WEC ENERGY GROUP, INC.
Form DEF 14A
March 21, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant x
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))
x Definitive Proxy Statement
¨Definitive Additional Materials
¨Soliciting Material under §240.14a-12
WEC Energy Group, Inc.
(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):
x 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:

This Page Intentionally Left Blank

Dear Fellow Stockholders,

On behalf of our Board of Directors, I want to thank you for your investment in WEC Energy Group. As we prepare for our 2019 Annual Meeting of Stockholders, I ask for your support of the three proposals presented in this proxy statement. As you review each of these matters, please consider the following highlights from 2018, all of which demonstrate our commitment to applying strong corporate governance principles, while actively engaging in oversight of the Company’s strategy, financial and operational performance, risk management, and executive leadership.

Strategy

Throughout 2018, the Board engaged in substantive discussions with management about WEC Energy Group's long-term strategy. Strategies must be evaluated in appropriate context, and in our case, we actively considered the many risks and opportunities facing the utility sector, including new technologies, customer preferences, commodity prices, energy resiliency efforts, climate change, cyber-security, and evolving shareholder engagement on environmental, social and governance initiatives.

Examples of strategic areas on which the Board provided critical oversight and input in 2018 include:

- WEC Energy Group’s long-term goal to reduce carbon dioxide emissions by approximately 80 percent below 2005 levels by 2050;
- Reshaping the Company’s generation fleet by balancing the need for energy resilience and fuel diversity with customer preferences and environmental objectives;
- Investment in renewable energy projects that will add carbon-free resources to our generating fleet, and others that bolster our energy infrastructure segment;
- Capital spending for projects centered on upgrading reliability, customer service, and information technology systems; and
- Regulatory and legislative priorities at the state and federal levels, from tax reform to climate change.

Management Succession Planning

In October 2017, our Company’s then-CEO, Allen Leverett, suffered a stroke, following which the Board activated its executive succession plan. I stepped in as CEO during Mr. Leverett’s recovery. Having served in that role from 2004 to 2016, the Board felt confident that my understanding of the Company -- and its operations, employees and investors -- would provide strong continuity as the Company continued to execute its short- and long-term plans.

Management succession was a clear focus in 2018. After Mr. Leverett’s resignation as an officer of the Company, the Board appointed Kevin Fletcher, initially to serve as President of WEC Energy Group, followed by his transition into the added roles of CEO and a member of the Board of Directors, effective February 1, 2019. Mr. Fletcher has more than 40 years of experience in the energy industry, and the Board has the utmost confidence in his leadership capabilities. His deep experience in customer service and operations, combined with his previous responsibility for the operational and financial performance of all of the Company’s utility subsidiaries, will enable him to contribute valuable Company and industry insights as a member of the Board.

In addition to appointing Mr. Fletcher to his new roles, the Board also appointed me to the position of Executive Chairman, and approved the creation of the Office of the Chair, solidifying a strong and seasoned leadership team. The Board believes this structure is appropriate to continue the smooth transition in leadership following Mr. Leverett's resignation as an active employee.

Financial and Operational Performance

By nearly every meaningful metric, 2018 was a record year for WEC Energy Group, and the Board was fully engaged in its oversight capacity throughout. Here are some results the Board believes are particularly noteworthy:

- Record earnings from operations and solid dividend growth;
- More cash returned to stockholders than any other year in Company history;
- Recognition as "most reliable" electric utility in the region and number one in the country for customer satisfaction among key accounts;
- Highest spending with diverse suppliers in Company history;
- Closure of nearly 1,500 megawatts of older, less efficient, coal-fired generation, reducing operating and maintenance costs by approximately $50 million annually;
- Increased dividend for 16th consecutive year (2004-2019); and
- Eleven all-time trading highs for WEC common stock.

This exceptional performance links directly to the Company's executive compensation structure and components, further demonstrating that our compensation program supports our annual and multi-year strategy. Our Board takes seriously its responsibility to ensure that executives truly are paid for performance in measurable, transparent, and meaningful ways.

Board Composition and Refreshment

The Board is able to carry out its fiduciary obligations to our stockholders because of the combined strength, diversity, and dedication of its individual members. Just as the Board focused considerable attention during 2018 on management succession, the Board continued to move forward with thoughtful refreshment.

Two new, independent directors joined our Board over the past 15 months. This provided a transition period as two highly experienced directors will complete their service on the Board at the 2019 Annual Meeting. We expect refreshment to continue, as five additional independent directors are scheduled to complete their service over the next two years.

