li> <li>• Community investment programs, activities, and contributions</li> <li>• Political contributions and political activities</li> <li>• Workforce diversity, inclusion, and development</li> <li>• Supplier diversity</li> </ul>
<b>Finance</b>	PG&E Corporation	<p>Oversees matters relating to financial and investment planning, policies, and risks, including:</p> <ul style="list-style-type: none"> <li>• Strategic plans and initiatives</li> <li>• Financial and investment plans and strategies<sup>(2)</sup></li> <li>• Dividend policy</li> <li>• Proposed capital projects and divestitures</li> <li>• Financing plans</li> <li>• Use of derivative instruments</li> <li>• Major commercial banking, investment banking, financial consulting, insurance, and other financial relationships</li> <li>• Major financial risk exposures</li> </ul>
<b>Nominating and Governance</b>	PG&E Corporation	<p>Oversees matters relating to selection of directors and corporate governance, including:</p> <ul style="list-style-type: none"> <li>• Recommending Board candidates, including reviewing skills and characteristics required of Board members</li> <li>• Selection of the chairmanship and membership of Board committees, and the nomination of a lead director of each company's Board, if necessary</li> <li>• Corporate governance matters, including the companies' governance principles and practices, and the review of shareholder proposals</li> <li>• Evaluation of the Boards' performance and effectiveness</li> </ul>
<b>Nuclear, Operations, and Safety</b>	PG&E Corporation	<p>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:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• The Utility's goals, programs, policies, and practices with respect to promoting a strong safety culture</li> <li>• Periodically visiting the Utility's nuclear and other operating facilities</li> </ul>

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

(2) Each year, the Finance Committee presents for the PG&E Corporation and Utility Boards' review and concurrence (1) a multi-year outlook for the Corporation and its subsidiaries that, among other things, summarizes projected financial performance and establishes the basis for the annual budget, 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 approved multi-year outlook. Members of the Boards receive a monthly report that compares actual to

budgeted financial performance and provides other information about financial performance.

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

	Executive Committees	Audit Committees	Compensation Committee	Compliance and Public Policy Committee	Finance Committee	Nominating and Governance Committee	Nuclear, Operations, and Safety Committee
Independent Directors:							
L. Chew <sup>(1)</sup>	X	X		X*			
F. J. Fowler					X		X
M. C. Herringer	X	X	X			X*	
R. C. Kelly <sup>(1)</sup>		X				X	X
R. H. Kimmel				X	X	X	
R. A. Meserve	X			X		X	X*
F. E. Miller <sup>(1)</sup>	X	X*	X				
R. G. Parra					X	X	X
B. L. Rambo	X		X		X*	X	
A. S. Smith				X			X
B. L. Williams <sup>(1)(2)</sup>	X	X	X*		X		
Employee Directors:							
A. F. Earley, Jr.	X*						
N. Stavropoulos <sup>(3)</sup>	X						
G. J. Williams <sup>(3)</sup>	X						
Number of Meetings in 2015 (PG&E Corporation/Utility where applicable)	0/0	5/5	5	4	5	8	6

\* Committee Chair

Independent audit committee financial expert, as defined by the SEC and applicable stock exchanges, and as (1) determined by the Boards. Background information on each audit committee financial expert can be found in the director biographies beginning on page 13.

(2) Independent lead director of PG&E Corporation and independent non-executive Chairman of the Board of the Utility.

(3) Member of the Utility Executive Committee only.

Committee Membership Requirements

Each of the permanent standing committees (other than the Executive Committees) must be 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 must be composed entirely of independent directors, as defined by the NYSE. Because the Utility is a "controlled subsidiary" of PG&E Corporation for purposes of the NYSE MKT standards, the Utility is not subject to NYSE MKT 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 MKT, and 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 must meet heightened independence rules 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 must be financially literate, and at least one member of each Audit Committee also must have accounting and related financial management expertise and financial sophistication.

Each company's committees satisfy the applicable independence and qualification standards described above.

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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 Chairman 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 2015**

During 2015, there were 12 meetings of the PG&E Corporation Board. Each incumbent Corporation director attended 92% or more of the aggregate of all meetings of the Corporation Board and of the Corporation Board committees on which that director served during 2015.

During 2015, there were 8 meetings of the Utility Board. Each incumbent Utility director attended 100% of the aggregate of all meetings of the Utility Board and of the Utility Board committees on which that director served during 2015.

Each member of the Board of PG&E Corporation or the Utility is expected to attend that company's annual meetings. All 12 then-current directors attended the Corporation's 2015 annual meeting, and all 13 then-current directors attended the Utility's 2015 annual meeting.

## **DIRECTOR NOMINATION PROCESS**

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 Chairman of the Corporation or the Utility, as applicable, and the Corporation CEO.

### **Qualifications and Characteristics**

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 and oversight.

In conducting this review, 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. In addition to the skills and characteristics noted above, for the 2016 nominees, the Committee also considered the extent to which the nominees (both individually and as a group) possessed the experience, skills, and expertise shown in the chart on page 12.

Under the retirement policy adopted by each company's Board, 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 72, unless the applicable company's Board determines that it is in the best interests of the company to re-nominate that director.

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In general, the Nominating and Governance Committee will recommend, and the Boards will re-nominate, an existing director for re-election if, among other things, the Committee and the Board each believe that the individual would continue to be a productive and effective contributor to the Board, and that his or her continued service would serve the best interests of the company.

Ms. Herringer recently reached the age of 72. In anticipation of her retirement, as well as other upcoming director retirements, the Nominating and Governance Committee and the Boards have been engaged in a search for qualified candidates to join the Boards. As Chair of the Nominating and Governance Committee, Ms. Herringer has played an instrumental role in the search process. Therefore, the PG&E Corporation and Utility Boards determined that it would be in the best interests of each company to nominate her for re-election at the 2016 annual meetings so that she can continue to participate in the Committee's and the Boards' ongoing efforts to identify and evaluate potential director candidates.

With respect to diversity, the Committee seeks a range of different backgrounds, perspectives, skills, and experiences. Although there is no set policy regarding diversity of nominees for director, the Committee and the Boards annually review the diversity of the director nominees and the extent to which diverse backgrounds, perspectives, skills, and experiences are represented by the members of the Boards.

#### Sources of Nominees

The Nominating and Governance Committee accepts recommendations for director nominees from a variety of sources, including executive search firms, shareholders, management, and Board members. The Committee uses the same review criteria to review all candidates recommended for nomination at the annual meetings. The Committee has retained Diversified Search, Korn/Ferry International, and Kroll Inc. to assist the Committee's evaluation of certain potential director nominees, including by performing appropriate due diligence on such candidates.

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. As discussed in each company's Bylaws, each 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.

#### Adoption of Proxy Access

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 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.

The proxy access bylaw provisions' specific requirements reflect a broad range of perspectives, including (1) current practices among other large companies, and (2) the views of PG&E Corporation's largest investors. The Board considered and weighed these perspectives when developing the proxy access bylaw provisions, and believes that these provisions strike an appropriate and meaningful balance between enhancing shareholder rights and adequately protecting the best interests of the Corporation and its shareholders through reasonable procedures for conducting election contests.



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## **RISK MANAGEMENT**

PG&E Corporation and the Utility continue to review and refine the approach to the companies' risk management programs. In 2011, the companies expanded their Enterprise Risk Management program to examine all enterprise and operational company risks, and to increase Board review of risk management. The program was renamed as the Enterprise and Operational Risk Management ("EORM") program in 2013 to reflect its expanded scope. At that time, risk management was integrated into the companies' planning and budgeting process, which leads to the identification of specific enterprise risks for review and oversight by the Corporation and Utility Boards.

As described below, the companies' risk management governance structures allow risks to be investigated 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.

### Board-Level Duties

As part of their oversight functions, the Boards generally oversee the companies' risk management policies and programs; however, management has day-to-day responsibility for assessing and managing exposure to various risks. Enterprise risks are reviewed regularly by the Boards' Audit Committees, and oversight for specific risk categories is allocated to various Board committees, consistent with the substantive scope of each committee's charter. Each such committee provides a report of its activities to the applicable Board.

The Boards and their respective committees have specific oversight responsibility for risk management in the following 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 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.

- The Nuclear, Operations, and Safety Committee discusses 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.

- 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.

This allocation of Board-level risk oversight was last reviewed by the Audit Committees, the Compliance and Public Policy Committee, and the Nuclear, Operations, and Safety Committee in October 2015.

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 assessing and managing PG&E Corporation's and the Utility's exposure to various risks. Currently, risk is managed in three broad categories: enterprise and operational risk (e.g., public and employee safety, customer service, and other operational risks), compliance risk (e.g., legal and regulatory requirements), and market and credit risk (e.g., energy commodity risk).

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, as requested 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.

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Each line of business (“LOB”) within the companies has its own risk and compliance committee. These LOB committees review all major enterprise, operational, and compliance risks within that LOB (including public safety), review and approve risk analysis and mitigation strategies, and track mitigation progress and results. 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 of the organizations of the Chief Ethics and Compliance Officer and the Chief Risk and Audit Officer.

All LOBs review their risks with the entire senior management team as part of the companies’ integrated multi-year planning process. Following calibration with the senior management team, these risks become an important factor in the development of each LOB’s strategy and budget proposals. The integrated planning cycle is an annual process designed to analyze the companies’ top risks, prioritize management activities, and identify the related investments and revenue requirements that effectively mitigate those risks.

PG&E Corporation and the Utility have a Chief Risk and Audit Officer who functionally reports to the Audit Committees. The Chief Risk and Audit 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 the companies with a review of the design of PG&E Corporation’s and the Utility’s incentive plans relative to general compensation plan risk factors (or the potential for unintended consequences).

## **BOARD OVERSIGHT OF 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 Audit Committees generally assist the Boards with monitoring and overseeing compliance with legal and regulatory requirements, including discussing with management the companies’ programs to monitor compliance with laws, regulations, and internal policies and standards. The Compliance and Public Policy Committee provides further assistance for these Board-level oversight duties, including overseeing and evaluating the effectiveness of the companies’ compliance programs, reviewing periodic reports from management regarding compliance status and potential issues, and monitoring that a consistent commitment to effective compliance programs is conveyed to employees, contractors, and other relevant stakeholders. The Audit Committees also specifically review legal and regulatory matters that may impact the companies’ financial statements. The Nuclear, Operations, and Safety Committee reviews significant compliance issues related to the Utility’s 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 make sure that the appropriate reports and materials regarding compliance and ethics issues are reviewed and discussed on a regular basis. The Audit Committees, the Compliance and Public Policy Committee, and the Nuclear, Operations, and Safety Committee meet jointly at least annually to coordinate and discuss the companies' compliance program and monitor that all significant compliance and ethics issues are addressed by the appropriate Board committees.

At the management level, the 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, and regularly report to the CECO on compliance matters. Management also has established a senior officer compliance and ethics committee that provides strategic guidance on, and oversight of, the compliance and ethics program, including the programs and systems designed to prevent, detect, and mitigate non-compliance. The CECO also leads the companies' ethics and compliance training and culture-building efforts.

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## **BOARD OVERSIGHT OF POLITICAL CONTRIBUTIONS AND ADVOCACY**

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. The Boards are apprised of significant advocacy efforts undertaken by the companies. 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 expenditures is available on PG&E Corporation's website at: [www.pgecorp.com/aboutus/corp\\_gov/political\\_engagement/political\\_engagement.shtml](http://www.pgecorp.com/aboutus/corp_gov/political_engagement/political_engagement.shtml).

## **BOARD OVERSIGHT OF CORPORATE SUSTAINABILITY**

The Compliance and Public Policy Committee has primary oversight of corporate sustainability issues, such as environmental compliance and leadership, climate change, community investments, and workforce development. This includes an annual review of PG&E Corporation's and the Utility's sustainability practices and performance. Other committees of the Corporation Board and the full Corporation and Utility Boards address other components of the companies' sustainability commitment, such as public and employee safety, investments made to build a smarter electric grid, and the pathways to increasing the Utility's deliveries of renewable electricity. For example, the Compensation Committee approves the structure of the STIP, which reinforces the companies' sustainability commitment by rewarding eligible employees for achievement of goals that benefit customers, shareholders, and employees.

Within management, the Chief Sustainability Officer of PG&E Corporation is responsible for developing and coordinating the companies' corporate sustainability initiatives and overseeing the companies' corporate sustainability reporting and 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.

Additional information regarding PG&E Corporation's sustainability efforts and progress can be found in the online Corporate Responsibility and Sustainability Report 2015, which can be accessed at: [www.pgecorp.com/corp\\_responsibility](http://www.pgecorp.com/corp_responsibility).

## **BOARD OVERSIGHT OF MANAGEMENT SUCCESSION**

At least annually, and often more frequently, 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 2015, the Compensation Committee addressed management succession and executive development in connection with its review of officer elections, promotions, and compensation matters during the year. The Boards and the Compensation Committee last reviewed and discussed CEO and management succession planning and executive development at their respective meetings in February 2016.

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## **BOARD AND COMMITTEE SELF-EVALUATIONS**

The Nominating and Governance Committee oversees the process for evaluating and assessing the performance of the Boards, including Board committees. At least annually, each Board or the Nominating and Governance Committee conducts an evaluation to determine whether the 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.

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 lead director. The Audit Committees, the Compensation Committee, the Compliance and Public Policy Committee, the Finance Committee, the Nominating and Governance Committee, and the Nuclear, Operations, and Safety Committee conduct annual self-evaluations. The Nominating and Governance Committee may request the results of any Board committee evaluation for consideration in the Board evaluation.

## **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

New directors receive information on subjects that would assist them in discharging their duties. All directors periodically receive briefing sessions or materials on such subjects. Each director also receives information regarding opportunities for continuing education, and is encouraged 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.

## **DIRECTOR AND OFFICER COMMUNICATIONS**

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 Chairman 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, 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 and considering the impact of compensation on director independence. 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, 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 2015 for service on the Boards and their committees is consistent with the results of reviews conducted in consultation with the Committee's executive compensation consultants.

## 2015 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 2015.

Name	Fees				Total (\$)
	Earned Or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	
L. Chew	121,750	119,987		96	241,833
F. Fowler	133,865	119,987		96	253,948
M. C. Herringer	135,750	119,987		96	255,833
R. C. Kelly	144,557	119,987		96	264,640
R. H. Kimmel	119,000	119,987		96	239,083
R. A. Meserve	137,500	119,987		1,096	258,583
F. E. Miller	163,500	119,987		96	283,583
R. G. Parra	124,250	119,987		1,096	245,333

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B. L. Rambo	132,500	119,987	96	252,583
A. S. Smith <sup>(5)</sup>	109,224	119,987	1,080	230,291
B. L. Williams	187,250	119,987	96	307,333

Represents receipt of retainers and meeting fees described below following this table. Retainers paid to Ms. Smith reflect her election to the Boards effective February 18, 2015. Total meeting fees were: Mr. Chew \$41,750, (1) Mr. Fowler \$57,750, Ms. Herringer \$55,750, Mr. Kelly \$71,500, Mr. Kimmel \$49,000, Dr. Meserve \$52,500, Mr. Miller \$43,500, Mr. Parra \$54,250, Ms. Rambo \$52,500, Ms. Smith \$45,500, and Mr. Williams \$52,250.

Represents the grant date fair value of RSUs granted in 2015 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 2015, each non-employee director who was elected at the 2015 annual meetings of shareholders (2) and in office as of May 29, 2015 received 2,244 RSUs with a grant date value of \$119,987. The aggregate number of stock awards outstanding for each non-employee director at December 31, 2015 was: Mr. Chew 2,283, Mr. Fowler 2,283, Ms. Herringer 2,283, Mr. Kelly 2,283, Mr. Kimmel 2,283, Dr. Meserve 2,283, Mr. Miller 2,283, Mr. Parra 2,283, Ms. Rambo 2,283, Ms. Smith 2,283, and Mr. Williams 2,283.

No stock options were granted in 2015. The aggregate number of option awards outstanding for each (3) non-employee director at December 31, 2015 was: Mr. Chew 0, Mr. Fowler 0, Ms. Herringer 0, Mr. Kelly 0, Mr. Kimmel 0, Dr. Meserve 0, Mr. Miller 4,090, Mr. Parra 0, Ms. Rambo 0, Ms. Smith 0, and Mr. Williams 0.

Represents (i) premiums paid for accidental death and dismemberment insurance, and (ii) matching gifts, paid or payable for 2015, to qualified educational and environmental nonprofit organizations pursuant to the PG&E (4) Corporation 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, Dr. Meserve \$1,000, and Ms. Smith \$1,000.

(5) Ms. Smith was elected a director of PG&E Corporation and the Utility effective February 18, 2015.

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Retainers and Fees

The following retainers and fees were provided during 2015 to each director who was not an employee of PG&E Corporation or the Utility for service on the Boards and their permanent standing committees.

Board Retainer	\$17,500 per quarter (\$70,000 annually)
Board and Committee Meeting Fees	\$1,750 per meeting
	<i>Other than:</i>
	\$2,750 per Audit Committee meeting
Shareholder Meeting Fees	\$1,750 per meeting (if not held on the same day as a Board meeting)
Lead Director Retainer	\$12,500 per quarter (\$50,000 annually)
Committee Chair Retainers	\$2,500 per quarter (\$10,000 annually)
	<i>Other than:</i>
	• Audit: \$12,500 per quarter (\$50,000 annually)
	• Compensation: \$3,750 per quarter (\$15,000 annually)
	• Nuclear, Operations, and Safety: \$3,750 per quarter (\$15,000 annually)

Any director who serves on the PG&E Corporation Board, Audit Committee, or Executive Committee does not receive additional retainers for concurrent service on the Utility Board, Audit Committee, or Executive Committee, as applicable. Prior to January 1, 2016, separate meeting fees were paid for each meeting of the Utility Board, Audit Committee, or Executive Committee that is not held concurrently or sequentially with a corresponding meeting of the PG&E Corporation Board, Audit Committee, or Executive Committee. Such meetings usually are held concurrently, and in most cases a single meeting fee is paid to each director for each set of meetings.

Directors who served on *ad hoc* Board committees in connection with matters relating to the derivative lawsuits during 2015 also received either (1) per-meeting fees of \$1,750 or (2) quarterly retainers of \$12,500 (for the chair) and \$6,250 (for other members) and per-meeting fees of \$1,750 in connection with such service.

The Compensation Committee's most recent reviews of non-employee director compensation were conducted in September and December 2015, in consultation with the Committee's executive compensation consultant, Pay Governance, LLC. Results of the reviews are reflected in compensation paid to non-employee directors starting in January 2016.

Effective January 1, 2016, quarterly Board retainers increased to \$30,000 (from \$17,500), the quarterly retainer for the Chair of the Nominating and Governance Committee increased to \$3,750 (from \$2,500), and fees for meetings of the Boards and their permanent committees were eliminated. The shift away from such meeting fees reflects current market practice.

## 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.

Awards for 2015 were granted on May 29, 2015. Each director's award had a total aggregate value of \$120,000 (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. These RSUs vest at the end of the director's annual elected term, and are settled as shares of PG&E Corporation common stock. RSUs also will vest upon the director's death or disability, and if there is both a Change in Control (as defined on page 56) and the director is terminated. Otherwise, RSUs are forfeited if the director ceases to be a member of the Board during his or her elected one-year term. Non-employee directors also may elect to defer settlement of vested RSUs.

Starting with the 2016 awards, the value of the annual award will increase to \$140,000.

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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. Ownership will be measured annually as of December 31 of each calendar year. 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 in order 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—2015" table beginning on page 67).

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 PG&E Corporation Retirement Plan for Non-Employee Directors was terminated effective January 1, 1998. Directors who had accrued benefits under the Plan were given a one-time option of either (1) receiving the benefit accrued through 1997, upon their retirement, or (2) converting the present value of their accrued benefit into a PG&E Corporation common stock equivalent investment held in the Deferred Compensation Plan for Non-Employee Directors. Accrued retirement benefits, or distributions from the Deferred Compensation Plan relating to the conversion of retirement benefits, will be paid at the later of age 65 or retirement from the Board.