We are committed to ensuring that the WEC Energy Group Board of Directors continues to be comprised of at least a two-thirds majority of independent directors, and that the Board as a whole remains significantly diverse, as it is today.

As always, on behalf of the Board, I invite your engagement and appreciate your support.

Gale E. Klappa
Executive Chairman

This Page Intentionally Left Blank

TABLE OF CONTENTS

Notice of 2019 Annual Meeting of Stockholders

We are pleased to invite you to join our Board of Directors and senior leadership at WEC Energy Group's 2019 Annual Meeting of Stockholders.

When and Where

Thursday, May 2, 2019, 10:00 a.m., Central time
Concordia University Wisconsin
R. John Buuck Field House
12800 North Lake Shore Drive
Mequon, WI 53097

Items of Business

1. Elect thirteen directors for terms expiring in 2020.
2. Provide advisory vote to approve compensation of the named executive officers.
3. Ratify Deloitte & Touche LLP as independent auditors for 2019.
4. Consider any other matters that may properly come before the meeting.

Record Date

The Board of Directors set February 21, 2019 as the record date for the meeting. This means that our stockholders as of the close of business on that date are entitled to receive this notice of the meeting and to vote at the meeting. On the record date, there were 315,450,338 shares of common stock of WEC Energy Group, Inc. issued and outstanding and entitled to vote at the meeting.

Meeting Attendance Information

If you plan to attend the Annual Meeting in person, you must pre-register and present photo identification at the door. See page P-76 for information about the location, format, and how to register to attend the meeting. Regardless of whether you plan to attend, please take a moment to vote your Proxy.

If you are unable to attend, you may view a live webcast on our website at www.wecenergygroup.com/invest/annualmtg.htm.

By Order of the Board of Directors,

Voting Information

Please follow the instructions on your Notice Regarding the Availability of Proxy Materials, proxy card, or the information forwarded to you by your bank or broker, as applicable. The internet and telephone voting facilities will close at 10:59 p.m. Central time, on Wednesday, May 1, 2019.

Registered Stockholders of Record

You may vote using one of the following voting methods. Please make sure you have your proxy card in hand and follow the instructions.

Visit
www.investorvote.com
or scan the QR code with your smart phone

Call toll-free
800-652-8683

Sign, date and return your proxy card

Stockholders who beneficially hold shares in street name through an intermediary on this date must obtain a legal proxy from their broker, bank or other nominee granting the right to vote.

All stockholders of record may vote in person at the meeting. Beneficial owners may vote in person at the meeting if they have a legal proxy, as described on page P-74.

Margaret C. Kelsey
Executive Vice President,
General Counsel and Corporate Secretary
March 21, 2019

If you receive paper copies of the proxy materials, please consider signing up to receive them electronically in the future by following the instructions contained on page P-76. By delivering our proxy materials electronically, we can provide our stockholders with the information they need in a more cost-effective and timely manner.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 2, 2019 — The Proxy Statement and 2018 Annual Report are available at www.envisionreports.com/wec.

PROXY SUMMARY

This summary is intended to highlight certain information found within this proxy statement. This summary does not contain all of the information that you should consider. Please read the entire proxy statement before voting. Additional information regarding WEC Energy Group, Inc.'s (the "Company") 2018 performance can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Election of 13 Directors
The Board recommends a vote FOR each nominee listed below.
• Strong corporate governance practices consistently recognized with strong governance ratings.
• All candidates are highly regarded executives who possess strong integrity.
• Slate of candidates embodies diversity of knowledge, skills, experiences, gender, ethnicity, tenure and maturity.
See pages P16-P22 for more information.

Name	Professional Principal Experience	Age	Director Since	Indep.
Barbara L. Bowles (Presiding Independent Director)	Retired Vice Chair, Profit Investment Management	71	1998	Yes
Albert J. Budney, Jr.	Retired President, Niagara Mohawk Holdings, Inc.	71	2015	Yes
Patricia W. Chadwick	President, Ravengate Partners, LLC	70	2006	Yes
Curt S. Culver	Non-Executive Chairman, MGIC Investment Corporation	66	2004	Yes
Danny L. Cunningham	Retired Partner and Chief Risk Officer, Deloitte & Touche LLP	63	2018	Yes
William M. Farrow III	Chairman, CEO and owner, Winston and Wolfe LLC	63	2018	Yes
Thomas J. Fischer	Principal, Fischer Financial Consulting LLC	71	2005	Yes
J. Kevin Fletcher	President and CEO, WEC Energy Group, Inc.	60	2019	No
Gale E. Klappa	Executive Chairman of the Board, WEC Energy Group, Inc.	68	2003	No
Henry W. Knueppel	Retired Chairman and CEO, Regal Beloit Corporation	70	2013	Yes
Allen L. Leverett	Former CEO and President, WEC Energy Group, Inc.	52	2016	No
Ulice Payne, Jr.	Managing Member, Addison-Clifton, LLC	63	2003	Yes
Mary Ellen Stanek	Managing Director & Director of Asset Management, Baird Financial Group	62	2012	Yes

Directors John Bergstrom and William Brodsky will complete their service as directors in 2019 and thus are not serving as nominees for election at the 2019 Annual Meeting. The Company sincerely thanks them for their many important contributions, leadership and years of dedicated service. Mr. Brodsky currently serves as a member of the Finance Committee. Mr. Bergstrom currently chairs the Compensation Committee and is a member of the Audit and Oversight Committee; the Board is finalizing its plan for appointing a new Compensation Committee Chair. See pages P29-P31 for more information on committee assignments.

Through its ongoing succession planning process, the Board seeks to maintain a composition of directors that collectively possess the skills and qualifications to provide effective oversight of the Company's strategic initiatives, financial and operational performance, and enterprise risks.

The 2019 director nominees are highly regarded leaders who possess strong integrity, and embody a diversity of knowledge, skills, experiences, gender, ethnicity, tenure, and maturity to effectively carry out the Board's oversight duties and responsibilities on behalf of the Company's stockholders and other stakeholders.
Director nominees by the numbers
(based upon 13 members)

* As reported by individual directors; see page P-15 for more information.

GOVERNANCE BEST PRACTICES	INDEPENDENT BOARD AND COMMITTEES	ADVANCED SHAREHOLDER RIGHTS
• Annual election of directors since 2005 • Ongoing Board succession planning • Annual Board and committee evaluations • Regular continuing education programs presented by internal and third-party experts • Stock ownership requirements	• 10 of 13 independent directors • Independent presiding director has specified duties • Fully independent committee membership, except for the Executive Committee • Executive sessions without management scheduled at each regular Board and committee meeting	• Majority vote standard for uncontested elections • Bylaws include proxy access provision • One-share, one-vote standard • Special meeting provisions

Advisory Vote to Approve Compensation of the Named Executive Officers

The Board recommends a vote FOR the advisory vote on Executive Compensation.

• Our compensation program focuses on key Company results (financial, safety, customer satisfaction, diversity) that are aligned with our strategic goals.
• A substantial portion of compensation is at risk and tied to Company performance.
• The compensation program has a long-term orientation aligned with stockholder interests.

A comprehensive discussion of our executive compensation program, "Compensation Discussion and Analysis," begins on page P-35 of the Proxy Statement.

Our Business Performance

WEC Energy Group continued to achieve solid financial and operational results in 2018 while maintaining focus on the fundamentals - reliability, operating efficiency, financial discipline, customer care, and safety. As a result, the Company was able to deliver continued long-term value for our stockholders and customers.

Our Executive Compensation Program

The Compensation Committee routinely evaluates the executive compensation program to ensure that it is competitive with respect to attracting and retaining key talent, linked to our financial and operational performance objectives, and aligned with industry best practices based upon input from stockholders and our compensation consultant. The Committee also takes into account prior say-on-pay results.

Best practices in executive compensation

• Aligned with long-term performance and business strategy
• Includes short- and long-term metrics, cash and equity; substantial portion at risk
• Annual say-on-pay advisory vote
• Independent compensation consultant
• Meaningful stock ownership requirements
• Clawback policy
• Anti-hedging and anti-pledging policy

Compensation program links pay to performance

The executive compensation program has been designed so that total direct compensation ("TDC") is strongly tied to the achievement of our short-term and long-term goals. A substantial portion of pay is "at risk" and, generally, the value will only be realized upon a strong overall corporate performance.