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Item No. 2: 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, 2016, and to audit the effectiveness of internal control over financial reporting as of December 31, 2016. 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 believe that requesting shareholder ratification of this selection is a good corporate governance practice. If the shareholders of either the 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 for 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. 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; the current lead partner from Deloitte & Touche has provided four consecutive years of service. Although the Audit Committees are directly responsible for evaluating the Independent Auditor, the Committees take into account the opinions of management and the internal auditors.

At the Audit Committees' direction, in June 2015 PG&E Corporation and the Utility solicited bids from accounting firms to conduct the external audits of the companies' financial statements for the year ending December 31, 2016. This bid solicitation was consistent with commitments made by the Utility to the CPUC. 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. After evaluating each bid submission, the Auditor Selection Committee presented to the Audit Committees the results of the bid review and the committee's recommendations. Upon consideration of the information provided by the Auditor Selection Committee and other inquiries, each Audit Committee appointed Deloitte & Touche as the respective company's Independent Auditor for the year ending December 31, 2016.

Fees Paid to the Independent Auditor During 2015 and 2014

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.



**Table 1: Fees Billed to PG&E Corporation**

**(Amounts include Fees Billed to Pacific Gas and Electric Company and its Subsidiaries shown in Table 2 below)**

	<b>2015</b>	<b>2014</b>
Audit Fees	\$4.81 million	\$4.87 million
Audit-Related Fees	\$0.16 million	\$0.3 million
Tax Fees	\$0	\$0
All Other Fees	\$0	\$0

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[Back to Contents](#)**Table 2: Fees Billed to Pacific Gas and Electric Company and its Subsidiaries****(Amounts are included in Fees Billed to PG&E Corporation shown in Table 1 above)**

	<b>2015</b>	<b>2014</b>
Audit Fees	\$4.0 million	\$4.1 million
Audit-Related Fees	\$0.16 million	\$0.25 million
Tax Fees	\$0	\$0
All Other Fees	\$0	\$0

**Audit Fees**

Audit fees billed for 2015 and 2014 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 the 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 2015 and 2014 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 2015 and 2014.

**All Other Fees**

Deloitte & Touche and its affiliates provided no services in this category during 2015 and 2014.

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 companies and their controlled subsidiaries and affiliates from the Independent Auditor (including its affiliates). The Audit Committees also approve maximum fee amounts for each approved service. Management also has adopted a policy under which PG&E Corporation, the Utility, and their controlled subsidiaries may not enter into new engagements with Deloitte & Touche and its affiliate, Deloitte Consulting, for services other than audit services, audit-related services, and tax services that Deloitte & Touche and its affiliates are allowed to provide to Deloitte & Touche's audit clients under the Sarbanes-Oxley Act.

<b>Category</b>	<b>Description</b>
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, and assistance with and review of documents filed with the SEC).
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 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.

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

**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 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 2015 and 2014**

During 2015 and 2014, 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 the Utility 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.

In this regard, management has assured the Committees that the consolidated financial statements of PG&E Corporation and the Utility were prepared in accordance with generally accepted accounting principles. In addition, the Committees reviewed and discussed these audited consolidated financial statements with management and the independent registered public accounting firm (“independent auditor”). The Committees also discussed with the independent auditor matters that are required to be discussed by the Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard No. 16—Communications with Audit Committees.

Deloitte & Touche LLP was the independent auditor for PG&E Corporation and the Utility in 2015. Deloitte & Touche LLP provided to the Committees written disclosures 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 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, 2015, filed with the Securities and Exchange Commission.

April 11, 2016

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

Forrest E. Miller, Chair  
Lewis Chew  
Maryellen C. Herring  
Richard C. Kelly  
Barry Lawson Williams



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Item No. 3: 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 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 are effective in tying a significant portion of pay to performance, while providing competitive compensation that attracts, retains, and motivates talented executives, and aligns the interests of our executive officers with those of our shareholders.

In establishing PG&E Corporation's officer compensation programs for 2015 (which also cover officers of the Utility), the Compensation Committee established three objectives. These objectives, and how these objectives were met for 2015, are discussed in the CD&A, which can be found immediately following this Item No. 3. 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, all elements of annual officer compensation are tied to corporate operational and/or financial performance and, therefore, provide a direct connection between compensation and performance in both the achievement of key operating results and long-term shareholder value. For Anthony F. Earley, Jr., the PG&E Corporation CEO, approximately 88 percent of 2015 target compensation was tied to corporate performance. For the other NEOs, approximately 78 percent of average 2015 target compensation was tied to corporate performance.

The Compensation Committee's independent compensation consultant, Pay Governance, LLC, has advised that there are 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 pose a low likelihood of incentivizing 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 2015 were comprised of 40 percent RSUs, 50 percent performance shares using a TSR measure, and 10 percent performance shares using equally weighted safety and affordability measures. RSUs vest over a three-year period, and their value is tied directly to the price of PG&E Corporation common stock. Performance shares granted in 2015 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 2015 Performance Comparator Group.

**Target cash compensation (base salary and target short-term incentive) should be competitive with the median target cash compensation for comparable officers in the 2015 Pay Comparator Group.**

Target cash compensation for 2015 generally was within a range of 15 percent above to 15 percent below the corresponding market median for companies in the 2015 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 Discussion and Analysis

This CD&A describes our compensation philosophy, our executive compensation program, and how our NEOs were compensated in 2015. In the CD&A we discuss:

- 1. Performance and Pay Highlights**
- 2. Compensation Program Objectives and Competitive Market Review**
- 3. Risk and Governance Approach**
- 4. NEO Compensation Structure**
- 5. 2015 Compensation Program Review and Improvements**
- 6. Committee Conclusion**

Detailed information regarding 2015 NEO compensation can be found in the Executive Officer Compensation Information section following this CD&A.

## **1. PERFORMANCE AND PAY HIGHLIGHTS**

### Corporate Performance

The executive team's 2015 performance delivered both short- and long-term value for shareholders and customers. We furthered our progress on safety, continued to improve system reliability, and won recognition from our industry for the speed and quality of our emergency response efforts.

### **Safety Success**

- Achieved first quartile safety and reliability performance for both units at the Utility's Diablo Canyon Power Plant.
- Delivered first quartile performance for both 911 (electric) emergency response and gas emergency response.
- Confirmed through independent audit that our gas operations meet the American Petroleum Institute's pipeline safety management system standard (API RP 1173), the rigorous "gold standard" for the industry. The Utility has now earned three third-party safety endorsements for its gas safety management, as well as a best-in-class designation from

Lloyd's Register.

- Completed a National Transportation Safety Board recommendation by installing more than 200 automated and remote shutoff valves across our gas system.
- Broke ground on a new state-of-the-art gas training facility.

### **Customer and Reliability Achievements**

- Accomplished a seventh straight year of improved electric reliability.
- Attained second quartile outage duration and frequency results.
- Received the Edison Electric Institute's Emergency Recovery Award for our response to the Valley Fire, one of the worst fires in California history.
- Opened two new state-of-the-art electric distribution control centers. With a total of three centers, we have the ability to command equipment remotely and apply automated "self-healing" Smart Grid technology installed throughout Northern and Central California.
- Provided nearly 30 percent of electric deliveries from qualifying renewable resources, and nearly 60 percent of the energy delivered was carbon-free.
- Reached the milestone of 200,000 rooftop solar connections, a total that accounts for one of every four solar households in the United States.

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**Financial Results**

- Earnings from operations were \$3.12<sup>(1)</sup> per share, slightly ahead of guidance.
- 2015 total shareholder return was 3.5 percent, in the top third of our performance comparator group.

Short-Term Performance and Pay

2015 SHORT-TERM INCENTIVE PLAN RESULTS

The STIP is our annual cash incentive plan for executives.

Public safety and financial performance results were above the 2015 STIP targets previously approved by the Compensation Committee.

Employee safety performance was below target and included an employee fatality.

Customer performance was below target due to a decline in customer satisfaction despite improved reliability.

After reviewing overall company performance against the 2015 STIP targets, the Committee approved a final 2015 score of 121.7 percent.

Long-Term Performance and Pay

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

Performance shares granted in 2013 vested and were paid in 2016 with the payout determined by comparing PG&E Corporation's TSR to that of the companies in its 2013 Performance Comparator Group.

PG&E Corporation's TSR ranked 8<sup>th</sup> in comparison to the Comparator Group for the three-year period from 2013 to 2015, resulting in a 50 percent payout of the performance shares granted in 2013.

RSUs settle in equivalent shares of PG&E common stock, directly tying long-term compensation to stock performance over time.

**TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE  
AS OF DECEMBER 31, 2015**

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.

(1) 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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## **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 and the compensation that was actually earned, or may still be earned, based on company performance.

For the past three years in aggregate, Mr. Earley's realizable pay was 119 percent of target.

Target compensation includes salary, non-equity incentives at target, the value of stock awards (at grant date fair market value), change in pension value, and all other compensation.

Realizable compensation includes salary; non-equity incentives earned; the value of stock awards (using the December 31, 2015 stock price for vested awards or, for outstanding unvested awards, the expected value at vesting based on the December 31, 2015 stock price); change in pension value; and all other compensation.

### **CEO TARGET AND REALIZABLE COMPENSATION (2013 - 2015) IN \$ MILLIONS**

## **2. COMPENSATION PROGRAM OBJECTIVES AND COMPETITIVE MARKET REVIEW**

### **2015 Officer Compensation Program Objectives**

The Compensation Committee established PG&E Corporation's officer compensation program for 2015 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 2015 compensation policies and practices described below and elsewhere in this Proxy Statement are designed to meet these objectives. These objectives are largely unchanged from 2014.

The Committee also considers shareholder advisory votes as part of its review of executive compensation programs and practices. In May 2015, PG&E Corporation’s and the Utility’s shareholders approved the companies’ NEO compensation for 2014 with votes of 94.3 percent and 99.9 percent, respectively. The Committee considered these results and, given the strong level of shareholder support, made no material changes to compensation policies in 2015.

#### Executive Officer Compensation-Setting Process

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 (or, if the CEO office is not filled, any President) of the Utility. Such approvals are made following a review of comparative data and advice from the Committee’s independent compensation consultant. 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 CEO office is not filled, any President), 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.

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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 generally attends a portion of each Compensation Committee meeting, but excuses himself from the Committee's deliberations or decisions with respect to his pay. At the Committee's request, the Corporation CEO and the Utility CEO (or, if the CEO office is not filled, any President) review with the Committee the performance of the other NEOs. The Corporation CEO and the Utility CEO (or, if the CEO office is not filled, any President), 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 any applicable President's direct knowledge of the performance and contributions of each NEO. The Committee may exercise its discretion to accept, reject, or modify the CEO's or any President's 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.

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.

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 and to non-officer employees. With respect to annual equity awards, such Committee-approved guidelines include the LTIP award value ranges for different categories of employees, 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 generally made within the range of target LTIP values previously approved by the Committee.

#### Consultants and Advisers

The Compensation Committee retains an independent compensation consultant to advise on compensation programs and practices, including pay levels for non-employee directors and for officers. Under a policy adopted by the Committee, this consultant must be "independent," i.e., (1) the consultant must be retained by, and report solely to, the Compensation Committee, and (2) the consultant and its affiliates may not perform any work for PG&E Corporation or its affiliates, except at the request of the Committee or its Chair, and in the capacity of the Committee's agent.

For establishing compensation paid for 2015, the Compensation Committee retained Pay Governance, LLC (“Pay Governance”) as its independent consultant. Pay Governance did not provide 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 in order 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 2015, Pay Governance conducted a comprehensive review of PG&E Corporation’s and the Utility’s executive compensation programs and policies. Pay Governance found that the executive compensation programs are supporting the companies’ compensation philosophy and business priorities, with the changes made in 2015 strengthening these alignments. Additionally, 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, and
- Corporate governance best practices relating to compensation.

The Compensation Committee determined that no conflicts of interest were raised by the work of Pay Governance during 2015.



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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 2015. The Committee takes into account such 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.

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

### 2015 NEO Compensation Competitive Market Review

For 2015, 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. All elements of NEO total direct pay (base pay and short- and long-term incentive targets) were compared individually and in aggregate to the 2015 Pay Comparator Group or the energy services companies.

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 financial and operating 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 2015 compensation levels, base pay and short-term incentive targets were aligned with the market median.

Target annual LTIP award values for 2015 were designed to (1) provide payouts commensurate with PG&E Corporation's TSR performance as compared to the 2015 Performance Comparator Group, and (2) deliver long-term incentive compensation at approximately the 60<sup>th</sup> percentile level of the 2015 Pay Comparator Group, upon achievement of 60<sup>th</sup> percentile TSR performance as compared to the 2015 Performance Comparator Group. If the Corporation's TSR performance is at the median level of the 2015 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 2015 Performance Comparator Group and by actual safety and affordability performance as compared to established targets.

### Pay Comparator Group

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For 2015, the Pay Comparator Group used to benchmark compensation elements consisted of all companies listed in the Philadelphia Utility Index, with two replacements. PPL Corporation and Sempra Energy were used as comparators in place of Covanta and El Paso Electric, because with annual revenues under \$2 billion, Covanta and El Paso Electric are too small to be reasonable comparators. 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 on the basis of having a primary business in the electric utility sector and meeting minimum market capitalization criteria.

A total of 19 companies were included in the 2015 Pay Comparator Group.

AES Corporation	Duke Energy Corporation	PPL 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	Xcel Energy Inc.
Dominion Resources, Inc.	FirstEnergy Corp.	
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 Towers Watson from its proprietary Energy Services executive compensation survey, which includes information from over 100 energy services companies. Due to the proprietary nature of their data, Towers Watson did not disclose the companies matching individual benchmark positions.

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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 2015, 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 14 companies were included in the Performance Comparator Group for performance shares granted in 2015.

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

**3. RISK AND GOVERNANCE APPROACH**

Our compensation programs emphasize sound governance practices. A summary of our compensation practices aligned with best practices include:

**Our Compensation Practices**

**Pay for Performance.** A majority of compensation is “at risk” and linked to shareholder interests.

**Shareholder Outreach.** Discussions with key institutional investors on a regular basis.

**Clawback Policy.** Clawback policy with a three-year reach back.

**Double Trigger.** Change-in-control severance requires a “double trigger.”

**Tally Sheets.** Compensation Committee reviews tally sheets and considers realizable pay.

**Limited Severance Benefits.** Benefits limited to one times base salary plus target STIP bonus, one year continued vesting of RSUs, and pro rata vesting of performance shares.

**NOT Our Compensation Practices**

**No Employment Contracts.** Generally do not utilize employment contracts.

**No Unearned Dividends Paid.** No dividends or dividend equivalents paid on unvested equity awards.

**No Repricing of Options and Stock Appreciation Rights.** Repricing requires shareholder approval.

**No Tax Gross-Ups.** No tax gross-ups provided, except for limited programs generally available to all management employees.

**No Hedging or Pledging.** Policy restricts hedging and pledging of either company’s stock.

**No Additional Service Credit.** Policy against granting additional credited service under the Supplemental Executive Retirement Plan.

**Compensation Consultant.** Compensation Committee engages an independent consultant and has a policy concerning independence.

**Ownership Guidelines.** Share ownership and retention requirements (6X base salary for CEO, 1.5X to 3X for other NEOs).

## **Shareholder Outreach**

PG&E Corporation and the Utility believe that it is important to provide shareholders with the means to provide input on the Corporation's corporate governance policies and practices, including its executive compensation programs and the clarity of the company's disclosures regarding such programs.

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PG&E Corporation is committed to investor engagement and listening to investor views on corporate governance matters and executive compensation policies and programs. Prior to the SEC ruling that required large public companies to provide advisory say-on-pay votes, in 2010 PG&E Corporation and the Utility each began providing its shareholders with the right to cast an annual advisory vote on the compensation paid to the company's NEOs.

Management has made it a practice to contact PG&E Corporation's top institutional investors on a regular basis to discuss corporate governance trends and issues that are of interest to them.

### **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. At the time of adoption, executive stock ownership guidelines had been adopted by most of the companies in the Pay Comparator Group, and they are increasingly viewed as an important element of a company's governance policies.

The stock ownership target for the PG&E Corporation CEO is six times base salary, and the target for Messrs. Stavropoulos, Harvey, Park, and Johns and Ms. Williams is three times base salary. Mr. Mistry was not subject to stock ownership guidelines during 2015.

Until an executive meets the applicable stock ownership guideline, he or she must retain 50 percent of the net shares realized from option exercise or from the vesting of restricted stock or stock units (including performance shares), after accounting for tax withholding. For the purpose of calculating compliance with the guidelines, unvested restricted stock and unvested stock units are not taken into account, except in the case of restricted stock and RSUs when a participant is retirement-eligible (defined as age 55 with five consecutive years of service).

### **Compensation Risk Analysis**

Pay Governance assists the companies with a review of the design of PG&E Corporation's and the Utility's incentive plans relative to general compensation plan risk factors (or the potential for unintended consequences). The companies reviewed the overall compensation pay structure, the overall mix of compensation vehicles, the structure of the incentive plans in particular, and other company pay plans. With respect to incentive plan structure, the companies specifically examined target and maximum compensation in each plan, the nature and mix of performance measures, 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 2015, 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 pose a low likelihood of incentivizing employees to engage in behaviors that are likely to have a material adverse effect on the companies.

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

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

The Committee appropriately weighs the tax-deductibility limitations imposed by Section 162(m) of the Internal Revenue Code. The Committee in its discretion may award forms of compensation that are not deductible under Section 162(m) when it determines that such awards best carry out the goals and objectives of the companies' officer compensation programs.

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#### 4.NEO COMPENSATION STRUCTURE

Named Executive Officers

##### Named Executive Officers of PG&E Corporation for 2015

- Anthony F. Earley, Jr.—Chairman, CEO, and President, PG&E Corporation
- Christopher P. Johns—Vice Chairman, Pacific Gas and Electric Company
- Nickolas Stavropoulos—President, Gas, Pacific Gas and Electric Company
- Geisha J. Williams—President, Electric, Pacific Gas and Electric Company
- Kent M. Harvey—Senior Vice President and Chief Financial Officer, PG&E Corporation

##### Named Executive Officers of Pacific Gas and Electric Company for 2015

Messrs. Earley, Stavropoulos, Harvey, and Ms. Williams are considered NEOs of the Utility. Mr. Johns is the former principal executive officer of the Utility. The other NEOs of the Utility for 2015 are:

- Dinyar B. Mistry—Vice President, Chief Financial Officer, and Controller, Pacific Gas and Electric Company
- Hyun Park—Senior Vice President and General Counsel, PG&E Corporation

2015 Officer Compensation Program

NEOs received the following types of compensation during 2015.

<b>Type</b>	<b>Component</b>	
Cash	Base Salary	•Determined annually, though merit increase adjustments may be made mid-year.
	Short-Term Incentive	•Based on corporate performance against pre-established operational and performance goals that are set annually. •The Board and the Compensation Committee have discretion to adjust payments (e.g., for external factors or individual performance) and to reduce awards to zero.

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Equity	RSUs	<ul style="list-style-type: none"> <li>• Generally have a three-year vesting period (one-third at the end of each year) while employed or after retirement.</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• Generally vest after a three-year performance period.</li> </ul>
	Shares	<ul style="list-style-type: none"> <li>• Payout is based on TSR relative to 14 peer companies selected by the Compensation Committee and achievement of safety and affordability goals.</li> </ul>
Retirement Pension		<ul style="list-style-type: none"> <li>• Benefits are based on final average pay and number of years of service, subject to limits imposed by the Internal Revenue Service.</li> <li>• Vested benefits are payable at the later of age 55 or separation from service.</li> <li>• Benefits may be reduced unless at least 35 years of service or age 65.</li> </ul>
	Supplemental Pension	<ul style="list-style-type: none"> <li>• Benefits are based on final average pay plus short-term incentive, and number of years of service.</li> <li>• Benefits may be reduced unless at least 35 years of service or age 65, and are reduced by amounts payable from the tax-qualified pension plan.</li> <li>• Vested benefits are payable at the later of age 55 or separation from service.</li> </ul>
Other	Perquisites	<ul style="list-style-type: none"> <li>• Limited perquisites include safety- and security-based car transportation services for the PG&amp;E Corporation CEO and the Utility Presidents, on-site parking, executive health services, partial subsidy of financial services, and accidental death and dismemberment insurance.</li> <li>• Lump-sum annual cash stipend paid in lieu of providing broader perquisite benefits. Also include the following items that are available to other management employees, although no NEOs received such items in 2015: health club fee reimbursement and relocation services.</li> </ul>



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The following charts illustrate the percentage of target 2015 compensation allocated to base salary, 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.)