	Salary	Annual Incentive	Performance Unit Plan	Stock Options and Restricted Stock
When Granted	Reviewed Annually			
Performance Type	Short-Term		Long-Term	
Award Type	Cash		Equity*	
Performance Period	Ongoing	1 year	3 Years	1 to 3 Year Vesting
How Payout is Determined	Role; responsibilities; market data; committee judgment	Formulaic: • Financial (EPS, cash flow, utility net income) • Operational (safety, customer satisfaction, diversity)	Formulaic: • TSR • Authorized ROE	Formulaic: Stock price performance

* Performance units are settled in cash.
* Based upon metrics for Gale Klappa.

Approximately 85% of our CEO's TDC, and an average of 82% of the other NEOs' TDC, is tied to Company performance and not guaranteed.

We maintain a largely consistent approach to our compensation program from year to year, while also responding to stockholder feedback. Historically, this has resulted in favorable approval ratings of our annual advisory say-on-pay proposal.

Ratification of Deloitte & Touche LLP as Independent Auditors for 2019

The Board recommends a vote FOR ratification of Deloitte & Touche LLP as independent auditors for 2019

• The Audit Committee annually evaluates the performance of Deloitte & Touche LLP and confirms that retention is in the best interests of the Company and its stockholders.
• Deloitte & Touche LLP is an independent firm with significant industry and financial reporting expertise, and fees that are appropriate for the size and scope of the Company.

See pages P69-P71 for more information.

PROXY STATEMENT

This proxy statement is being furnished to stockholders beginning on or about March 21, 2019, in connection with the solicitation of proxies by the WEC Energy Group, Inc. ("WEC Energy Group" or the "Company") Board of Directors (the "Board") to be used at the Annual Meeting of Stockholders on Thursday, May 2, 2019 (the "Meeting") at 10:00 a.m., Central time, at Concordia University Wisconsin in the R. John Buuck Field House located at 12800 North Lake Shore Drive, Mequon, Wisconsin 53097, and at all adjournments or postponements of the Meeting, for the purposes listed in the Notice of 2019 Annual Meeting of Stockholders.

PROPOSAL 1: ELECTION OF DIRECTORS – TERMS EXPIRING IN 2020

WEC Energy Group's bylaws require each director to be elected annually to hold office for a one-year term. This is an uncontested election; therefore, our majority vote standard for election of directors will apply. Under this standard, the director nominees will be elected only if the number of votes cast favoring such nominee's election exceeds the number of votes cast opposing that nominee's election, as long as a quorum is present. Therefore, presuming a quorum is present, shares not voted, whether by broker non-vote, abstention, or otherwise, have no effect in the election of directors. Proxies may not be voted for more than 13 persons in the election of directors.

Acting on the recommendation of the Corporate Governance Committee, the Board's nominees for election are:

Barbara L. Bowles	J. Kevin Fletcher
Albert J. Budney, Jr.	Gale E. Klappa
Patricia W. Chadwick	Henry W. Knueppel
Curt S. Culver	Allen L. Leverett
Danny L. Cunningham	Ulice Payne, Jr.
William M. Farrow III	Mary Ellen Stanek
Thomas J. Fischer	

- Each nominee has consented to being nominated and to serve if elected. In the unlikely event that any nominee becomes unable to serve for any reason, the proxies will be voted for a substitute nominee selected by the Board upon the recommendation of the Corporate Governance Committee of the Board.
- Directors John F. Bergstrom and William J. Brodsky complete their service as directors in 2019 and thus will not serve as nominees for re-election at the 2019 annual meeting of stockholders. The Company sincerely thanks them for their many important contributions, leadership and years of dedicated service.

In selecting the 2019 director nominees, the Corporate Governance Committee and the Board determined that the candidates collectively embody a wide body of characteristics germane to executing the duties of the Board, including the general criteria, qualifications, diversity, and independence reported below, and which are described in more detail for each director in his/her respective biographies found under the heading, "2019 Director Nominees for Election."

The Board of Directors recommends that you vote "FOR" all of the director nominees.

DIRECTOR NOMINATION AND EVALUATION PROCESS

Nomination Process

Candidates for director nomination may be proposed in a number of ways, including by stockholders, the Corporate Governance Committee, and other members of the Board. The Corporate Governance Committee may pay a third party to identify qualified candidates; however, no such firm was engaged with respect to the nominees listed in this proxy statement.

The Corporate Governance Committee will consider director candidates recommended by stockholders provided that the stockholders submitting recommendations comply with requirements and procedures set forth in our bylaws. Stockholders may also nominate director candidates by following the procedures outlined on P-78. No formal stockholder nominations or recommendations for director candidates were received in connection with the 2019 Annual Meeting.