## **2015 PG&E Corporation CEO and NEO Target Compensation**

The Compensation Committee believes that these proportions of base salary relative to target short-term and long-term incentives provide 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 provide 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 2015 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 2015 to all executive officers of the companies.

### Components of 2015 Officer Compensation

#### **Base Salary**

For NEO compensation, the base salary component falls within a range of 12 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 2015, the Committee approved a base salary increase budget of 3 percent. The comparative data indicated that the companies in the Pay Comparator Group expected to provide officers a 3 percent average salary increase in 2015.

In the case of NEOs, base salary at PG&E Corporation and the Utility is generally 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 in the Pay Comparator Group at the time of benchmarking. 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.

In July 2015, the independent members of the Utility Board approved salary increases for Mr. Stavropoulos and Ms. Williams effective upon their August 17, 2015 promotion to President.

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## **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.

### **2015 STIP Structure and Results**

For 2015, the Committee adopted a STIP structure that continued PG&E Corporation's and the Utility's focus on improving public and customer safety and customer satisfaction. The weighting for the safety component increased to 50 percent from 40 percent in 2014. The Gas In-Line Inspection and Upgrade Index measure moved from the Customer Satisfaction component to the Safety component, better reflecting the measure's focus, and its weight increased from 5 percent to 6 percent. The four other Gas Operations Safety and Electric Operations Safety measures' weights were increased by 1 percent to 5 percent each. Weighting of the Customer Satisfaction component decreased from 35 percent to 25 percent, reflecting the movement of the Gas In-Line Inspection and Upgrade Index measure, along with the elimination of the Gas Asset Mapping Duration and Gas Pipeline Safety Work Index measures. These measures were removed due to the achievement of long-term goals and completion of work commitments. Additional emphasis was placed on the Customer Satisfaction Score measure with a 15 percent weight, up from 10 percent. The weighting of the corporate financial performance target remained at 25 percent of the total STIP score.

The Safety component was structured to provide a strong focus on the safety of employees, customers, and communities. It was made up of four subcomponents: (1) Nuclear Operations Safety, (2) Electric Operations Safety, (3) Gas Operations Safety, and (4) Employee Safety. The Customer Satisfaction measures were designed to incent employees to be more responsive to our customers' needs. 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 CEO's assessment of an executive's performance, or the applicable Board's assessment in the case of the CEO's or any Utility President's performance, for the year.

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For 2015, the measures and related weightings, thresholds, targets, maximums, and results for calculating the STIP performance score were as follows:

	Weight	Threshold	Target	Maximum	Result	Score	Weighted Average Score
<b>2015 STIP Measures</b>							
<b>SAFETY COMPONENT (50%)</b>							
<u>Nuclear Operations Safety</u>							
Diablo Canyon Power Plant Reliability and Safety Indicator							
Unit 1 Reliability and Safety Indicator	4%	91.2	94.2	97.2	99.44	2.000	0.080
Unit 2 Reliability and Safety Indicator	4%	91.2	94.2	97.2	99.83	2.000	0.080
<u>Electric Operations Safety</u>							
Transmission and Distribution (T&D) Wires Down							
911 Emergency Response	5%	2,615	2,540	2,400	2,572	0.787	0.039
911 Emergency Response	5%	94.1%	95.0%	96.0%	97.14%	2.000	0.100
<u>Gas Operations Safety</u>							
In-Line Inspection and Upgrade Index	6%	0.50	1.00	2.00	1.52	1.52	0.091
Gas Dig-ins Reduction	5%	2.30	2.06	1.94	2.11	0.896	0.045
Gas Emergency Response	5%	21.50	21.00	20.00	20.33	1.670	0.084
<u>Employee Safety</u>							
Lost Workday Case Rate <sup>(1)</sup>	8%	0.376	0.330	0.305	0.372	0.000	0.000
Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	0.274	0.239	0.218	0.266	0.614	0.049
<b>CUSTOMER SATISFACTION COMPONENT (25%)</b>							
Customer Satisfaction Score	15%	76.7	77.2	77.7	75.5	0.000	0.000
System Average Interruption Duration Index (SAIDI)	10%	110.2	106.6	102.6	96.33	2.000	0.200
<b>FINANCIAL COMPONENT (25%)</b>							
Earnings from Operations (EFO) (in millions)	25%	95% of Budget	Budget	105% of Budget	\$1,518.87	1.763	0.449
	100%						1.217

The measures in the foregoing table are defined below.

**Diablo Canyon Power Plant Performance Indicator**—Year-end score of 12 performance indicators reported to the Institute of Nuclear Power Operations for the Utility's Diablo Canyon Power Plant Units 1 and 2.

**Transmission and Distribution (T&D) Wires Down**—Number of unplanned sustained outage events involving at least one downed overhead electric transmission or primary distribution conductor.

**911 Emergency Response**—Percentage of time that Utility personnel are on site within 60 minutes after receiving a 911 call of a potential Utility electric hazard.

**In-Line Inspection and Upgrade Index**—Index measuring the Utility's ability to complete planned in-line inspections and pipeline retrofit projects.

**Gas Dig-ins Reduction**—Number of third-party dig-ins to gas assets per 1,000 Underground Service Alert tickets.

**Gas Emergency Response**—Average response time in minutes to an immediate response gas emergency order.

**Lost Workday Case Rate**—Number of lost workday cases incurred per 200,000 hours worked (or for approximately every 100 employees).

**Serious Preventable Motor Vehicle Incident (SPMVI) Rate**—Number of SPMVIs occurring that the driver could have reasonably avoided, per 1 million miles driven.

**Customer Satisfaction Score**—Overall satisfaction of customers with the products and services offered by the Utility, as measured through a quarterly survey.

**System Average Interruption Duration Index (SAIDI)**—Total time that the average customer is without electric power during a given time period (measured in number of minutes).

During 2015, the company experienced an employee work-related fatality. In response, the Committee felt that it (1) was appropriate to exercise its discretion and lower the score for Lost Workday Case Rate from 0.534 to 0, resulting in a decrease in the overall STIP score to 1.217.

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**Earnings from Operations (EFO)**—PG&E Corporation’s actual earnings from operations, excluding items impacting comparability compared to budget. The measurement is non-GAAP. Please see Exhibit A for a reconciliation of PG&E Corporation’s earnings from operations to income available for common shareholders in accordance with GAAP.

**Individual Awards Determination**

STIP cash awards to NEOs are calculated as follows:

1. Determine the executive’s individual participation rate, which is the NEO’s base salary earned during the year multiplied by the individual’s STIP target percentage.
2. Calculate the overall enterprise-wide STIP performance score, which can range from 0 to 2.0 and is calculated based on final results compared to the threshold, target, and maximum of each weighted measure.
3. Multiply the participation rate by the performance score to determine the 2015 calculated company award.
4. Multiply the 2015 calculated company award by the NEO’s individual performance modifier.

The Committee (and the independent members of the PG&E Corporation and Utility Boards of Directors in the case of the CEO and the Presidents of the respective companies) approves all final awards and has discretion to adjust all STIP awards.

For 2015, the Committee approved NEO participation rates that ranged from 45 percent to 120 percent of base salary (the 120 percent participation rate applies only to the PG&E Corporation CEO). This range is within the 15 percent band of the Pay Comparator Group’s median annual incentive participation rates.

For 2015, STIP awards for the NEOs ranged from 100 percent to 125 percent of the 2015 calculated company award when adjusted for individual performance. The final awards for 2015 were paid to each of the NEOs in March 2016 and are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 60.

**2016 STIP Structure**

The Committee approved a STIP structure for 2016 that remains focused on improving public and customer safety and customer satisfaction. Weightings remain unchanged from 2015, with achievement of safety goals at a 50 percent weighting, achievement of customer satisfaction goals at a 25 percent weighting, and achievement of the corporate

financial target at a 25 percent weighting. A new safety measure, Timely Reporting of Injuries, was added for 2016 with a weight of 4 percent. The measure is designed to support early intervention of injury or discomfort and avoid exacerbation of medical problems. The weights of two other safety measures, Lost Workday Case Rate and Serious Preventable Motor Vehicle Incident Rate, were each decreased from 8 percent to 6 percent. The measures and related weighting are as follows:

<b>2016 STIP Measures</b>	<b>Weight</b>
SAFETY COMPONENT (50%)	
<u>Nuclear Operations Safety</u>	
Diablo Canyon Power Plant Reliability and Safety Indicator	8%
<u>Electric Operations Safety</u>	
Transmission and Distribution (T&D) Wires Down	5%
911 Emergency Response	5%
<u>Gas Operations Safety</u>	
In-Line Inspection and Upgrade Index	6%
Gas Dig-ins Reduction	5%
Gas Emergency Response	5%
<u>Employee Safety</u>	
Lost Workday Case Rate	6%
Serious Preventable Motor Vehicle Incident Rate	6%
Timely Reporting of Injuries	4%
CUSTOMER SATISFACTION COMPONENT (25%)	
Customer Satisfaction Score	15%
System Average Interruption Duration Index (SAIDI)	10%
FINANCIAL COMPONENT (25%)	
Earnings from Operations (EFO)	25%



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Long-Term Incentives

**Long-Term Incentives Awarded in 2015**

LTIP awards (both annual and mid-year) are granted consistent with the PG&E Corporation Equity Grant Date Policy (see discussion below under “Equity Grant Dates”).

<b>Award Type/Measure</b>	<b>Weight</b>
Performance Shares	60%
Total Shareholder Return	50%
Safety: Lost Workday (LWD) Case Rate	5%
Affordability: 3-Year Efficiency Gains	5%
Restricted Stock Units – Time Based Vesting	40%

In February 2015, the Compensation Committee (and the independent members of the PG&E Corporation and Utility Boards in the case of Mr. Earley and Mr. Johns, respectively) approved annual LTIP awards for 2015, which were granted in March 2015.

Target annual LTIP award values for 2015 for the NEOs were determined based on competitive market data, internal equity considerations, and advice from Pay Governance. The annual LTIP awards for 2015 granted to the NEOs were comprised of 40 percent RSUs, 50 percent performance shares using a TSR measure, and 10 percent performance shares using safety and affordability measures, based on grant date fair value.

Previously, performance shares were allocated equally between RSUs and performance shares with a TSR measure. The increased performance share allocation and additional performance measures provide additional focus on the achievement of operational and financial goals, and reflect a closer alignment with peer practices.

The Committee believes that this allocation of RSUs and performance shares for NEOs balances the interests of shareholders and officers by linking the value of long-term compensation to stock price appreciation and a significant portion to relative TSR. Because RSUs and performance shares each vest over a three-year period, and increase or decrease in value depending on the performance of PG&E Corporation common stock, these awards are at risk based on corporate performance, and align the interests of NEOs with performance for shareholders.

In July 2015, the independent members of the Utility Board approved \$500,000 RSU awards for Mr. Stavropoulos and Ms. Williams that were granted upon their promotion to President on August 17, 2015. In December 2015, the

Committee approved a \$500,000 RSU award for Mr. Mistry for retention purposes. In accordance with the PG&E Corporation Equity Grant Date Policy, this award was granted on February 23, 2016.

Additional details regarding RSUs and performance shares are provided below.

### **Restricted Stock Units**

RSUs are hypothetical shares of stock that are settled in an equal number of shares of PG&E Corporation common stock.

RSUs granted for 2015 vest over a three-year vesting period (one-third at the end of each year during the vesting period), and generally vest only if the officer remains employed over the vesting period. With respect to the August 2015 RSU awards granted to Mr. Stavropoulos and Ms. Williams, the awards vest over three years, with one-half vesting on each of the second and third anniversaries of the grant date. Because the value of RSUs varies with the price of PG&E Corporation common stock, RSUs align officers' interests with those of shareholders (i.e., stock price appreciation and dividends). The multi-year vesting period also serves as a retention mechanism. The number of RSUs granted in March 2015 to each NEO was determined by multiplying the NEO's actual annual LTIP award value for 2015 by 40 percent and dividing the result by the closing price of a share of PG&E Corporation common stock on March 1, 2015. The sizing methodology aligns with accounting and disclosure standards.

### **Performance Shares – TSR**

Performance shares are hypothetical shares of PG&E Corporation common stock tied directly to PG&E Corporation's performance for shareholders, and generally vest only at the end of a three-year performance period.

The number of performance shares with a TSR measure granted in March 2015 to each NEO was determined by multiplying the NEO's actual annual LTIP award value for 2015 by 50 percent and dividing the result by the grant date fair value of a performance share as determined by Monte Carlo simulation. This sizing methodology aligns with accounting and disclosure standards.

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Performance shares with a TSR measure granted in March 2015 will vest, if at all, following completion of the three-year performance period starting January 1, 2015 and ending December 31, 2017 and upon certification of performance results by the Compensation Committee, which will occur no later than March 14, 2018. The payout value of any vested performance shares will be based on PG&E Corporation's TSR relative to the 2015 Performance Comparator Group for the period. The payment for performance shares will be in the form of stock and will be calculated by multiplying (1) the number of vested performance shares by (2) a payout factor based on the Corporation's relative TSR performance compared to the Performance Comparator Group.

As shown in the following 2015 Performance Share Payout Scale, payouts of performance shares are linked to PG&E Corporation's TSR performance compared to the Performance Comparator Group. 60<sup>th</sup> percentile performance is required for a 100 percent payout.

**2015 PERFORMANCE SHARE PAYOUT SCALE**

**NUMBER OF COMPARATOR COMPANIES IN TOTAL = 14**

	<b>Company Performance Rounded</b>	
<b>Peer Company Rank</b>	<b>Percentile</b>	<b>Payout</b>
1	100	200%
2	93	200%
Maximum	90	200%
3	86	186%
4	79	162%
5	71	138%
6	64	114%
Target	60	100%
7	57	94%
8	50	79%
9	43	63%
10	36	48%
11	29	33%
Threshold	25	25%
12	21	0%
13	14	0%
14	7	0%

Interpolation shall be used in the event that PG&E's TSR performance does not fall directly on one of the listed performance percentiles.

**Performance Shares – Safety and Affordability**

The number of performance shares with safety and affordability measures granted in March 2015 to each NEO was determined by multiplying the NEO's actual annual LTIP award value for 2015 by 10 percent and dividing the result by the closing price of a share of PG&E Corporation common stock on March 1, 2015. The sizing methodology aligns with accounting and disclosure standards.

Performance shares with safety and affordability measures granted in March 2015 will vest, if at all, following completion of the three-year performance period starting January 1, 2015 and ending December 31, 2017 and upon certification of performance results by the Committee, which will occur no later than March 14, 2018. The measures were designed to provide a direct focus on long-term safety and financial goals deemed critical to future success. The payout value of any vested performance shares will be based on achievement of equally weighted safety and affordability goals. The safety measure will compare the 2017 actual Lost Workday Case Rate against established threshold, target, and maximum goals. The affordability measure will compare three-year cumulative efficiency gains to established threshold, target, and maximum goals. Awards pay out at 25 percent for threshold performance, 100 percent for target performance, and 200 percent for maximum performance. Interpolation shall be used if results do not fall directly on the minimum, target, or maximum goal. The payment for performance shares will be in the form of stock and will be calculated by multiplying (1) the number of vested performance shares by (2) a payout factor based on achievement of performance goals.

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### **Performance Shares Vested in 2015**

The three-year performance cycle for annual performance share awards that were granted in 2012 under the 2006 LTIP ended on December 31, 2014. These awards vested on March 2, 2015, and payouts are reported in this Proxy Statement in the table entitled “Option Exercises and Stock Vested During 2015” on page 65. For that performance period, PG&E Corporation’s TSR ranked 9<sup>th</sup> among the 13 companies in the 2012 Performance Comparator Group. This ranking resulted in a 35 percent payout with respect to the 2012 performance share awards. PG&E Corporation’s TSR performance for the three-year period was 46.2 percent, as compared to the median TSR of 62.4 percent among the 2012 Performance Comparator Group companies for the same period.

### **Performance Shares Vested in 2016**

The three-year performance cycle for annual performance share awards that were granted in 2013 under the 2006 LTIP ended on December 31, 2015. These awards vested on March 1, 2016, and any payouts for these awards are expected to be reflected in the 2017 proxy statement. For that period, PG&E Corporation’s TSR ranked 8<sup>th</sup> among the 13 companies in the 2013 Performance Comparator Group. This ranking resulted in a 50 percent payout with respect to the 2013 performance share awards. PG&E Corporation’s TSR performance for the three-year period was 48.7 percent, as compared to the median TSR of 49.5 percent among the 2013 Performance Comparator Group companies for the same period.

### **2016 LTIP Structure**

In February 2016, the Committee and the independent members of the PG&E Corporation and Utility Boards approved LTIP awards which were granted in March 2016. The design and allocation of the 2016 awards is substantially the same as that of the 2015 awards.

### **Equity Grant Dates**

The PG&E Corporation Equity Grant Date Policy generally provides that annual LTIP awards are granted when the market price of PG&E Corporation common stock reflects the disclosure of all material information. Annual equity awards for 2015 were granted on March 2, 2015, which was consistent with this policy. Under the policy, the grant date for non-annual equity awards to employees (such as for newly hired or newly promoted officers) is the later of (1) the date that the non-annual award is approved by the independent members of the PG&E Corporation or Utility Board, the Compensation Committee, or the PG&E Corporation CEO, as applicable, (2) the date that the LTIP award recipient becomes an employee, if applicable, or (3) the date otherwise specified by the applicable Board, the Committee, or the Corporation CEO. If the grant date of any LTIP award would occur during a trading blackout

period, as defined under the PG&E Corporation Insider Trading Policy, then the actual grant date will be the first business day after the trading blackout period ends.

#### Other Elements of Executive Compensation

#### **Perquisites and Related Compensation**

NEOs generally receive a limited range of perquisite benefits, typically encompassing a partial subsidy for financial planning services from a third-party financial advisory firm, partial reimbursement of certain health club fees, on-site parking, and executive health services. The PG&E Corporation CEO and the Utility Presidents also receive safety- and security-based car transportation services. The magnitude of these perquisites, including the lump-sum payment described in the following paragraph, is comparable to that provided to executive officers of companies in the Pay Comparator Group, and the value of these services is taxable to the recipient.

The Compensation Committee (and the independent members of the PG&E Corporation and Utility Boards in the case of Mr. Earley and Mr. Johns, respectively) also approved a 2015 lump-sum annual stipend amount for each executive officer consistent with 2014, which ranged from \$15,000 to \$35,000 (the upper end applicable only to Mr. Earley). This stipend is provided in lieu of providing the NEOs with additional perquisite benefits. The NEOs have discretion to use this stipend as they see fit. This stipend is consistent with amounts paid historically.

The PG&E Corporation CEO is authorized to use private aircraft for business travel under appropriate circumstances. The Utility's Corporate Aircraft Use policy prohibits use of Utility aircraft for personal travel.

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## **Post-Retirement Benefits**

NEOs are eligible to receive retirement benefits under the Utility's tax-qualified defined benefit plan (pension plan), which also provides benefits to other eligible employees of PG&E Corporation and the Utility. NEOs also are eligible to receive benefits under the PG&E Corporation Supplemental Executive Retirement Plan ("SERP"), which is a non-tax-qualified defined benefit pension plan that provides officers and key employees of the Corporation and its subsidiaries, including the Utility, with a pension benefit. These plans are described in the section entitled "Pension Benefits—2015" beginning on page 65.

In February 2010, the Committee adopted a policy against crediting additional years of service for participants in the SERP.

Effective January 1, 2013, SERP participation was closed to new participants. Individuals who did not participate in the SERP but who were newly hired or promoted to officer after January 1, 2013 are eligible for non-tax-qualified defined contribution pension payments under the 2013 PG&E Corporation Defined Contribution Executive Supplemental Retirement Plan ("DC-ESRP"). No NEOs participate in the DC-ESRP.

NEOs and other officers and employees also are eligible to participate in the PG&E Corporation Retirement Savings Plan ("RSP"), a tax-qualified 401(k) plan. PG&E Corporation provides a maximum matching contribution of 75 cents for each dollar contributed, up to 6 percent of base salary for individuals eligible for the final average pay pension benefit and up to 8 percent of base salary for individuals eligible for a cash balance pension benefit. To the extent that the Internal Revenue Code limits prevent an NEO from making contributions to his or her RSP account and, as a result, company matching funds are not contributed to that NEO's RSP account, the matching funds will instead be contributed to the NEO's account in the PG&E Corporation 2005 Supplemental Retirement Savings Plan, a non-qualified deferred compensation plan.

Upon retirement, NEOs also may be eligible for post-retirement health, welfare, insurance, and similar benefits, pursuant to plans that generally provide benefits to all employees. Additional details regarding the retirement programs and post-retirement benefits, and the value of pension benefits accumulated as of December 31, 2015 for the NEOs, can be found in the table entitled "Pension Benefits—2015" beginning on page 65 and in the section entitled "Potential Payments—Resignation/Retirement" on page 70.

The majority of companies in the 2015 Pay Comparator Group provide tax-qualified pensions or similar plans, other tax-qualified defined contribution plans (i.e., 401(k) plans), and non-tax-qualified retirement plans for NEOs. The Committee believes that these defined benefit and defined contribution plans offer significant recruiting and retention incentives.

## **Officer Severance Program**

General severance benefits are provided to NEOs through the 2012 PG&E Corporation Officer Severance Policy (“Officer Severance Policy”) and specific LTIP award agreements and guidelines. Upon termination by either company (other than for cause), NEOs may be eligible for cash severance payments, continued or accelerated vesting for LTIP awards, and other post-employment benefits. If an NEO is terminated for cause (i.e., for dishonesty, a criminal offense, or violation of a work rule) or resigns before becoming retirement-eligible, the NEO forfeits any unvested restricted stock, RSUs, and performance shares, and would not receive any associated dividends.

## **Officer Severance Policy**

The purpose of the Officer Severance Policy is to (1) attract and retain senior management by providing severance benefits that are part of a competitive total compensation package, (2) provide consistent treatment for all terminated officers, and (3) minimize potential litigation costs in connection with terminations of employment by conditioning payments upon a general release of claims.

In February 2012, the PG&E Corporation Board of Directors (upon the recommendation of the Committee) amended the officer severance program and adopted the Officer Severance Policy, to better align the officer severance program with industry best practices. The Officer Severance Policy, in combination with LTIP award agreements and STIP guidelines, generally provides the following benefits upon termination without cause:

- Cash severance of one year’s salary and target STIP bonus.
- Continued vesting of unvested RSUs for one year.
- Pro rata vesting of performance shares.
- Continued vesting of stock options for one year and the right to exercise stock options for up to one year.
- Limited COBRA benefits and outplacement services.



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## **Predecessor Severance Policy**

Prior to adoption of the Officer Severance Policy in February 2012, the predecessor officer severance policy, in combination with provisions in the LTIP award agreements, had generally provided the following benefits for senior executives who had been employed for two or more years in the case of a termination without cause: (1) cash severance equal to (a) two times the sum of base salary plus target STIP bonus, and (b) a prorated STIP bonus for the year of termination if more than six months of employment had occurred, (2) continued vesting of any unvested RSUs for two years, pro rata vesting of performance shares, the right to exercise any vested stock options for up to five years, and continued vesting for either one-third or two-thirds of unvested Special Incentive Stock Ownership Premiums (“SISOPs”) (the amount depending on officer level at termination), and (3) limited COBRA benefits and outplacement services.

The Officer Severance Policy made the following key changes to benefits available to officers upon termination without cause:

- Cash severance benefits were reduced to one times base salary plus target STIP bonus.
- The right to exercise stock options that vested within the severance multiple (as set forth in the applicable officer severance policy) was limited to one year.
- Continued vesting of unvested RSUs was limited to one year, unless otherwise specified in the equity award agreement. (Pro rata vesting of performance shares was not impacted by the February 2012 modifications.)

Additional details regarding severance benefits can be found in the section entitled “Potential Payments—Termination Without Cause” beginning on page 72.

## **Change in Control**

The PG&E Corporation Board has determined that providing change-in-control benefits is a key part of the Corporation’s officer compensation program. In a hostile takeover or other change-in-control situation, it is important for management to remain focused on maximizing shareholder value and aligning management’s interests with shareholders’ interests, and not to be distracted by concerns about job security.

Change-in-control benefits require a “double trigger” and are not payable based on a change-in-control event alone. Benefits under the Officer Severance Policy also require that the NEO be severed. LTIP award agreements and guidelines require either (1) that the NEO be severed, or (2) that the successor entity fail to assume or continue the LTIP awards, or substitute the LTIP awards with a substantially equivalent award. The Board believes that the “double

trigger” requirement aligns our change-in-control benefits with shareholder interests and reflects current market practices.

The Officer Severance Policy, which became effective for NEOs in February 2015 (following a three-year period during which officers subject to the predecessor officer severance policy continued to be eligible for benefits under the prior policy), provides enhanced cash severance benefits if the officer is terminated in connection with a Change in Control (as defined in the Policy). These enhanced benefits replace general severance benefits and are available only to officers in bands 1 or 2, which, as of December 31, 2015, includes all NEOs except Mr. Mistry. These covered officers are eligible to receive (1) change-in-control cash severance benefits equal to two times the sum of base salary and target annual STIP bonus, and (2) prorated STIP bonus for the year of termination. Other NEOs receive general severance benefits only.

The predecessor severance policy applied to officers of PG&E Corporation at the level of Senior Vice President or above, or to the President of the Utility. These covered officers were eligible to receive (1) change-in-control cash severance benefits equal to three times the sum of base salary and target annual STIP bonus, and (2) target STIP bonus for the year of termination. The Officer Severance Policy made the following key changes to benefits available to covered officers upon termination in connection with a Change in Control:

- Cash severance benefits are reduced to two times base salary plus target STIP bonus.
- STIP bonus payment is prorated in the year of termination.

The scope of officers who are eligible to receive such benefits was changed by adding Utility officers in bands 1 and 2 (which includes Executive Vice Presidents) and limiting eligibility of PG&E Corporation officers to bands 1 and 2. (PG&E Corporation Senior Vice Presidents who are in band 3 are no longer eligible.)

All LTIP award agreements contain the same change-in-control provisions, which accelerate vesting of all awards if there is a Change in Control, *and* either the award is not continued, assumed, or substituted, or the recipient is terminated in connection with a Change in Control. This practice aligns PG&E Corporation and the Utility with market practices and (1) better balances the interests of award recipients and shareholders, (2) provides security for award recipients in a time of uncertainty, and (3) preserves the incentive for award recipients to stay with the Corporation or the Utility even following a transaction.

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Additional details regarding change-in-control benefits can be found in the section entitled “Potential Payments—Severance in Connection with Change in Control” on page 73.

### **Golden Parachute Restriction Policy**

The Golden Parachute Restriction Policy requires shareholder approval of certain executive severance payments (as defined in the Golden Parachute Restriction Policy) provided in connection with a change in control of PG&E Corporation, to the extent that those payments exceed 2.99 times the sum of a covered officer’s base salary and target STIP award. Additional details regarding the Golden Parachute Restriction Policy can be found in the section entitled “Potential Payments—Severance in Connection with Change in Control—PG&E Corporation Golden Parachute Restriction Policy” on page 75.

### **5.2015 COMPENSATION PROGRAM REVIEW AND IMPROVEMENTS**

The Compensation Committee or the Boards (upon the Committee’s recommendation) review executive compensation programs, practices, and policies and implement improvements that reflect the Committee’s and the Boards’ continuing commitment to compensation policies that are consistent with leading market practices. Examples of 2015 compensation program improvements include:

The LTIP award allocation to performance shares increased to 60 percent from 50 percent, and safety and affordability measures were introduced. These changes reflect closer alignment with peer practices and provide additional focus on the achievement of safety, financial, and operational goals.

The STIP structure was updated to increase the weighting of the Safety component to 50 percent from 40 percent to support our strong focus on the safety of employees, customers, and communities. The weighting of the Customer Satisfaction component decreased to 25 percent from 35 percent. However, additional emphasis was placed on the individual measure used to gauge overall customer satisfaction.

### **6.COMMITTEE CONCLUSION**

The Compensation Committee believes that the amount and design of executive compensation provided for 2015 to the NEOs of PG&E Corporation and the Utility are consistent with the Committee’s compensation objectives and policies to (1) provide long-term incentives to align shareholders’ and officers’ interests and enhance total return for shareholders, (2) attract, retain, and motivate officers with the necessary mix of skills and experience for the development and successful operation of the Corporation’s and the Utility’s businesses, and (3) compensate NEOs in a competitive, cost-efficient, and transparent manner.



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## Exhibit A

## Reconciliation of PG&amp;E Corporation's Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles ("GAAP")

For the year ended December 31, 2015

(in millions, except per share amounts)	Earnings	Per Share Amounts (Diluted)
PG&E Corporation Earnings from Operations <sup>(1)</sup>	\$1,519	\$ 3.12
Items Impacting Comparability: <sup>(2)</sup>		
Pipeline related expenses <sup>(3)</sup>	(61 )	(0.13 )
Legal and regulatory related expenses <sup>(4)</sup>	(35 )	(0.07 )
Fines and penalties <sup>(5)</sup>	(578 )	(1.19 )
Insurance recoveries <sup>(6)</sup>	29	0.06
PG&E Corporation Earnings on a GAAP basis	\$ 874	\$ 1.79

"Earnings from operations" is a non-GAAP financial measure and is calculated as income available for common shareholders less items impacting comparability as described in Note (2) below. PG&E Corporation uses earnings (1) from operations to understand and compare operating results across reporting periods for various purposes, including internal budgeting and forecasting, short- and long-term operating plans, and employee incentive compensation.

Items impacting comparability represent items that management does not consider part of the normal course of operations and affect comparability of financial results between periods. Items impacting comparability reconcile (2) earnings from operations with Consolidated Income Available for Common Shareholders as reported in accordance with GAAP.

During 2015, the Utility incurred costs of \$103 million, pre-tax, for pipeline related expenses, including costs (3) incurred to identify and remove encroachments from transmission pipeline rights of way and to perform remaining work under the Utility's pipeline safety enhancement plan.

During 2015, the Utility incurred costs of \$58 million, pre-tax, for legal and regulatory related expenses, including (4) costs incurred in connection with various enforcement, regulatory, and litigation activities regarding natural gas matters and regulatory communications.

During 2015, the Utility incurred costs of \$907 million, pre-tax, associated with fines and penalties imposed by the CPUC on April 9, 2015, in the gas transmission pipeline investigations. As shown in the table below, these costs (5) include an additional accrual for the \$300 million fine paid to the State General Fund, a charge for a bill credit for natural gas customers, and estimated charges for capital costs (which includes less than \$1 million for remedy related capital costs) incurred during 2015 that the Utility believes are probable of disallowance in the 2015 Gas Transmission and Storage rate case still pending at the CPUC.

Year  
ended  
December  
31, 2015

(pre-tax, in millions)

Fine paid to the state	\$(100 )
Customer bill credit	(400 )
Charge for disallowed capital	(407 )
Natural gas matters	\$(907 )

Future fines or penalties may be imposed in connection with other enforcement, regulatory and litigation activities regarding natural gas matters and regulatory communications.

Represents insurance recoveries of \$49 million, pre-tax, that the Utility received during 2015 for third-party claims and associated legal costs related to the natural gas pipeline accident that occurred in San Bruno, California on (6) September 9, 2010. The Utility has received a cumulative total of \$515 million through insurance related to \$558 million of third-party claims and \$92 million of legal costs incurred.  
No further insurance recoveries related to these claims and costs are expected.

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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.

April 11, 2016

Barry Lawson Williams, Chair  
Maryellen C. Herring  
Forrest E. Miller  
Barbara L. Rambo

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## Executive Officer Compensation Information

**SUMMARY COMPENSATION TABLE – 2015**

This table summarizes the principal components of compensation paid or granted during 2015 (including cash incentives earned for corporate performance in 2015, but paid in 2016). This table also includes information disclosed in the 2015 and 2014 Joint Proxy Statements for compensation paid or granted to certain officers during 2014 and 2013, respectively.

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Award (\$)	Non-Equity Incentive Compensation (\$) <sup>(3)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
Anthony F. Earley, Jr. Chairman, Chief Executive Officer, and President, PG&E Corporation	2015	1,281,250	0	7,500,080	0	2,245,365	1,075,345	96,354	12,198,394
	2014	1,250,000	0	7,500,007	0	1,825,200	955,849	96,160	11,627,216
	2013	1,250,000	0	6,499,960	0	1,743,750	634,517	94,718	10,222,945
Nickolas Stavropoulos President, Gas, Pacific Gas and Electric Company	2015	613,221	0	2,000,115	0	624,713	303,098	62,695	3,603,842
	2014	575,317	0	1,375,128	0	606,706	274,513	63,309	2,894,973
	2013	559,667	0	995,334	0	393,490	141,959	157,712	2,248,162
Geisha J. Williams President, Electric, Pacific Gas and Electric Company	2015	634,183	0	2,000,115	0	620,585	395,456	72,868	3,723,207
Kent M. Harvey Senior Vice President and Chief Financial Officer, PG&E Corporation	2015	626,233	0	1,750,099	0	586,837	638,856	63,982	3,666,007
	2014	624,172	0	1,499,950	0	518,012	2,246,668	63,318	4,952,120
	2013	627,785	0	1,356,996	0	507,969	715,856	64,419	3,273,025
Dinyar B. Mistry	2015	381,433	0	400,131	0	229,781	199,502	32,224	1,243,071



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Vice President, Chief Financial Officer, and Controller, Pacific Gas and Electric Company	2014	373,046	0	350,074	0	277,988	617,051	31,509	1,649,668
Hyun Park	2015	637,132	0	1,500,071	0	503,266	210,341	64,274	2,915,084
Senior Vice President and General Counsel, PG&E Corporation	2014	620,167	0	1,499,950	0	503,080	564,737	63,088	3,251,022
Christopher P. Johns*	2013	601,653	0	904,918	0	463,297	124,162	64,850	2,158,880
Vice Chairman, Pacific Gas and Electric and Electric Company	2015	795,967	0	2,800,054	0	774,953	309,000	77,987	4,757,961
	2014	772,333	0	2,799,993	0	704,831	1,682,001	77,965	6,037,123
	2013	750,278	0	2,261,914	0	753,579	340,133	84,591	4,190,495

\* Mr. Johns served as President of the Utility until August 16, 2015, and served as Vice Chairman of the Utility from August 17, 2015 until his retirement on December 31, 2015.

(1) Includes payments for accrued vacation.

Represents the grant date fair value of RSUs and performance shares measured in accordance with FASB ASC Topic 718, without taking into account an estimate of forfeitures related to service-based vesting. For RSUs and for performance shares using safety and affordability measures, grant date fair value is measured using the closing price of PG&E Corporation common stock on the grant date. Assumptions made in valuation of reported

(2) performance shares with a relative TSR measure are described in footnote 4 to the table entitled "Grants of Plan-Based Awards in 2015." Assuming that the highest level of performance conditions would be achieved, the estimated maximum grant date value of performance shares granted in 2015 would be: Mr. Earley \$8,223,748, Mr. Stavropoulos \$1,644,848, Ms. Williams \$1,644,848, Mr. Harvey \$1,918,996, Mr. Mistry \$438,766, Mr. Park \$1,644,848, and Mr. Johns \$3,070,235.

(3) Amounts represent payments received or deferred in 2016, 2015, and 2014 for achievement of corporate and organizational objectives in 2015, 2014, and 2013, respectively, under the STIP.

[Back to Contents](#)**SUMMARY COMPENSATION TABLE – 2015** (Continued)

Amounts reported for 2015 consist of (i) the change in pension value during 2015 (Mr. Earley \$1,075,345, Mr. Stavropoulos \$301,658, Ms. Williams \$395,300, Mr. Harvey \$638,553, Mr. Mistry \$199,497, Mr. Park \$209,954, and Mr. Johns \$308,887), and (ii) the above-market earnings on compensation deferred into the PG&E Corporation Supplemental Retirement Savings Plan and invested in the Aa Utility Bond Fund (Mr. Stavropoulos \$1,440, Ms. Williams \$156, Mr. Harvey \$303, Mr. Mistry \$5, Mr. Park \$387, and Mr. Johns \$113). The Aa Utility Bond Fund accrues interest based on the long-term corporate bond yield average for Aa utilities reported by Moody's Investors Service. The above-market earnings are calculated as the difference between actual earnings from the Aa Utility Bond Fund investment option and hypothetical earnings that would have resulted using an interest rate equal to 120 percent of the applicable federal rate. A portion of Mr. Harvey's pension benefit is payable to an alternate payee under a qualified domestic relations order (QDRO) and a domestic relations order (DRO). The amount payable is variable under the QDRO and the DRO.

Amounts reported for 2015 consist of (i) perquisites and personal benefits, as detailed below (Mr. Earley \$3,698, Mr. Stavropoulos \$10,100, Ms. Williams \$19,330, Mr. Harvey \$10,802, Mr. Mistry \$60, Mr. Park \$10,645, and Mr. Johns \$17,168) (ii) a lump-sum annual stipend paid in lieu of providing perquisite benefits, with the exception (5) of perquisite benefits noted in the chart below (Mr. Earley \$35,000, Mr. Stavropoulos \$25,000, Ms. Williams \$25,000, Mr. Harvey \$25,000, Mr. Mistry \$15,000, Mr. Park \$25,000, and Mr. Johns \$25,000) and (iii) company contributions to defined contribution retirement plans (Mr. Earley \$57,656, Mr. Stavropoulos \$27,595, Ms. Williams \$28,538, Mr. Harvey \$28,180, Mr. Mistry \$17,164, Mr. Park \$28,629, and Mr. Johns \$35,819).

The following chart provides additional information regarding perquisites and personal benefits that are included in the Summary Compensation Table and discussed in section (i) of footnote 5.

	Transportation Services (\$)	Executive Health (\$)	Financial Services (\$)	AD&D Insurance (\$)	Total (\$)
A. F. Earley, Jr.	3,638			60	3,698
N. Stavropoulos		2,700	7,340	60	10,100
G. J. Williams	8,106	3,162	8,002	60	19,330
K. M. Harvey		2,891	7,851	60	10,802
D. B. Mistry				60	60
H. Park		2,900	7,685	60	10,645
C. P. Johns	5,633	3,400	8,075	60	17,168

The above perquisites and personal benefits consist of the following:

- Transportation services for Mr. Earley, Ms. Williams, and Mr. Johns to help ensure their safety and security while serving in the positions of either CEO or President, consisting of car transportation for commute and incidental non-business travel. Amounts include the prorated salary and benefits burden of the drivers, and vehicle costs.

The cost of executive health services provided to executive officers. Amounts vary among officers, reflecting the decisions of each individual officer regarding the specific types of tests and consultations provided, and the exact value of reimbursed expenses.

- Fees paid to partially subsidize financial services provided by an independent contractor selected by PG&E Corporation to provide such services.
- Company-paid premiums for a \$250,000 accidental death and dismemberment policy.

In addition to the perquisite benefits described above, NEOs are given a set stipend that each NEO may use as the officer sees fit. The stipend is intended to cover miscellaneous items in each NEO's discretion (such as membership in professional organizations). The amount of this stipend is included in the Summary Compensation Table in the "All Other Compensation" column and is discussed in section (ii) of footnote 5. NEOs also were eligible to receive on-site parking, which was provided at no additional incremental cost to PG&E Corporation and the Utility.

Please see the CD&A beginning on page 40 for additional information regarding the elements of compensation discussed above, including information regarding salary, short-term incentives, and long-term incentives. Additional information regarding grants of LTIP awards can be found in the narrative following the "Grants of Plan-Based Awards in 2015" table.

[Back to Contents](#)**GRANTS OF PLAN-BASED AWARDS IN 2015**

This table provides information regarding incentive awards and other stock-based awards granted during 2015 to NEOs.