Evaluation Process

The Corporate Governance Committee evaluates director candidates, including those proposed by stockholders, through the lens of its ongoing director succession planning process, whereby the Corporate Governance Committee ensures that the Board is composed of directors who embody certain minimum criteria, and who, as a group, have the skills and experiences to effectively oversee management's strategy for operating in a complex industry while performing their fiduciary obligations.

When a person is initially identified as a potential candidate, the Corporate Governance Committee may collect and review publicly available information regarding the person to assess whether that person should be considered further. If the Corporate Governance Committee determines that the candidate warrants further consideration, the chair or another member of the Board of Directors contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Corporate Governance Committee requests additional information from the candidate, reviews the person’s accomplishments and qualifications, and conducts one or more interviews with the candidate. In certain instances, Corporate Governance Committee members may contact one or more references provided by the candidate, or may contact other members of the business community or other persons who may have greater firsthand knowledge of the candidate. The Committee will utilize third parties if and as needed to assist with these activities. As a final step, the candidate interviews with members of the Board, following which the Corporate Governance Committee will propose a recommendation regarding nomination to the Board for its discussion and final determination.

Director Term Limits

The Board does not believe it is appropriate or necessary to limit the number of terms a director may serve. The Board values the participation and insight of directors who have developed an increased understanding of the governance of the Company and the specific issues it faces doing business in a complex, regulated industry, as well as those directors who bring fresh and varied perspectives, resulting in a Board with a balanced tenure.

DIRECTOR QUALIFICATIONS

The Corporate Governance Committee and the Board evaluate director nominees in light of the Board’s current members, with the goal of recommending nominees with diverse backgrounds and experiences who, together with the current directors, can best perpetuate the success of WEC Energy Group’s business and represent stockholder interests. By adhering to a philosophy whereby director nominees are evaluated on the basis of certain minimum qualifications, Board diversity, and core competencies, the Board is able to attract director candidates that bring a broad range of perspectives and experiences, and who will effectively contribute to and complement the Board.

Key factors considered in recommending the 2019 director nominees are listed below:

• To be eligible for consideration, the Board believes that any proposed candidate must demonstrate certain minimum qualifications, which the Corporate Governance Committee reviews annually:

- Proven integrity
- Ability to objectively appraise problems
- Relevant technological, political, economic, or social/culture experience
- Familiarity with national and international issues affecting the Company's business
- Mature and independent judgment
- Ability to evaluate strategic options/risks
- Social consciousness
- Contribution to the Board's desired diversity and balance
- Vision and imagination
- Sound business experience/acumen
- Achievement of prominence in career
- Availability to serve for five years before reaching the directors' retirement age of 72 (in the case of new directors)

- While the Corporate Governance Committee does not have a specific policy with regard to the consideration of diversity in identifying director nominees, it strives to cast a wide net and recommend candidates who each bring a unique perspective to the Board in order to contribute to a collective diversity - diversity of knowledge, skills, experiences, thought, gender, ethnicity, tenure, and maturity.
- Directors' qualifications are also evaluated in the context of the Board's strategic initiatives, financial and operational performance objectives, and material risks. With that in mind, the Corporate Governance Committee and Board have determined through the Board succession planning process that the Board's composition should consist of candidates that collectively possess a specific set of core competencies as listed in the Proxy Summary on P-10, in order to effectively carry out its oversight function.

During the third quarter of 2018, the Corporate Governance Committee and Board evaluated and affirmed this set of competencies. Each director then performed a self-assessment of his/her level of knowledge in each skill area using the following 3-point scale: "1" Limited knowledge (e.g., no direct experience, primary exposure comes from Board or Committee reports); "2" Intermediate knowledge (e.g., general managerial/oversight experience or broad exposure as a Board or Committee member); "3" Advanced knowledge (e.g., direct experience; subject matter expert). A summary of the Board's level of knowledge with respect to each of the core competencies was included in the Proxy Summary on page P-10. At least one director possesses advanced knowledge in each core competency.

DIRECTOR INDEPENDENCE

The guidelines the Board uses in determining director independence are located in Appendix A of the Corporate Governance Guidelines ("Guidelines"), which are available on the Corporate Governance section of our Company's website at www.wecenergygroup.com/govern/governance.htm. These Guidelines provide that the Board should consist of at least a two-thirds majority of independent directors. The independence standards found in our Guidelines are not only in compliance with the listing standards of the New York Stock Exchange ("NYSE"), but are actually more stringent than the NYSE rules. In order to be deemed independent, the individual must have no material relationship with the Company that would interfere with the exercise of good judgment in carrying out his or her responsibilities as a director.