Name	Grant Date	Committee Action Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units <sup>(3)</sup>	Grant Date Fair Value of Stock and Option Awards <sup>(4)</sup>
			Threshold (\$)	Target (\$)	Awards (\$)	Threshold (#)	Target (#)	Maximum (#)		
A. F. Earley, Jr.			768,750	1,537,500	4,612,500					
	3/2/2015	2/17/2015				17,248	68,991	137,982		4,500,068
	3/2/2015	2/17/2015							56,180	3,000,012
N. Stavropoulos			205,329	410,657	1,231,972					
	3/2/2015	2/17/2015				3,450	13,799	27,598		900,069
	3/2/2015	2/17/2015							11,236	600,002
	8/17/2015	7/10/2015							9,214	500,044
G. J. Williams			212,471	424,942	1,274,826					
	3/2/2015	2/17/2015				3,450	13,799	27,598		900,069
	3/2/2015	2/17/2015							11,236	600,002
	8/17/2015	2/17/2015							9,214	500,044
K. M. Harvey			219,182	438,363	1,315,090					
	3/2/2015	2/17/2015				4,025	16,099	32,198		1,050,078
	3/2/2015	2/17/2015							13,109	700,021
D. B. Mistry			85,823	171,645	514,935					
	3/2/2015	2/17/2015				921	3,681	7,362		240,091
	3/2/2015	2/17/2015							2,997	160,040
H. Park			206,765	413,530	1,240,590					
	3/2/2015	2/17/2015				3,450	13,799	27,598		900,069
	3/2/2015	2/17/2015							11,236	600,002
C. P. Johns			318,387	636,773	1,910,320					
	3/2/2015	2/17/2015				6,439	25,757	51,514		1,680,042
	3/2/2015	2/17/2015							20,974	1,120,012

Compensation opportunity granted for 2015 under the STIP. Actual amounts earned are reported in the Summary

(1) Compensation Table in the “Non-Equity Incentive Plan Compensation” column. Threshold represents a 0.5 enterprise-wide STIP performance score and a 100 percent individual performance modifier. Maximum reflects a 2.0 enterprise-wide STIP performance score and a 150 percent individual performance modifier.

(2) Represents performance shares granted under the 2014 LTIP.

(3) Represents RSUs granted under the 2014 LTIP.

For performance shares with a relative TSR measure, the grant date fair value is based on the probable outcome of the applicable performance conditions, measured using a Monte Carlo simulation valuation model. The assumed (4) per-share value for the March 2, 2015 annual awards was \$68.25. The simulation model applies a risk-free interest rate and an expected volatility assumption. The risk-free rate is assumed to equal the yield on a three-year Treasury bond on the grant date. Volatility is based on historical volatility for the 36-month period preceding the grant date.

Detailed information regarding compensation reported in the tables entitled “Summary Compensation Table—2015” and “Grants of Plan-Based Awards in 2015,” including the relative amounts apportioned to different elements of compensation, can be found in the CD&A. Information regarding specific grants and arrangements is provided below.

### **STIP Awards**

Information regarding the terms and basis of STIP awards can be found in the CD&A.

### **Restricted Stock Units**

Annual RSU awards granted in March 2015 will vest in three tranches, with one-third vesting on the first business day of March of each of the three years following the grant date. RSU awards granted to Mr. Stavropoulos and Ms. Williams on August 17, 2015 vest in two tranches, with one-half vesting on each of the second and third anniversaries of the grant date. Upon vesting, RSUs are settled in an equivalent number of shares of PG&E Corporation common stock, net of the number of shares having a value equal to required withholding taxes.

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**GRANTS OF PLAN-BASED AWARDS IN 2015** *(Continued)*

Each time that a cash dividend is paid on PG&E Corporation common stock, an amount equal to the cash dividend per share multiplied by the number of RSUs granted to the recipient will be accrued on behalf of the recipient. Accrued dividends are paid in cash at the time that the related RSUs are settled.

**Performance Shares**

Annual performance shares granted in March 2015 will vest, if at all, at the end of a three-year period. Upon vesting, performance shares are settled in shares of PG&E Corporation common stock, net of the number of shares having a value equal to required withholding taxes. For performance shares using a relative TSR measure, the number of shares issued will depend on PG&E Corporation's TSR relative to the 2015 Performance Comparator Group for the three-year performance period. For performance shares with safety and affordability measures, the number of shares issued will depend on achievement of equally weighted safety and affordability goals. The specific payout formula is discussed in the CD&A.

Each time that a cash dividend is paid on PG&E Corporation common stock, an amount equal to the cash dividend per share multiplied by the number of performance shares granted to the recipient will be accrued on behalf of the recipient. At the end of the vesting period, the amount of accrued dividend equivalents will be increased or decreased by the same payout factor used to increase or decrease the number of vested performance shares for the period.

[Back to Contents](#)**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END – 2015**

This table provides additional information regarding RSUs and performance shares that were held as of December 31, 2015 by the NEOs, including awards granted prior to 2015. Any awards described below that were granted in 2015 also are reflected in the “Grants of Plan-Based Awards in 2015” table.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) <sup>(1)</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(2)</sup>	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#) <sup>(3)</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(2)</sup>
A. F. Earley, Jr. N. Stavropoulos					232,484 <sup>(4)</sup>	12,365,824	258,163 <sup>(5)</sup>	13,731,690
G. J. Williams					51,055 <sup>(6)</sup>	2,715,615	49,222 <sup>(7)</sup>	2,618,118
K. M. Harvey					53,312 <sup>(8)</sup>	2,835,665	51,632 <sup>(9)</sup>	2,746,306
D. B. Mistry					52,517 <sup>(10)</sup>	2,793,379	55,411 <sup>(11)</sup>	2,947,311
H. Park					11,912 <sup>(12)</sup>	633,599	12,809 <sup>(13)</sup>	681,311
C. P. Johns					41,011 <sup>(14)</sup>	2,181,375	51,632 <sup>(15)</sup>	2,746,306
					86,955 <sup>(16)</sup>	4,625,136	96,377 <sup>(17)</sup>	5,126,293

Includes (a) unvested RSUs, and (b) performance shares granted in 2013 for which the performance period ended (1) on December 31, 2015 and for which the reported number reflects a 50 percent payout. See the CD&A for additional details regarding awards granted in 2015.

(2) Value based on the December 31, 2015 per-share closing price of PG&E Corporation common stock of \$53.19.

(3)

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Consists of unvested performance shares granted in 2014 and 2015. Consistent with SEC rules, the number of shares is presented assuming maximum performance for 2014 awards and for 2015 awards using a relative TSR measure, and threshold performance for 2015 awards using safety and affordability measures. See the CD&A for additional details regarding awards granted in 2015.

- (4) 87,464 RSUs vested on March 1, 2016, 77,713 RSUs will vest on March 1, 2017, and 18,727 RSUs will vest on March 1, 2018. 48,580 performance shares vested on March 1, 2016.
- (5) 144,760 performance shares are scheduled to vest on March 1, 2017, and 113,403 performance shares are scheduled to vest upon Compensation Committee (“Committee”) certification of performance results in 2018 but no later than March 14, 2018.
- (6) 17,357 RSUs vested on March 1, 2016, 14,216 RSUs will vest on March 1, 2017, 4,607 RSUs will vest on August 17, 2017, 3,746 RSUs will vest on March 1, 2018, and 4,607 RSUs will vest on August 17, 2018. 6,522 performance shares vested on March 1, 2016.
- (7) 26,540 performance shares are scheduled to vest on March 1, 2017, and 22,682 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.
- (8) 18,070 RSUs vested on March 1, 2016, 15,167 RSUs will vest on March 1, 2017, 4,607 RSUs will vest on August 17, 2017, 3,746 RSUs will vest on March 1, 2018, and 4,607 RSUs will vest on August 17, 2018. 7,115 performance shares vested on March 1, 2016.
- (9) 28,950 performance shares are scheduled to vest on March 1, 2017, and 22,682 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.
- (10) 22,041 RSUs vested on March 1, 2016, 17,214 RSUs will vest on March 1, 2017, and 4,370 RSUs will vest on March 1, 2018. 8,892 performance shares vested on March 1, 2016.
- (11) 28,950 performance shares are scheduled to vest on March 1, 2017, and 26,461 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.
- (12) 4,842 RSUs vested on March 1, 2016, 3,996 RSUs will vest on March 1, 2017, and 999 RSUs will vest on March 1, 2018. 2,075 performance shares vested on March 1, 2016.
- (13) 6,760 performance shares are scheduled to vest on March 1, 2017, and 6,049 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.
- (14) 17,116 RSUs vested on March 1, 2016, 14,219 RSUs will vest on March 1, 2017, and 3,746 RSUs will vest on March 1, 2018. 5,930 performance shares vested on March 1, 2016.
- (15) 28,950 performance shares are scheduled to vest on March 1, 2017, and 22,682 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.
- (16) 35,596 RSUs vested on March 1, 2016, 29,545 RSUs will vest on March 1, 2017, and 6,992 RSUs will vest on March 1, 2018. 14,822 performance shares vested on March 1, 2016.
- (17) 54,040 performance shares are scheduled to vest on March 1, 2017, and 42,337 performance shares are scheduled to vest upon Committee certification of performance results in 2018 but no later than March 14, 2018.





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This table provides additional information regarding the amounts received during 2015 by NEOs upon vesting or transfer of restricted stock and other stock-based awards.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) <sup>(1)</sup>	Value Realized on Vesting (\$) <sup>(1)</sup>
A. F. Earley, Jr.			96,878	5,545,572
N. Stavropoulos			21,789	1,268,260
G. J. Williams			20,077	1,162,657
K. M. Harvey			27,794	1,621,317
D. B. Mistry			5,996	349,328
H. Park			20,145	1,169,286
C. P. Johns			45,091	2,626,150

<sup>(1)</sup> Reflects RSUs that vested on March 2, 2015, June 1, 2015, and August 12, 2015 and performance shares that vested on March 2, 2015. Also includes the value of dividends paid upon vesting.

**PENSION BENEFITS – 2015**

This table provides information for each NEO relating to accumulated benefits as of December 31, 2015 under any plan that provides for payments or other benefits at, after, or relating to retirement.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits (\$)	Payments During Last Fiscal Year (\$)
A. F. Earley, Jr.	Pacific Gas and Electric Company Retirement Plan	4.3	1,240,045	0
	PG&E Corporation Supplemental Executive Retirement Plan	4.3	1,797,084	0
N. Stavropoulos	Pacific Gas and Electric Company Retirement Plan	4.5	567,300	0
	PG&E Corporation Supplemental Executive Retirement Plan	4.5	309,867	0
G. J. Williams	Pacific Gas and Electric Company Retirement Plan	8.1	1,127,546	0
	PG&E Corporation Supplemental Executive Retirement Plan	8.1	438,996	0

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K. M. Harvey	Pacific Gas and Electric Company Retirement Plan	33.3	2,609,880	(1)	0
	PG&E Corporation Supplemental Executive Retirement Plan	33.3	6,815,100	(1)	0
D. B. Mistry	Pacific Gas and Electric Company Retirement Plan	21.3	2,097,269		0
	PG&E Corporation Supplemental Executive Retirement Plan	21.3	267,754		0
H. Park	Pacific Gas and Electric Company Retirement Plan	8.8	(2) 1,550,328		0
	PG&E Corporation Supplemental Executive Retirement Plan	9.1	333,420		0
C. P. Johns	Pacific Gas and Electric Company Retirement Plan	19.5	2,372,343		0
	PG&E Corporation Supplemental Executive Retirement Plan	19.5	3,423,253		0

(1) A portion of the benefits shown are payable to an alternate payee under a qualified domestic relations order (QDRO) and a domestic relations order (DRO). The amount payable is variable under the QDRO and the DRO.

(2) Effective April 1, 2007, participation in the Pacific Gas and Electric Company Retirement Plan also was made available to all employees of PG&E Corporation. Prior to that time, the only PG&E Corporation employees who could participate in the retirement plan were individuals who had previously been employed by the Utility and participated in the Retirement Plan and were subsequently transferred to PG&E Corporation.

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**PENSION BENEFITS – 2015** *(Continued)*

Additional information regarding compensation reported in the “Pension Benefits—2015” table, and any associated policies, can be found in the CD&A. The present value of accumulated benefits as of December 31, 2015 is determined assuming that the NEOs retire at the earliest unreduced retirement age, using mortality and interest assumptions consistent with those used in preparing PG&E Corporation’s and the Utility’s financial statements. The RP-2014 “Employees” mortality table was used without collar or amount adjustments (adjusted to 2011 using a variation of MP-2014). Rates were projected on a generational basis from 2011 using a variation of MP-2014. Interest discount rates of 4.37 percent and 4.35 percent were used for the Retirement Plan and the SERP, respectively.

The pension benefits described in the above table are provided to officers under two plans.

The Utility provides retirement benefits to all of its employees, including its officers, under the Pacific Gas and Electric Company Retirement Plan (“Retirement Plan”), which is a tax-qualified defined benefit pension plan. The Retirement Plan historically also has covered a significant number of PG&E Corporation’s employees and officers. As of April 1, 2007, all PG&E Corporation employees and officers are eligible to participate in the Retirement Plan.

With respect to the Retirement Plan’s final pay benefit formula, a participating officer may begin receiving tax-qualified pension benefits at age 55, but benefits will be reduced unless the individual has at least 35 years of service. At age 65, a participant becomes eligible for an unreduced pension, irrespective of the years of service. Between age 55 and age 65, any pension benefit may be reduced based on the number of years of service, and in accordance with the Retirement Plan’s early retirement reduction factors. The benefit formula is 1.7 percent of the average annual salary for the last 36 months of service multiplied by years of credited service. The default form of benefit is a single-life annuity for participants who are unmarried at retirement or a 50 percent joint spousal annuity for married participants. However, other types of joint pensions are available, and participants may designate non-spousal joint pensioners (subject to spousal consent).

Effective January 1, 2013, a cash balance benefit has been added to the Retirement Plan. Employees hired or re-hired on or after January 1, 2013 will participate in the cash balance benefit. Employees hired before January 1, 2013 were given a one-time opportunity during 2013 to irrevocably select to switch to the cash balance benefit on a going-forward basis, effective January 1, 2014, or to retain the final pay benefit to which they were otherwise entitled. On the last day of each year (or on the date of benefit commencement, if earlier), an employee’s cash balance account is credited with pay credits based on a point system of age plus service and eligible pay during the year. At the end of each calendar quarter, the account is credited with interest credits, based on an average of the 30-year Treasury rates for the three months before the calendar quarter. Special interest credit rules apply in the quarter in which benefit payment commences. The default forms of payment are similar to those under the final pay benefit formula. Additionally, however, a cash balance participant may elect a lump-sum payout that is eligible for rollover into an Individual Retirement Account or other tax-advantaged employer plan. Cash balance participants may elect to receive their vested benefit when they leave employment with any participating employer, regardless of whether they have attained age 55. No current NEOs elected to switch to the cash balance benefit.

PG&E Corporation's SERP provides benefits to officers and key employees. The SERP benefit formula is 1.7 percent of the average of the three highest combined salary and annual STIP payments during the last 10 years of service, multiplied by years of credited service. The benefit payable from the SERP is reduced by any benefit payable from the Retirement Plan. Payments are in the form of a single life annuity or, at the election of the officer, a joint spousal annuity. Normal retirement age is 65. Benefits may begin earlier, on the later of the NEO's reaching age 55 or separation from the company, subject to reduction depending on years of credited service, in accordance with the Retirement Plan's early retirement reduction factors.

Effective January 1, 2013, SERP participation was closed to new participants. Individuals who do not participate in the SERP but who are newly hired or promoted to officer after January 1, 2013 may be eligible for non-tax-qualified pension payments under the 2013 PG&E Corporation DC-ESRP.

All NEOs are participants in the SERP and do not participate in the DC-ESRP.

Mr. Earley is the only NEO currently eligible for unreduced benefits under the Retirement Plan and the SERP. At December 31, 2015, Mr. Johns and Mr. Harvey were eligible for early retirement under both plans. Mr. Johns retired on December 31, 2015 and was subject to an early retirement reduction of 24.66 percent. If Mr. Harvey had retired on December 31, 2015, his benefits would have been subject to an early retirement reduction of 9.75 percent.

[Back to Contents](#)**NON-QUALIFIED DEFERRED COMPENSATION – 2015**

This table provides information for 2015 for each NEO regarding such individual's accounts in non-qualified defined contribution plans and other deferred compensation plans as of December 31, 2015.

Name	Executive Contributions in Last FY (\$) <sup>(1)</sup>	Registrant Contributions in Last FY (\$) <sup>(2)</sup>	Aggregate Earnings in Last FY (\$) <sup>(3)</sup>	Aggregate Withdrawals/ Distribution (\$)	Aggregate Balance at Last FYE (\$) <sup>(4)</sup>
A. F. Earley, Jr.	957,629	50,625	(68,212)	0	1,772,978
N. Stavropoulos	0	15,950	10,221	0	380,398
G. J. Williams	0	16,237	6,785	0	291,701
K. M. Harvey	0	17,780	7,960	0	324,599
D. B. Mistry	0	5,564	(272)	0	38,233
H. Park	0	16,768	7,207	0	336,835
C. P. Johns	0	26,728	38,489	0	5,996,265

(1) The amount shown for Mr. Earley was earned and reported for 2015 as compensation in the Summary Compensation Table.

(2) Includes the following amounts that were earned and reported for 2015 as compensation in the Summary Compensation Table: Mr. Earley \$50,625, Mr. Stavropoulos \$15,950, Ms. Williams \$16,237, Mr. Harvey \$17,780, Mr. Mistry \$5,564, Mr. Park \$16,768, and Mr. Johns \$26,728.

(3) Represents earnings from the supplemental retirement savings plans described below. Includes the following amounts that were reported for 2015 as compensation in the Summary Compensation Table: Mr. Stavropoulos \$1,440, Ms. Williams \$156, Mr. Harvey \$303, Mr. Mistry \$5, Mr. Park \$387, and Mr. Johns \$113.

(4) Includes the following amounts that were reported as compensation in the Summary Compensation Table for 2015 and prior years: Mr. Earley \$1,820,430, Mr. Stavropoulos \$183,410, Ms. Williams \$16,393, Mr. Harvey \$65,034, Mr. Mistry \$23,559, Mr. Park \$234,459, and Mr. Johns \$2,745,941.

The table presents balances from both the PG&E Corporation Supplemental Retirement Savings Plan for deferrals made prior to January 1, 2005 and the PG&E Corporation 2005 Supplemental Retirement Savings Plan (together, "SRSP Plans") for deferrals made on and after January 1, 2005.

Under the SRSP Plans, officers may defer 5 percent to 50 percent of their base salary, and all or part of their perquisite allowance, STIP payment, and performance share award if settled in cash.

PG&E Corporation also will contribute an amount equal to any employer contributions due under the 401(k) plan that were not made due to limitations under Internal Revenue Code Sections 401(m), 401(a)(17), or 415.

Earnings are calculated based on the performance of the following funds available in the 401(k) plan: Large Company Stock Index Fund (2015 return of 1.3 percent), Small Company Stock Index Fund (2015 return of negative 3.5 percent), International Stock Index Fund (2015 return of negative 2.8 percent), Total U.S. Stock Index Fund (2015 return of 0.5 percent), Emerging Markets Enhanced Index Fund (2015 return of negative 13.5 percent), World Stock Index Fund (2015 return of negative 2.2 percent), Bond Index Fund (2015 return of 0.6 percent), U.S. Government Bond Index Fund (2015 return of 0.8 percent), Short Term Bond Index Fund (2015 return of 0.6 percent), Money Market Investment Fund (2015 return of 0.0 percent), Target Date Fund 2015 (2015 return of negative 1.5 percent), Target Date Fund 2020 (2015 return of negative 1.8 percent), Target Date Fund 2025 (2015 return of negative 2.0 percent), Target Date Fund 2030 (2015 return of negative 2.0 percent), Target Date Fund 2035 (2015 return of negative 2.1 percent), Target Date Fund 2040 (2015 return of negative 2.3 percent), Target Date Fund 2045 (2015 return of negative 2.5 percent), Target Date Fund 2050 (2015 return of negative 2.5 percent), Target Date Fund 2055 (2015 return of negative 2.5 percent), and Retirement Income Fund (2015 return of negative 1.4 percent). The Target Date Fund 2060, also available in the 401(k) plan, was added during the year. The Target Date Fund 2010 was dropped during the year. Other available measures are the PG&E Corporation Phantom Stock Fund, which mirrors an investment in PG&E Corporation common stock (2015 return of 3.5 percent), and the Aa Utility Bond Fund. The Aa Utility Bond Fund accrues interest based on the long-term corporate bond yield average for Aa utilities reported by Moody's Investors Service (yields reported during 2015 ranged from 3.4 percent to 4.3 percent). Pre-2005 deferrals are limited to the Large Company Stock Index Fund, the PG&E Corporation Phantom Stock Fund, and the Aa Utility Bond Fund. In general, the earnings measures are selected by the officer and may be reallocated subject to restrictions imposed by regulations of the SEC. However, deferrals of Special Incentive Stock Ownership Premiums received prior to December 31, 2012 only may be invested in the PG&E Corporation Phantom Stock Fund and may not be reallocated.

Officers may elect deferrals to be distributed in 1 to 10 installments commencing in January of the year following termination of employment. For deferrals made in 2005 and thereafter, distributions may commence seven months after termination of employment or in January of a year specified by the officer. Earlier distributions may be made in the case of an officer's death. The plan administrator may, in its discretion, permit earlier withdrawals as requested by participants to meet unforeseen emergencies.

[Back to Contents](#)**POTENTIAL PAYMENTS UPON RESIGNATION, RETIREMENT, TERMINATION, CHANGE IN CONTROL, DEATH, OR DISABILITY**

The NEOs are eligible to receive certain benefits upon termination, or when a Change in Control (as defined in the Officer Severance Policy) occurs and either (1) the officer is terminated in connection with the Change in Control, or (2) the acquiring company does not continue or assume outstanding LTIP awards, or substitute the LTIP awards with a substantially equivalent award.

The following table estimates potential payments for each NEO as if, effective December 31, 2015, that individual terminated from employment or an acquiror did not assume, continue, or grant substitute awards for LTIP awards previously granted by PG&E Corporation or the Utility. Estimates assume that the value of any stock-based compensation received was \$53.19 per share, which was the closing price of PG&E Corporation common stock on December 31, 2015. The table generally excludes (1) payments for services already rendered (such as unpaid and earned salary), which would be due to the NEO even if the individual had remained employed with the companies, (2) post-retirement benefits that would be available to employees generally, and (3) any deferred compensation that was previously earned but would become payable due to the termination (these deferred amounts are reflected in the table entitled “Non-Qualified Deferred Compensation—2015”).

The value of actual cash and equity received on or shortly after December 31, 2015 would be less than the “total” amount listed below because (1) pension benefits are paid over time in the form of a life annuity, and (2) stock awards reflected in the table will be payable only after vesting, which may occur in subsequent years.

Since Mr. Johns retired on December 31, 2015, only payments that he actually received upon retirement are shown in the table below.

Name	Resignation/ Retirement (\$)	Termination For Cause (\$)	Termination Without Cause (\$)	Change in Control <sup>(1)</sup> (\$)	Death or Disability (\$) <sup>(2)</sup>
A. F. Earley, Jr.					
Value of Accumulated Pension Benefits	3,037,129	3,037,129	3,037,129	3,037,129	1,639,624
Value of Stock Awards Vesting <sup>(3)</sup>	0	0	13,970,941	26,420,576	26,420,576
Severance Payment	0	0	0	0	0
Short-Term Incentive Plan Award <sup>(4)</sup>	1,537,500	0	1,537,500	1,537,500	1,537,500
Health Care Insurance	0	0	0	0	0
Career Transition	0	0	0	0	0
Relocation <sup>(5)</sup>	25,000	25,000	25,000	25,000	25,000
Total	4,599,629	3,062,129	18,570,570	31,020,205	29,622,700
N. Stavropoulos					
Value of Accumulated Pension Benefits	1,061,899	1,061,899	1,061,899	1,061,899	715,103
Value of Stock Awards Vesting <sup>(3)</sup>	0	0	2,710,510	5,376,871	5,376,871



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Severance Payment	0	0	1,088,000	2,101,315	0
Short-Term Incentive Plan Award <sup>(4)</sup>	410,657	0	410,657	410,657	410,657
Health Care Insurance	0	0	29,018	29,018	0
Career Transition	0	0	15,000	15,000	0
Total	1,472,556	1,061,899	5,315,084	8,994,760	6,502,631
G. J. Williams					
Value of Accumulated Pension Benefits	1,644,278	1,644,278	1,644,278	1,644,278	772,758
Value of Stock Awards Vesting <sup>(3)</sup>	0	0	2,876,737	5,643,226	5,643,226
Severance Payment	0	0	1,147,500	2,199,884	0
Short-Term Incentive Plan Award <sup>(4)</sup>	424,942	0	424,942	424,942	424,942
Health Care Insurance	0	0	40,056	40,056	0
Career Transition	0	0	15,000	15,000	0
Total	2,069,220	1,644,278	6,148,513	9,967,386	6,840,926

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Name	Resignation/ Retirement (\$)	Termination For Cause (\$)	Termination Without Cause (\$)	Change in Control <sup>(1)</sup> (\$)	Death or Disability (\$) <sup>(2)</sup>
<b>K. M. Harvey</b>					
Value of Accumulated Pension Benefits <sup>(6)</sup>	9,649,150	9,649,150	9,649,150	9,649,150	5,529,599
Value of Stock Awards Vesting <sup>(3)</sup>	5,846,962	0	5,846,962	5,799,726	5,799,726
Severance Payment	0	0	1,069,810	2,135,327	0
Short-Term Incentive Plan Award <sup>(4)</sup>	438,363	0	438,363	438,363	438,363
Health Care Insurance	0	0	24,879	24,879	0
Career Transition	0	0	15,000	15,000	0
Payment in Lieu of Post-Retirement Life Insurance <sup>(7)</sup>	600,076	600,076	600,076	600,076	0
<b>Total</b>	<b>16,534,551</b>	<b>10,249,226</b>	<b>17,644,240</b>	<b>18,662,521</b>	<b>11,767,688</b>
<b>D. B. Mistry</b>					
Value of Accumulated Pension Benefits	2,637,874	2,637,874	2,637,874	2,637,874	2,010,909
Value of Stock Awards Vesting <sup>(3)</sup>	0	0	743,478	1,327,779	1,327,779
Severance Payment	0	0	557,090	557,090	0
Short-Term Incentive Plan Award <sup>(4)</sup>	171,645	0	171,645	171,645	171,645
Health Care Insurance	0	0	13,842	13,842	0
Career Transition	0	0	15,000	15,000	0
<b>Total</b>	<b>2,809,519</b>	<b>2,637,874</b>	<b>4,138,929</b>	<b>4,723,230</b>	<b>3,510,333</b>
<b>H. Park</b>					
Value of Accumulated Pension Benefits	1,986,808	1,986,808	1,986,808	1,986,808	1,030,128
Value of Stock Awards Vesting <sup>(3)</sup>	0	0	2,750,411	4,962,823	4,962,823
Severance Payment	0	0	1,054,020	2,104,660	0
Short-Term Incentive Plan Award <sup>(4)</sup>	413,530	0	413,530	413,530	413,530
Health Care Insurance	0	0	40,056	40,056	0
Career Transition	0	0	15,000	15,000	0
<b>Total</b>	<b>2,400,338</b>	<b>1,986,808</b>	<b>6,259,825</b>	<b>9,522,877</b>	<b>6,406,481</b>
<b>C. P. Johns</b>					
Value of Accumulated Pension Benefits	6,462,177				
Value of Stock Awards Vesting <sup>(3)</sup>	9,956,893				
Severance Payment	0				
Short-Term Incentive Plan Award <sup>(4)</sup>	636,773				
Health Care Insurance	0				
Career Transition	0				
Payment in Lieu of Post-Retirement Life Insurance <sup>(7)</sup>	759,340				
<b>Total</b>	<b>17,815,183</b>				

Payments made in connection with a Change in Control may require shareholder approval, pursuant to the PG&E Corporation Golden Parachute Restriction Policy, discussed below. If excise taxes are levied in connection with Internal Revenue Code Section 4999, the aggregate benefits shown may be reduced to a level that does not trigger the excise tax, but only if doing so would be more beneficial to the officer on an after-tax basis.

- (2) For pension payments, the number reflects the value of aggregated benefits upon termination due to death. Pension payments upon termination due to disability would be the same as in the event of resignation.

Reflects the value of outstanding equity awards for which vesting is continued or accelerated due to the termination event. Based on performance through December 31, 2015, payments would be made with respect to

- (3) 50 percent of outstanding performance shares granted in 2013, 192 percent of outstanding performance shares granted in 2014, 152 percent of outstanding performance shares using a relative TSR measure granted in 2015, and 0 percent of performance shares using safety and affordability measures granted in 2015.
- (4) Assumes an overall STIP performance score of 1.0.
- (5) Mr. Earley waived his rights under the Officer Severance Policy in return for reasonable costs for relocation to Detroit, Michigan upon separation from employment.

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**POTENTIAL PAYMENTS UPON RESIGNATION, RETIREMENT, TERMINATION, CHANGE IN CONTROL, DEATH, OR DISABILITY** *(Continued)*

- (6) A portion of the pension benefits is payable to an alternate payee under a qualified domestic relations order (QDRO) and a domestic relations order (DRO). The amount payable is variable under the QDRO and the DRO.
- (7) Lump-sum cash benefit equal to the present value of a post-retirement life insurance policy with coverage equal to the NEO's last 12 months of salary.

Pension Benefits in General

If any NEO is terminated for any reason, that officer generally is entitled to receive accrued and vested pension benefits, as described in the narrative accompanying the "Pension Benefits—2015" table. The value of the pension benefit will be paid out over time in the form of an annuity, consistent with payment elections made by the NEO. The qualified plan is funded by contributions from both PG&E Corporation and the Utility. Payments from the non-qualified plan are paid by PG&E Corporation.

The value of pension benefits reported in the table above is identical in all termination scenarios, except if an NEO's employment is terminated due to that officer's death. In that case, if (1) the officer was at least 55 years of age, or (2) the combined total of his or her age and the number of years worked exceeded 70, then the officer's surviving spouse or beneficiary would be entitled to an immediate commencement of payment of 50 percent of the single life pension benefit that would otherwise have been available to the officer at age 65. For all other officers, the value of this pre-retirement survivor's benefit would be 50 percent of the single life pension benefit that would otherwise have been available to the officer at age 55, and the benefit would commence in the month that starts the day after that officer would have reached age 55.

Officer Severance Policy

The Officer Severance Policy provides for severance payments and the treatment of certain LTIP awards upon termination with cause, termination without cause, and termination in connection with a Change in Control (unless such benefits have been waived). Benefits under the Officer Severance Policy are paid by the individual's former employer.

Mr. Earley generally waived his rights under the Officer Severance Policy.

Potential Payments – Resignation/Retirement

**LTIP Awards**

Unvested RSUs and performance shares generally are cancelled upon resignation, unless that individual's resignation qualifies as a "retirement." For these purposes, "retirement" means a termination of employment, other than for cause, when an employee is at least 55 years old and has been employed for at least the last five consecutive years immediately before termination. If the individual "retires," then:

- Unvested annual RSU awards continue to vest and will become payable as if the officer remained employed (unless retirement occurs within two years following a Change in Control, in which case shares underlying the RSUs vest and are paid out within 60 days following the retirement),
- Unvested performance shares continue to vest and will become payable as if the officer remained employed.

With respect to the RSUs granted to Mr. Stavropoulos and Ms. Williams in August 2015, the retirement provision does not apply and any unvested RSUs would be cancelled upon resignation.

Mr. Harvey and Mr. Johns were the only NEOs who were retirement-eligible under the LTIP as of December 31, 2015.

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**POTENTIAL PAYMENTS UPON RESIGNATION, RETIREMENT, TERMINATION, CHANGE IN CONTROL, DEATH, OR DISABILITY** *(Continued)*

**STIP**

If an NEO resigns or retires on or after December 31 of a performance year, that NEO will be entitled to receive a lump-sum STIP payment for that calendar year.

If an NEO resigns prior to December 31 of any calendar year, potential STIP payments for that year generally are forfeited. However, if the NEO is at least 55 years of age at the time of resignation, then potential STIP payments will be treated in the same manner as for a “retirement.”

If an NEO retires before December 31 of any calendar year, then the Compensation Committee may, in its discretion, approve providing the retired NEO with a lump-sum STIP payment for that calendar year. Any such STIP payment generally would reflect actual earnings, and thus be prorated to reflect the amount of time that the retired NEO was employed during the performance period.

Any STIP payment generally would reflect the STIP performance score applicable to active employees, and would be paid by the former employer at the same time as for active employees.

**Post-Retirement Life Insurance Benefits**

Upon retirement (as defined under the qualified pension plan), all employees of PG&E Corporation, the Utility, and certain subsidiaries are eligible to receive a life insurance coverage benefit under the Post-Retirement Life Insurance Plan of Pacific Gas and Electric Company. If an employee retires at age 55 or older with at least 15 years of service (“qualifying retirement”) with the companies and their subsidiaries, the employee may qualify for a different “benefit level” and the value of the benefit may increase. Each retiree’s applicable “benefit level” is determined based on factors such as the participant’s position with the company at retirement and the date of hire or promotion. Prior to December 31, 2008, upon qualifying retirement, certain benefit levels also permitted the retiree to elect to receive the benefit in the form of a lump-sum cash payment equal to the present value of the insurance coverage benefit. Participants no longer may elect the cash payment upon retirement, but certain individuals who were employees as of December 31, 2008 and who were likely upon retirement to qualify for the benefit levels that previously offered the cash alternative were given the opportunity to make a one-time election as to whether to receive future benefits (if any) as insurance coverage or in the form of a lump-sum cash payment. Benefits are paid by the former employer.

Upon qualifying retirement, each NEO, except Mr. Earley and Mr. Stavropoulos, would receive a lump-sum cash benefit equal to the present value of a post-retirement life insurance policy with coverage equal to the NEO's last 12 months of salary. Upon qualifying for retirement, Mr. Earley and Mr. Stavropoulos would be entitled to receive a life insurance benefit in the amount of \$50,000.

Other than Mr. Johns, whose actual retirement benefits are described in the above table, Mr. Harvey is the only other NEO who would have been eligible for such life insurance-related benefits if he had retired on December 31, 2015.

#### Potential Payments – Termination for Cause

If an officer is terminated for cause, that officer is not eligible to receive a STIP payment for that year. All outstanding RSUs and performance shares are cancelled. No severance payment is available.

As provided in the Officer Severance Policy, in general, an officer is terminated “for cause” if the employer determines in good faith that the officer has engaged in, committed, or is responsible for:

- Serious misconduct, gross negligence, theft, or fraud against PG&E Corporation and/or the officer's employer,
- Refusal or unwillingness to perform his or her duties,
- Inappropriate conduct in violation of the Corporation's equal employment opportunity policy,
- Conduct that reflects adversely upon, or making any remarks disparaging of, the Corporation, its Board, officers, or employees, or its affiliates or subsidiaries,
- Insubordination,
- Any willful act that is likely to injure the reputation, business, or business relationship of the Corporation or its subsidiaries or affiliates, or
- Violation of any fiduciary duty, or breach of any duty of loyalty.

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**POTENTIAL PAYMENTS UPON RESIGNATION, RETIREMENT, TERMINATION, CHANGE IN CONTROL, DEATH, OR DISABILITY** *(Continued)*

With respect to vesting of LTIP awards, “cause” generally is determined in the sole discretion of PG&E Corporation, and typically includes dishonesty, a criminal offense, or violation of a work rule. For Mr. Earley’s LTIP awards, “cause” is specifically defined in the same manner as in the Officer Severance Policy.

Potential Payments – Termination Without Cause

**LTIP Awards**

Termination provisions are described in the Officer Severance Policy and LTIP award agreements.

- Unvested RSUs generally continue to vest for 12 months.

- Unvested performance shares generally vest proportionately based on the number of months during the performance period that the officer was employed divided by 36 months. Any vested performance shares are settled, if at all, at the end of the applicable performance period.

However, if the officer is at least 55 years of age with at least five years of service, his or her termination without cause is treated as a retirement under the terms of the LTIPs. (Please see the section entitled “Potential Payments—Resignation/ Retirement” for a discussion of vesting provisions.) Mr. Harvey and Mr. Johns were the only NEOs who were retirement-eligible under the LTIP as of December 31, 2015.

With respect to Mr. Earley’s LTIP awards, because he has been employed by PG&E Corporation for more than three years, upon termination without cause, a prorated portion of the award would continue to vest, based on the number of Mr. Earley’s service days during the vesting period.

**Severance Payment**

All NEOs, except Mr. Earley, would be entitled to a lump-sum payment of one times annual base salary and STIP target. Mr. Earley waived his rights to cash severance payments.



## **STIP**

If an officer is terminated before December 31 of a given year and has at least six months of service in that year, the officer is eligible to receive a prorated lump-sum STIP award for that year. Such STIP payment generally would reflect the STIP performance score applicable to active employees, and would be prorated to reflect the amount of time that the officer was employed during the performance period. Payments would be paid by the former employer and at the same time as for active employees.

## **Miscellaneous Benefits**

The officer is entitled to receive a lump-sum cash payment equal to the estimated value of 18 months of COBRA premiums, based on the officer's benefit levels at the time of termination (with such payment subject to taxation under applicable law), and career transition services. Mr. Earley has waived these benefits.

## **Covenants**

In consideration for severance benefits other than those relating to LTIP awards, (1) the officer agrees not to divulge any confidential or privileged information obtained during his or her employment, (2) during a period equal to the severance multiple, the officer agrees to a covenant to, among other things, refrain from soliciting customers and employees, (3) the officer agrees to assist in legal proceedings as reasonably required during this period, (4) the officer must sign a release of claims, and (5) the officer must agree not to compete with the companies to the extent permitted by law.

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**POTENTIAL PAYMENTS UPON RESIGNATION, RETIREMENT, TERMINATION, CHANGE IN CONTROL, DEATH, OR DISABILITY** *(Continued)*

Potential Payments – Severance in Connection with Change in Control

Change-in-Control benefits require a “double trigger” and are not payable based on a Change-in-Control event alone. Benefits in connection with a Change in Control are provided by the Officer Severance Policy, the LTIPs, and related LTIP award agreements and guidelines. Benefits may be limited by the PG&E Corporation Golden Parachute Restriction Policy, which is discussed further below.

**Definition of Change in Control**

For LTIP awards granted in 2013 and 2014 under the 2006 LTIP, a Change in Control occurs if any of the following occur:

1. Any person or entity (excluding any employee benefit plan or plan fiduciary) becomes the direct or indirect owner of more than 20 percent of PG&E Corporation’s outstanding common stock.
2. Over any two-year period, a majority of the PG&E Corporation directors in office at the beginning of the period are no longer in office (unless each new director was elected or nominated for shareholder election by at least two-thirds of the remaining active directors who also were in office at the beginning of the period).
3. Following any shareholder-approved consolidation or merger of PG&E Corporation, the former Corporation shareholders own less than 70 percent of the voting power in the surviving entity (or parent of the surviving entity).
4. PG&E Corporation shareholders approve either (a) the sale, lease, exchange, or other transfer of all or substantially all of the Corporation’s assets, or (b) a plan or proposal for the liquidation or dissolution of the Corporation.

Effective May 12, 2014, the definition of Change in Control for purposes of the officer severance programs and LTIP awards granted during 2015 under the 2014 LTIP was amended such that a Change in Control occurs if any of the following occur:

1. Any person or entity (excluding any employee benefit plan or plan fiduciary) becomes the direct or indirect owner of more than 30 percent of PG&E Corporation’s outstanding common stock.
2. Over any two-year period, a majority of the PG&E Corporation directors in office at the beginning of the period are no longer in office (unless each new director was elected or nominated for shareholder election by at least

two-thirds of the remaining active directors who also were in office at the beginning of the period or who were elected or nominated by at least two-thirds of the active directors at the time of election or nomination).

3. Following any shareholder-approved consolidation or merger of PG&E Corporation, the former Corporation shareholders own less than 70 percent of the voting power in the surviving entity (or parent of the surviving entity).
4. (a) Consummation of the sale, lease, exchange, or other transfer of all or substantially all of PG&E Corporation's assets, or (b) shareholder approval of a plan of liquidation or dissolution of PG&E Corporation.

Because the amended definition of Change in Control would reduce the aggregate level of benefits for officers who were eligible for severance benefits prior to adoption in May 2014, the new definition will not become effective with respect to severance payments for NEOs until May 2017.

### **LTIP Awards**

Following a Change in Control, LTIP awards generally accelerate or automatically vest if either (a) the successor company fails to assume, continue, or substitute previously granted awards in a manner that preserves the value of those awards, or (b) the award recipient is terminated (including constructive termination) in connection with a Change in Control during a set period of time before or after the Change in Control. Specific acceleration, vesting, and settlement provisions are as follows (subject to any delays necessary to comply with Internal Revenue Code Section 409A).

[Back to Contents](#)**TREATMENT OF UNVESTED LTIP AWARDS UPON TERMINATION WITHOUT CAUSE IN CONNECTION WITH A CHANGE IN CONTROL (CIC)**

	<b>CIC Occurs and Acquiror Does Not Assume, Continue, or Grant Substitute LTIP Awards</b>	<b>Termination Within Three Months Before CIC; Awards Are Assumed, Continued, or Substituted</b>	<b>Termination Within Two Years After CIC; Awards Are Assumed, Continued, or Substituted</b>
<b>Performance Shares</b>	Vest upon CIC, payable at end of performance period, but based on a payout factor measuring TSR for the period from the beginning of the performance period to the date of CIC, and assuming safety and affordability performance was at target	Vest upon CIC, payable at end of performance period	Vest upon termination, payable at end of performance period
<b>RSUs</b>	Vest upon CIC, settled under normal schedule	Vest upon CIC, settled under normal schedule (includes any RSUs that would have continued to vest after termination)	Vest upon termination, settled within 60 days

**Severance Payment**

The Officer Severance Policy provides enhanced Change-in-Control severance benefits to “covered officers” who are in officer compensation bands 1 or 2. Such officers include all NEOs except Mr. Earley and Mr. Mistry. Mr. Earley waived his rights to Change-in-Control severance benefits under the Officer Severance Policy. If Mr. Mistry had been terminated in connection with a Change in Control as of December 31, 2015, he would have been eligible for standard severance benefits, as discussed in the section entitled “Potential Payments—Termination Without Cause.”

If a covered officer is terminated without cause or is constructively terminated in connection with a Change in Control (which includes termination prior to a Potential Change in Control, as defined in the Officer Severance Policy), the officer generally would be eligible for a lump-sum payment equal to the total of:

1. Unpaid base salary earned through the termination date,
2. Any accrued but unpaid vacation pay, and
3. Two times the sum of target STIP for the fiscal year in which termination occurs and the officer’s annual base salary in effect immediately before either the date of termination or the Change in Control, whichever is greater.

However, in connection with the elimination of reimbursement payments for excise taxes levied in connection with Internal Revenue Code Section 4999, eligible officers either (1) are responsible for paying any such excise taxes, or (2) have their aggregate change-in-control benefits reduced to a level that does not trigger the excise tax, but only if doing so would be more beneficial to the officer on an after-tax basis.

For these purposes, “cause” means:

The covered officer’s willful and continued failure to substantially perform the officer’s duties with PG&E Corporation or one of its affiliates, after a written Board demand for substantial performance is delivered to the officer, or

The willful engagement in illegal conduct or gross misconduct that is materially injurious to PG&E Corporation.  
(ii) Constructive termination includes resignation in connection with conditions that constitute Good Reason as defined in the Officer Severance Policy (which includes, among other things, a material diminution in duties, authority, or base compensation).

## **STIP**

If a covered officer is terminated without cause or is constructively terminated in connection with a Change in Control, the Officer Severance Policy provides that the officer will receive a lump-sum payment equal to the officer’s prorated target STIP calculated for the fiscal year in which termination occurs. Mr. Earley waived his rights to Change-in-Control severance benefits under the Officer Severance Policy. If Mr. Mistry had been terminated in connection with a Change in Control as of December 31, 2015, he would have been eligible for STIP payments, as discussed in the section entitled “Potential Payments—Termination Without Cause.”

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**TREATMENT OF UNVESTED LTIP AWARDS UPON TERMINATION WITHOUT CAUSE IN CONNECTION WITH A CHANGE IN CONTROL (CIC) (Continued)**

**PG&E Corporation Golden Parachute Restriction Policy**

The Golden Parachute Restriction Policy was adopted by the PG&E Corporation Board on February 15, 2006, and requires shareholder approval of executive severance payments provided in connection with any change in control, to the extent that those payments exceed 2.99 times the sum of a covered officer's base salary and target annual bonus.

The policy applies to the value of cash, special benefits, or perquisites that are due to the executive following or in connection with both (1) a change in control, and (2) the termination or constructive termination of an officer of PG&E Corporation, the Utility, or their subsidiaries at the level of Senior Vice President or higher. It does not apply to the value of benefits that would be triggered by a change in control without severance, or to the value of benefits that would be triggered by severance in the absence of a change in control. The Golden Parachute Restriction Policy also does not apply to certain enumerated payments, including, among others, compensation for services rendered prior to termination, tax restoration payments, and accelerated vesting or settlement of equity awards.

**Potential Payments – Termination Due to Death or Disability**

**LTIP Awards**

If an officer's employment is terminated due to death or disability, LTIP awards are treated as follows:

- If a participant's death or disability (as defined under Internal Revenue Code Section 409A) occurs while employed, unvested RSUs vest immediately and will be settled within 60 days.
- Unvested performance shares vest immediately. Vested shares are payable, if at all, as soon as practicable after completion of the performance period relevant to the performance shares.

Vested LTIP awards are payable to the officer's designated beneficiary(ies), in the case of death, or otherwise in accordance with the officer's instructions or by law.

**STIP**

If an officer's employment is terminated due to death or disability before December 31 of the STIP performance year, a prorated portion of the target STIP award will become payable to the officer, or in the case of death, to the officer's beneficiary(ies), by the former employer and at the same time as STIP payments are made to active employees.

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## Share Ownership Information

**PRINCIPAL SHAREHOLDERS**

The following table presents certain information regarding shareholders that PG&E Corporation and the Utility know are beneficial owners of more than 5 percent of any class of voting securities of the Corporation or the Utility as of March 8, 2016 (except as noted below).

<b>Class of Stock</b>	<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Pacific Gas and Electric Company stock <sup>(1)</sup>	PG&E Corporation <sup>(2)</sup> 77 Beale Street P.O. Box 770000 San Francisco, CA 94177	264,374,809	96.24%
PG&E Corporation common stock	BlackRock, Inc. <sup>(3)</sup> 55 East 52 <sup>nd</sup> Street New York, NY 10055 Franklin Resources, Inc. and related entities <sup>(4)</sup>	31,058,631	<sup>(3)</sup> 6.3%
PG&E Corporation common stock	One Franklin Parkway San Mateo, CA 94403 T. Rowe Price Associates Inc. <sup>(5)</sup>	27,134,267	<sup>(4)</sup> 5.5%
PG&E Corporation common stock	100 E. Pratt Street Baltimore, MD 21202 The Vanguard Group Inc. <sup>(6)</sup>	44,791,543	<sup>(5)</sup> 9.1%
PG&E Corporation common stock	100 Vanguard Blvd. Malvern, PA 19355	29,357,237	<sup>(6)</sup> 5.98%

(1) The Utility's common stock and preferred stock vote together as a single class. Each share is entitled to one vote.

(2) As a result of the formation of the holding company on January 1, 1997, PG&E Corporation became the holder of all issued and outstanding shares of Utility common stock. As of March 8, 2016, the Corporation held 100 percent of the issued and outstanding shares of Utility common stock, and neither the Corporation nor any of its subsidiaries held shares of Utility preferred stock.

(3) The information relates to beneficial ownership as of December 31, 2015, as reported in an amended Schedule 13G filed with the SEC on February 10, 2016 by BlackRock, Inc. ("BlackRock"). For these purposes, BlackRock has sole voting power with respect to 26,630,842 shares of PG&E Corporation common stock, sole dispositive power with respect to 31,041,364 shares of PG&E Corporation common stock, and shared voting and shared dispositive power with respect to 17,267 shares of PG&E Corporation common stock held by BlackRock subsidiaries reported in the amended Schedule 13G, which include BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock (Singapore) Limited, BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset



Management Canada Limited, BlackRock Asset Management Deutschland AG, BlackRock Asset Management Ireland Limited, BlackRock Asset Management North Asia Limited, BlackRock Asset Management Schweiz AG, BlackRock Capital Management, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Fund Managers Ltd, BlackRock Institutional Trust Company, N.A., BlackRock International Limited, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Ltd, BlackRock Investment Management, LLC, BlackRock Japan Co. Ltd., and BlackRock Life Limited.

The information relates to beneficial ownership as of December 31, 2015, as reported in an amended Schedule 13G filed with the SEC on February 9, 2016 on behalf of Franklin Resources, Inc. ("FRI"), Charles B. Johnson, Rupert H. Johnson, Jr., and Franklin Advisers, Inc. Messrs. Johnson and Johnson each own greater than 10 percent of the outstanding common stock of FRI. For these purposes, each of FRI and the two Messrs. Johnson are considered beneficial owners of 27,134,267 shares of PG&E Corporation common stock. None of these three have voting or investment power over these shares. Such shares also are considered to be beneficially owned by the following FRI (4) investment management subsidiaries, as reported in the amended Schedule 13G: Franklin Advisers, Inc., Franklin Templeton Institutional, LLC, Templeton Asset Management Ltd., and Franklin Templeton Investments Corp. Franklin Advisers, Inc. accounts for beneficial ownership of 26,939,830 shares, and therefore also is reported in the amended Schedule 13G as a beneficial owner of more than 5 percent of PG&E Corporation common stock. Franklin Advisers, Inc. has sole voting power with respect to 26,789,830 shares of PG&E Corporation common stock and sole dispositive power with respect to 26,939,830 shares of PG&E Corporation common stock.

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The information relates to beneficial ownership as of December 31, 2015, as reported in an amended Schedule 13G filed with the SEC on February 10, 2016 by T. Rowe Price Associates, Inc. (“Price Associates”). These securities are owned by various individuals and institutional investors, to which Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For the purposes of the reporting requirements of the SEC, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. For these purposes, Price Associates has sole voting power with respect to 15,152,088 shares of PG&E Corporation common stock and sole dispositive power with respect to 44,704,143 shares of PG&E Corporation common stock held by Price Associates.

The information relates to beneficial ownership as of December 31, 2015, as reported in an amended Schedule 13G filed with the SEC on February 11, 2016 by The Vanguard Group, Inc. (“Vanguard”). For these purposes, Vanguard has sole voting power with respect to 950,905 shares of PG&E Corporation common stock, sole dispositive power with respect to 28,411,499 shares, and shared dispositive power with respect to 945,738 shares of PG&E Corporation common stock acquired by Vanguard subsidiaries reported in the amended Schedule 13G, which include Vanguard Fiduciary Trust Company, and Vanguard Investments Australia, Ltd.

**SECURITY OWNERSHIP OF MANAGEMENT**

The following table sets forth the number of shares of PG&E Corporation common stock beneficially owned (as defined in the rules of the SEC) as of March 8, 2016 by the directors, the nominees for director, the NEOs, and all directors and executive officers of PG&E Corporation and the Utility as a group. As of March 8, 2016, no listed individual owned shares of any class of Utility securities. The table also sets forth common stock equivalents credited to the accounts of directors and executive officers under the Corporation’s deferred compensation and equity plans. Directors and Section 16 Officers of the Corporation and the Utility may not engage in any hedging or monetization transactions that limit or eliminate the officer’s ability to profit from an increase in the value of company stock, and generally are prohibited from pledging company stock as collateral for a loan.

<b>Name</b>	<b>Beneficial Stock Ownership<sup>(1)(2)</sup></b>	<b>Percent of Class<sup>(3)</sup></b>	<b>Common Stock Equivalents<sup>(4)</sup></b>	<b>Total</b>
Lewis Chew <sup>(5)</sup>	15,161	*	1,327	16,488
Anthony F. Earley, Jr. <sup>(5)(6)</sup>	217,573	*	0	217,573
Fred J. Fowler <sup>(5)</sup>	7,194	*	0	7,194
Maryellen C. Herringer <sup>(5)</sup>	16,995	*	38,510	55,505
Richard C. Kelly <sup>(5)</sup>	2,551	*	4,347	6,898
Roger H. Kimmel <sup>(5)</sup>	13,041	*	9,745	22,786
Richard A. Meserve <sup>(5)</sup>	13,375	*	5,677	19,052
Forrest E. Miller <sup>(5)</sup>	10,555	*	20,192	30,747
Rosendo G. Parra <sup>(5)</sup>	10,141	*	1,338	11,479
Barbara L. Rambo <sup>(5)</sup>	15,016	*	8,236	23,252
Anne Shen Smith <sup>(5)</sup>	0	*	1,991	1,991
Nickolas Stavropoulos <sup>(7)</sup>	20,087	*	2,380	22,467
Barry Lawson Williams <sup>(5)</sup>	26,379	*	14,329	40,708
Geisha J. Williams <sup>(8)</sup>	35,075	*	4,048	39,123

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Kent M. Harvey <sup>(9)</sup>	898	*	3,837	4,735
Hyun Park <sup>(10)</sup>	50,877	*	3,930	54,807
Dinyar B. Mistry <sup>(11)</sup>	7,960	*	0	7,960
Christopher P. Johns <sup>(12)</sup>	52,313	*	34,783	87,096
All PG&E Corporation directors and executive officers as a group (21 persons)	555,995	*	155,858	711,853
All Utility directors and executive officers as a group (29 persons)	668,571	*	152,021	820,592

\* Less than 1 percent

This column includes any shares held in the name of the spouse, minor children, or other relatives sharing the home of the listed individuals and, in the case of current and former executive officers, includes shares of PG&E Corporation common stock held in the defined contribution retirement plan maintained by PG&E Corporation. (1) Except as otherwise indicated below, the listed individuals have sole voting and investment power over the shares shown in this column. Voting power includes the power to direct the voting of the shares held, and investment power includes the power to direct the disposition of the shares held.

This column also includes the following shares of PG&E Corporation common stock in which the listed individuals share voting and investment power: Ms. Herringer 11,974 shares, Mr. Stavropoulos 17,390 shares, Mr. Park 48,744, all PG&E Corporation directors and executive officers as a group 82,635 shares, and all Utility directors and executive officers as a group 103,889 shares. No reported shares are pledged.

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This column includes the following shares of PG&E Corporation common stock that the individuals have the right to acquire within 60 days of March 8, 2016 through the exercise of vested stock options or the vesting of restricted stock units (RSUs) granted under the 2006 LTIP and the 2014 LTIP: Mr. Miller 4,090 shares, all PG&E Corporation directors and executive officers as a group 4,090 shares, and all Utility directors and executive officers as a group 8,830 shares. The individuals have neither voting power nor investment power with respect to these shares unless and until they are purchased through the exercise of the options or settled upon the vesting of RSUs, under the terms of the 2006 LTIP and 2014 LTIP.

(2) The percent of class calculation is based on the number of shares of PG&E Corporation common stock outstanding as of March 8, 2016.

This column reflects the number of stock units that were purchased by listed individuals through salary and other compensation deferrals or that were awarded under equity compensation plans. The value of each stock unit is equal to the value of a share of PG&E Corporation common stock and fluctuates daily based on the market price of PG&E Corporation common stock. The listed individuals who own these stock units share the same market risk as PG&E Corporation shareholders, although they do not have voting rights with respect to these stock units.

(4) Mr. Chew, Mr. Earley, Mr. Fowler, Ms. Herringer, Mr. Kelly, Mr. Kimmel, Dr. Meserve, Mr. Miller, Mr. Parra, Ms. Rambo, Ms. Smith, and Mr. Williams are directors of both PG&E Corporation and the Utility.

Mr. Earley is a director of PG&E Corporation and the Utility and the Chairman of the Board, CEO, and President of PG&E Corporation. He is included in the Summary Compensation Table as an NEO of both PG&E Corporation and the Utility.

(6) Mr. Stavropoulos is a director and the President, Gas of the Utility. He is included in the Summary Compensation Table as an NEO of both PG&E Corporation and the Utility.

(7) Ms. Williams is a director and the President, Electric of the Utility. She is included in the Summary Compensation Table as an NEO of both PG&E Corporation and the Utility.

(8) Mr. Harvey is included in the Summary Compensation Table as an NEO of both PG&E Corporation and the Utility.

(9) Mr. Park is included in the Summary Compensation Table as an NEO of the Utility.

(10) Mr. Mistry is included in the Summary Compensation Table as an NEO of the Utility.

(11) Mr. Johns is included in the Summary Compensation Table as an NEO of both PG&E Corporation and the Utility.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

In accordance with Section 16(a) of the Securities Exchange Act of 1934 and SEC regulations, PG&E Corporation's and the Utility's directors and certain officers, as well as persons who own greater than 10 percent of the Corporation's or the Utility's equity securities, must file reports of ownership and changes in ownership of such equity securities with the SEC and the principal national securities exchange on which those securities are registered, and must furnish the Corporation or the Utility with copies of all such reports that they file.

Based solely on review of copies of such reports received or written representations from certain reporting persons, PG&E Corporation and the Utility believe that during 2015, all filing requirements applicable to their respective directors, officers, and 10 percent shareholders were satisfied. No information is reported for individuals during periods in which they were not directors, officers, or 10 percent shareholders of the applicable company.

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Related Party Transactions

Approval Policies

At their December 20, 2006, February 20, 2008, and February 18, 2009 meetings, the Boards of PG&E Corporation and the Utility each adopted or amended the companies' Related Party Transaction Policy ("Policy"). The Policy applies to transactions that would require disclosure under Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934 ("Item 404(a)"), except that the Policy has a lower dollar threshold than Item 404(a).

Under the Policy, at the first meeting of each year, each company's Audit Committee reviews, approves, and/or ratifies related party transactions (other than the types of transactions that are excluded from disclosure under Item 404(a), as described below) with values exceeding \$10,000 in which either company participates and in which any "Related Party" has a material direct or indirect interest. For these purposes, "Related Party" generally includes (1) any director, nominee for director, or executive officer, (2) holders of greater than 5 percent of that company's voting securities, and (3) those parties' immediate family members.

After the annual review and approval of related party transactions, if either company wishes to enter into a new related party transaction, then that transaction must be either pre-approved or ratified by the applicable Audit Committee. If a transaction is not ratified in accordance with the Policy, management will make all reasonable efforts to cancel or annul that transaction.

Where it is not practical or desirable to wait until the next Audit Committee meeting to obtain approval or ratification, the Chair of the applicable Audit Committee may elect to approve a particular related party transaction. If the Chair of the applicable Audit Committee has an interest in the proposed related party transaction, then that transaction may be reviewed and approved by another independent and disinterested member of the applicable Audit Committee. In either case, the individual approving the transaction must report such approval to the full Committee at the next regularly scheduled meeting.

When reviewing any related party transaction, the Audit Committees consider whether the transaction is on terms comparable to those that could be obtained in arm's-length dealings with an unrelated third party. The Policy also requires that each Audit Committee disclose to the respective Board any material related party transactions.

As provided in Item 404(a), the following types of transactions are excluded:

- Transactions where the rates or charges are determined by competitive bids,
- Transactions for the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority,
- Transactions for services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services,
- Benefits received on a pro rata basis by holders of PG&E Corporation or Utility securities,

Transactions where the individual's interest arises solely (1) from such person's position as a director of another corporation or organization which is a party to the transaction, (2) from the direct or indirect ownership of such person and a specific group (consisting of directors, nominees for director, and executive officers of the corporation, or any member of their immediate families), in the aggregate, of less than a 10 percent equity interest in another person (other than a partnership) that is a party to the transaction, or (3) from both such position and ownership,

Transactions where the individual's interest arises solely from the holding of an equity interest (including a limited partnership interest, but excluding a general partnership interest) or a creditor interest in another person that is party to the transaction with PG&E Corporation, the Utility, or any of their respective subsidiaries or affiliates, and the transaction is not material to such other person,

Transactions where the individual's interest arises only from such person's position as a limited partner in a partnership engaged in a transaction with PG&E Corporation or the Utility, in which the individual's interest (when aggregated with any other Related Parties) is less than 10 percent and the individual does not serve as a general partner of, nor hold another position in, the partnership,

An employment relationship or transaction involving an executive officer of the respective company (and any related compensation resulting solely from that relationship or transaction), if the compensation is reported pursuant to Regulation S-K, Item 402,

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An employment relationship or transaction involving an executive officer of the respective company (and any related compensation resulting solely from that relationship or transaction), if the compensation would have been reported pursuant to Regulation S-K, Item 402 as compensation earned for services if that individual were an executive officer named in the Summary Compensation Table, and such compensation had been approved or recommended to the Board by the PG&E Corporation Compensation Committee (and the executive officer is not an immediate family member of another Related Party), or

• Compensation provided to a director, provided that such compensation is reported pursuant to Regulation S-K, Item 407.

Since January 1, 2015, all related party transactions have been approved or ratified by the applicable Audit Committee in accordance with this Policy.

Related Person Transactions

Since January 1, 2015, four providers of asset management services in excess of \$120,000 have been beneficial owners of at least 5 percent of PG&E Corporation common stock: BlackRock, Inc. (“BlackRock”), State Street Corporation (“State Street”), T. Rowe Price Associates Inc. (“Price Associates”), and The Vanguard Group, Inc. (“Vanguard”). The nature and value of services provided by these 5 percent shareholders and their affiliates since January 1, 2015 are described below.

BlackRock (including its affiliates) provided asset management services to various trusts associated with PG&E Corporation’s and the Utility’s employee benefit plans and to the Utility’s nuclear decommissioning trusts. In exchange for these services, BlackRock’s affiliates earned approximately \$3.5 million in fees during 2015.

Price Associates (including its affiliates) provided asset management services to various trusts associated with the companies’ employee benefit plans and to the Utility’s nuclear decommissioning trusts. In exchange for these services, Price Associates’ affiliates earned approximately \$1.4 million in fees during 2015.

State Street (including its affiliates) provided asset management services to various trusts associated with the companies’ employee benefit plans and to the Utility’s nuclear decommissioning trusts. In exchange for these services, State Street’s affiliates earned approximately \$3.4 million in fees during 2015, of which approximately \$3 million consisted of management fees paid by participants in the PG&E Corporation Retirement Savings Plan.

Vanguard provided asset management services to grantor trusts associated with certain non-qualified and deferred income benefit plans, and to The PG&E Corporation Foundation. In exchange for these services, Vanguard earned approximately \$138,000 in fees during 2015.

In each of these cases, the services (1) were approved by the PG&E Corporation Audit Committee, and (2) were subject to terms comparable to those that could be obtained in arm’s-length dealings with an unrelated third party. PG&E Corporation expects that these entities will continue to provide similar services and products in the future, at similar levels, in the normal course of business operations. Effective December 31, 2015, State Street no longer was



beneficial owner of at least 5 percent of the Corporation's common stock.

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Legal Proceedings

There are seven purported shareholder derivative lawsuits seeking recovery on behalf of PG&E Corporation and the Utility for alleged breaches of fiduciary duty by officers and directors in connection with the San Bruno accident, among other claims.

Four of the complaints were consolidated as the *San Bruno Fire Derivative Cases* and are pending in the Superior Court of California, County of San Mateo. On August 28, 2015, the Superior Court overruled the demurrers filed by PG&E Corporation, the Utility, and the individual director and officer defendants seeking to dismiss the *San Bruno Fire Derivative Cases*, based upon the plaintiffs' failure to demand action by the Boards of the Corporation and the Utility prior to filing the complaint. After the ruling, and pursuant to co-petitions for writ of mandate previously filed by the Corporation, the Utility, and the individual defendants, on September 3, 2015, the California Court of Appeal issued an order staying the *San Bruno Fire Derivative Cases* pending the court's final determination whether to stay the matter altogether until the resolution of federal criminal proceedings against the Utility. On September 30, 2015, the Corporation, the Utility, and the individual defendants filed an additional petition for writ of mandate asking the Court of Appeal to review the lower court's August 28 decision overruling their demurrers. On October 22, 2015, the Court of Appeal issued a ruling declining to review the August 28 decision. On December 8, 2015, the Court of Appeal issued a writ of mandate to the Superior Court, ordering the Superior Court to stay all proceedings in the *San Bruno Fire Derivative Cases* "pending conclusion of the federal criminal proceedings" against the Utility.

There also are two derivative actions entitled *Tellardin v. PG&E Corp. et al.* pending in the Superior Court of California, San Mateo County, and *Iron Workers Mid-South Pension Fund v. Johns et al.*, pending in the United States District Court for the Northern District of California. PG&E Corporation and the other defendants have not answered or otherwise responded to the complaints in these actions. In the *Tellardin* action, the defendants must answer or respond to the complaint 30 days after the stay in the *San Bruno Fire Derivative Cases* is lifted. Case management conferences have been scheduled in both actions (June 3, 2016 in the *Iron Workers* action and August 9, 2016 in the *Tellardin* action).

A new shareholder derivative complaint, *Bushkin v. Rambo et al.*, was filed on February 29, 2016 in the United States District Court for the Northern District of California. This complaint has been designated by the plaintiff as related to the pending shareholder derivative suit *Iron Workers Mid-South Pension Fund v. Johns et al.*, listed above. The *Bushkin* complaint seeks to hold certain individual defendants responsible on claims of breach of fiduciary duty for damage to the company caused by the San Bruno accident, as well as by an alleged obstruction of the National Transportation Safety Board's investigation into the San Bruno accident and an alleged false statement related to PG&E Corporation's corporate governance practices in its 2015 proxy statement. A case management conference has been scheduled in this matter for June 3, 2016.

PG&E Corporation and the Utility are uncertain when and how these derivative lawsuits will be resolved.



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Website Availability of Governance Documents

Current copies of the following corporate governance documents are available online in the Corporate Governance section of PG&E Corporation's website ([www.pgecorp.com/aboutus/corp\\_gov](http://www.pgecorp.com/aboutus/corp_gov)) or the Utility's website ([www.pge.com/about/company](http://www.pge.com/about/company), under the Corporate Governance tab), as appropriate.

Corporate Governance Guidelines for PG&E Corporation and Pacific Gas and Electric Company (which include definitions of "independence" for directors)

Charters for the standing committees of the PG&E Corporation and Utility Boards of Directors, including:

- Audit Committees of PG&E Corporation and the Utility
- Compensation Committee of PG&E Corporation
- Compliance and Public Policy Committee of PG&E Corporation
- Executive Committees of PG&E Corporation and the Utility
- Finance Committee of PG&E Corporation
- Nominating and Governance Committee of PG&E Corporation
- Nuclear, Operations, and Safety Committee of PG&E Corporation
  
- Code of Conduct for Employees (including executive officers)
- Code of Conduct for Directors

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General Information About the Annual Meetings and Voting

How do I vote?

You can attend and vote at the annual meetings (see the information on the back cover of the Joint Proxy Statement), or the proxy holders will vote your shares as you indicate on your proxy.

If your shares are not registered to you directly but are held indirectly through a broker, bank, trustee, nominee, or other third party (“nominee”), follow the instructions provided by your nominee to vote your shares.

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

*Over the Internet.* You may submit your proxy over the Internet either (i) by following the instructions in the Notice of Internet Availability, or (ii) for shareholders who received the proxy materials by mail, by following the instructions on the Proxy Card.

*By telephone.* If you received your proxy materials by mail, you may submit your proxy 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 by completing, signing, and dating the Proxy Card and mailing it in the postage-paid envelope provided.

If you submit your proxy over the Internet or by telephone, your vote must be received by 6:00 a.m., Eastern time, on Monday, May 23, 2016. These Internet and telephone voting procedures comply with California law. If you submit your proxy by mail, your vote must be received by 10:00 a.m., Pacific time, on Monday, May 23, 2016.

If you are a 401(k) plan shareholder, your vote must be received by 6:00 a.m., Eastern time, on Thursday, May 19, 2016, for the 401(k) plan trustee to vote your shares.

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

PG&E Corporation shareholders will be voting on the following items:

<b>Item No.</b>	<b>Description</b>	<b>Board's Voting Recommendation</b>
1	Election of Directors	For all nominees
2	Ratification of the Appointment of the Independent Auditor	For this proposal
3	Advisory Vote on Executive Compensation	For this proposal

The Utility's shareholders will be voting on the following items:

<b>Item No.</b>	<b>Description</b>	<b>Board's Voting Recommendation</b>
1	Election of Directors	For all nominees
2	Ratification of the Appointment of the Independent Auditor	For this proposal
3	Advisory Vote on Executive Compensation	For this proposal

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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 each other item described in this Proxy Statement. A director nominee will be elected, and a proposal will be approved, if a majority of the shares represented and voting approve that nominee's election or the proposal. 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.

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 definition below under "What is a broker non-vote") will not be considered. As explained below, broker non-votes do not apply to the ratification of the appointment of the Independent Auditor.

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.

Abstentions and broker non-votes also are considered in determining whether a quorum is present at each meeting.

Where shareholders are being asked for an advisory vote or for ratification, 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 certain 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 certain other matters, like director elections and advisory votes on executive compensation. When a broker votes your shares on routine matters but is unable to vote your shares on other matters because you have failed to provide instructions, a "broker non-vote" occurs with respect to these other 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 in your account as of the close of business on March 24, 2016 (the “record date”). If you are a Utility registered shareholder, you are entitled to vote all the shares of Utility preferred stock in your account as of the record date.

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. If you receive more than one copy of the Notice of Internet Availability or more than one Proxy Card for either company, it means that your shares are held in more than one account. You should vote the shares in all of your accounts.

How many copies of the Proxy Statement and the 2015 Annual Report (together, the “2016 Proxy Materials”) will I receive?

### **Registered Holders**

You will receive one Notice of Internet Availability for each account, unless you have requested paper copies of the proxy materials, in which case you will receive one copy of the 2016 Proxy Materials for each account.



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## **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 Notices of Internet Availability or fewer copies of the 2016 Proxy Materials than the number of beneficial owners at that address. SEC rules permit Broadridge to deliver only one Notice of Internet Availability or only one copy of the 2016 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 Notice of Internet Availability, or only one copy of the 2016 Proxy Materials, at a shared address but you wish to receive an additional copy of the Notice of Internet Availability or of the 2016 Proxy Materials or any future notices or proxy materials, or (2) you share an address with other beneficial owners who also receive their separate notices of Internet availability or proxy materials through Broadridge and you wish to request delivery of a single copy of any notice of Internet availability or 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.

Are proxy materials for the annual meetings available online?

Yes. You can go online at [investor.pgecorp.com/financials/annual-reports-and-proxy-statements](http://investor.pgecorp.com/financials/annual-reports-and-proxy-statements) to access the 2016 Proxy Materials free of charge.

You also can submit your proxy over the Internet. Specific instructions for voting also are included on the Notice of Internet Availability and on the Proxy Card or voting instruction card.

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

For PG&E Corporation 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 nominees for director and “For” Items 2 and 3. For Utility 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” Items 2 and 3.

What if I do not submit my proxy?

Your shares will not be voted if you do not submit a proxy or vote at the annual meetings, unless your broker votes your shares in the broker's discretion, as discussed above under "What is a broker non-vote?"

Can I change my proxy vote?

If your shares are registered to you directly, you can change your proxy 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, or (4) submitting a written ballot at the annual meetings.

If you are a 401(k) plan shareholder, you may change your vote at any time prior to 6:00 a.m., Eastern time, on Thursday, May 19, 2016. The last vote received within this timeframe will be the vote that is counted. 401(k) plan shareholders are not eligible to vote in person at the 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 proxy.

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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?

Corporate Election Services will act as the proxy tabulators and the inspectors of election for the 2016 annual meetings. Corporate Election Services is independent of PG&E Corporation and the Utility and the companies' respective directors, officers, and employees.

How many shares are entitled to vote at the annual meetings?

As of the record date, there were 495,406,569 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 10,319,782 shares of Utility preferred stock, \$25 par value, and 264,374,809 shares of Utility common stock, \$5 par value, outstanding and entitled to vote. Each share is entitled to one vote.

May I attend the annual meetings?

All PG&E Corporation and Utility shareholders of record as of the record date may attend the annual meetings. You must have an admission ticket to attend the annual meetings. Also, shareholders will be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the meetings.

If you received a Notice of Internet Availability, your Notice of Internet Availability will be your admission ticket. If you received a Proxy Card, your admission ticket will be attached to your card. Please bring your admission ticket (which may be your Notice of Internet Availability) to the annual meetings.

If a nominee holds your shares, please inform that party that you plan to attend the annual meetings, and ask for a written copy of the legal proxy. Bring the legal proxy to the shareholder registration area when you arrive at the meetings, and we will issue an admission ticket to you. If you cannot get a legal proxy in time, we will issue an admission ticket to you if you bring a copy of your March 2016 brokerage or bank account statement showing that you owned PG&E Corporation or Utility stock as of the March 24, 2016 record date. However, you will not be able to vote your shares at the meeting unless you are a shareholder of record or have a legal proxy from the nominee.

May I bring a guest to the annual meetings?

Each registered shareholder or beneficial owner may bring either a spouse or a domestic partner as their guest to the annual meetings.

If a registered shareholder or beneficial owner chooses to appoint a legal proxy to attend the meeting and vote their shares on their behalf, the shareholder must provide advance written notice to the Corporate Secretary of PG&E Corporation or the Utility, as appropriate. The notice must include the name and address of the legal proxy, and must be received at the principal executive office of the applicable company by 5:00 p.m., Pacific time, on May 16, 2016. We recommend that shareholders send their notice using a delivery method that indicates when the notice was received at the principal executive office of the applicable company.

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How will the annual meetings be conducted?

The Chairman of the Board of the Corporation or his designee will preside over the annual meetings and will make any and all determinations regarding the conduct of the meetings.

All items of business described in this Proxy Statement will be deemed presented at the annual meetings.

There will be a general question and answer period. Questions and comments should pertain to corporate performance, items for consideration at the annual meetings, or other matters of interest to shareholders generally. The meeting is not a forum to present general economic, political, or other views that are not directly related to the business of the Corporation or the Utility.

Shareholders will be recognized on a rotating basis. If you wish to speak, please raise your hand and wait to be recognized. When you are called upon, please direct your questions and comments to the company officer chairing the meetings. Each person called upon during the meetings will have a maximum of three minutes on any one question or comment.

Can shareholders introduce other proposals (including director nominations) during the annual meetings?

The Bylaws of the Corporation and the Utility each require advance written notice of the intention to introduce a shareholder proposal or bring other matters for action (including introducing nominees for director) at an annual meeting. The notice for proposals and other matters to be considered by shareholders at the 2016 annual meetings must have been received at the principal executive office of the applicable company by February 9, 2016. The companies did not receive timely advance written notice of any shareholder matters that will be introduced at the annual meetings.

How much will this proxy solicitation cost?

The Corporation and the Utility hired D.F. King to assist in the distribution of proxy materials and solicitation of votes. The estimated fee is \$17,000 plus reasonable out-of-pocket expenses. 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 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.

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## 2017 Annual Meetings

What is the date of the 2017 annual meetings?

PG&E Corporation and the Utility currently anticipate that the date of their 2017 annual meetings will be roughly one year after the date of the 2016 annual meetings. Exact dates will be communicated to shareholders in the proxy materials for that meeting.

Can I submit nominees for inclusion in proxy materials for the 2017 annual meetings?

PG&E Corporation recently amended its Bylaws to include proxy access provisions. Under these Bylaws, shareholders who meet the requirements set forth in the Bylaws may submit director nominations for inclusion in PG&E Corporation's proxy materials. Proxy access nominations for the Corporation's 2017 annual meeting must be provided to the PG&E Corporation Corporate Secretary no earlier than November 12, 2016 and no later than December 12, 2016, and must meet all requirements set forth in the Bylaws. However, if the Corporation's 2017 annual meeting is scheduled on a date that is more than 30 days before or after the anniversary date of the 2016 annual meeting, your notice generally will be timely if it is received no later than the close of the business on the date that is 180 days prior to the 2017 annual meeting date or the 10<sup>th</sup> day after the date on which the date of the 2017 annual meeting is disclosed. The Utility did not adopt proxy access bylaw provisions, given the fact that over 95 percent of the Utility's common stock is held by PG&E Corporation; no Utility shareholders may submit director nominations via proxy access.

Can shareholders introduce proposals (other than proxy access proposals, but including director nominations) during the 2017 annual meetings?

If you would like to introduce a proposal or other business during PG&E Corporation's or the Utility's 2017 annual meeting, each company's Bylaws require that your proper advance written notice of the matter be received at the principal executive office of the applicable company by 5:00 p.m., Pacific time, on February 27, 2017. However, if the 2017 annual meeting of either company is scheduled on a date that differs by more than 30 days from the anniversary date of the 2016 annual meetings, your notice will be timely if it is received no later than the 10<sup>th</sup> day after the date on which that company publicly discloses the date of its 2017 annual meeting.

If you would like to nominate an individual for director during the annual meeting, certain additional information must be provided in your advance written notice. For more information on the director nomination process, see page 25.

What is the submission deadline if I want my shareholder proposal to be included in the proxy statement for the 2017 annual meetings?

If you would like to submit a proposal to be included in the proxy statement for PG&E Corporation's or the Utility's 2017 annual meeting pursuant to SEC Rule 14a-8, the applicable company's Corporate Secretary must receive your proposal after the date of the 2016 annual meetings, but on or before December 12, 2016.

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How and where can I make a submission?

If you wish to submit advance notice of any business to be brought before the 2017 annual meetings (including notice of any proxy access nominees), or a shareholder proposal for inclusion in the 2017 joint proxy statement, you may submit such notice or proposal via e-mail, fax, or U.S. mail (all shown below). If you submit a notice or proposal via U.S. mail, we recommend that you use a delivery method that indicates when your submission was received at the principal executive office of the applicable company.

**E-Mail:** [CorporateSecretary@pge.com](mailto:CorporateSecretary@pge.com)

**Fax:** 415-973-8719

**U.S. Mail:**

Office of the Corporate Secretary

PG&E Corporation/Pacific Gas and Electric Company

P.O. Box 770000

San Francisco, California 94177

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Location of the PG&E Corporation and Pacific Gas and Electric Company Annual Meetings of Shareholders

The 2016 annual meetings of PG&E Corporation and Pacific Gas and Electric Company (together, “PG&E”) will be held concurrently on Monday, May 23, 2016, at 10:00 a.m., at the PG&E headquarters, located at 77 Beale Street in downtown San Francisco, California. Entry to the meetings will be through the atrium on Beale Street, between Market Street and Mission Street.

The meetings are easily accessible using public transportation. If you are traveling by MUNI or BART, exit at the Embarcadero station.

There is no parking available at the PG&E headquarters. Parking is available at public garages in the area. Directions are provided below for shareholders driving to the meetings.

**From the North (Golden Gate Bridge):**

- Cross the Golden Gate Bridge (Highway 101 South).
- Continue on Lombard Street.
- Turn right at Gough Street.
- Turn left at California Street.
- Turn right at Davis Street.
- Cross Market Street onto Beale Street.
- PG&E is on your left.

**From the South (Highway 101):**

- Merge onto Interstate 80 East (toward Bay Bridge/Oakland).
- Exit at Fourth Street.
- Bear left onto Bryant Street.
- Turn left at Third Street.
- Turn right at Market Street.
- Turn right at Beale Street.
- PG&E is on your left.

**From the East (Bay Bridge):**

- Cross the Bay Bridge (Interstate 80 West).
- Exit at Fremont Street.
- Turn left onto Fremont Street.
- Turn right Market Street.
- Turn right at Beale Street.
- PG&E is on your left.

Please note that the following items will not be allowed in the meetings: 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. Photography and video/audio recording are not permitted at the meetings.

Assistive listening devices will be available at the meetings.

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