Prior to initial and annual election, all directors complete a detailed questionnaire that elicits information that is used to ensure compliance with the Board's and the NYSE's standards of independence. The Corporate Governance Committee also reviews potential conflicts of interest, including related-party transactions, interlocking directorships, and substantial business, civic,
and/or social relationships with other members of the Board that could impair the prospective Board member's ability to act independently from the other Board members and management. The Board also considers whether a director's immediate family members meet the independence criteria outlined in the Guidelines, as well as whether a director has certain relationships with WEC Energy Group's affiliates, when determining the director's independence.

The Board has affirmatively determined that Directors Bergstrom, Bowles, Brodsky, Budney, Chadwick, Culver, Cunningham, Farrow, Fischer, Knueppel, Payne, and Stanek are independent. Directors Klappa, Fletcher, and Leverett are not independent due to their employment with the Company.

Director Stanek. Since 2005, WEC Energy Group has engaged Baird Financial Group primarily to provide consulting services for investments held in the Company's various benefit plan trusts. The Board reviewed the terms of this engagement, including the approximately $680,000 in fees paid to Baird in 2018 (which are less than one-tenth of 1% of Baird's total revenue), and Ms. Stanek's position at Baird, and concluded that such engagement is not material and did not impact Ms. Stanek's independence. Ms. Stanek is not involved with and does not consult on the contract with or recommendations made by Baird and receives no direct financial benefit from these services. WEC Energy Group management evaluates Baird's services against market standards for overall quality and value on a regular basis. Neither the Board nor Ms. Stanek plays a role in the retention of Baird for these services or any related negotiation of commercial terms. In addition, WEC Energy Group's pension trusts and other benefit accounts do not hold any investments in Baird funds.

2019 DIRECTOR NOMINEES FOR ELECTION

The following 13 individuals have been nominated for election to the Board of Directors at the WEC Energy Group Annual Meeting. Biographical information for each director nominee is set forth below. Ages are as of January 17, 2019, the date each person was designated as a nominee of the Board for election at the Meeting.

Barbara L. Bowles
Age: 71
Director Since: 1998
Board Committees: Audit and Oversight; Corporate Governance (Chair); Executive
WEC Board: Independent Presiding Director

- Profit Investment Management LLC - Retired Vice Chair. Served as Vice Chair from January 2006 until retirement in December 2007. Profit Investment Management is an investment advisory firm.
- The Kenwood Group, Inc. - Retired Chairman. Served as Chairman from 2000 until 2006 when The Kenwood Group, Inc. merged into Profit Investment Management. CEO from 1989 to 2005.
- Director of Hospira, Inc. from 2008 to 2015.
- Director of WEC Energy Group since 1998; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 1998 to June 2015.

Core competencies, qualifications and experience

As founder, CEO, and retired Chairman of The Kenwood Group, Inc., a Chicago-based investment advisory firm that managed pension funds for corporations, public institutions, and endowments, Ms. Bowles, who is a Chartered Financial Analyst, brings over 20 years of investment advisory experience to our Board of Directors. Having also served as a portfolio manager and utility analyst for more than 10 years, and as a chief investor relations officer for two Fortune 50 companies, she contributes valuable perspective as to what issues matter to large investors. In the role of Chief Compliance Officer of Profit Investment Management, Ms. Bowles gained a deep understanding of corporate governance issues and concerns, experience she applies to her positions as Chair of WEC Energy Group's Corporate Governance Committee and independent presiding director. She also contributes valuable risk management and financial reporting insights as a member of the Audit and Oversight Committee, expertise she developed from current and past service as a director on the boards of several other public companies where she has served on the audit and finance committees. With utility subsidiaries located in Chicago, the Board of Directors also benefits from the economic and political perspectives Ms. Bowles provides as a result of her involvement in several important non-profit organizations in Chicago.

Albert J. Budney, Jr.
Age: 71
Director Since: 2015
Board Committee: Corporate Governance

- Niagara Mohawk Holdings, Inc. - Retired President and Director. Served as President and Director from 1999 to 2002. Niagara Mohawk Holdings, Inc. is a holding company whose subsidiaries distribute electricity in New York.
- Director of WEC Energy Group since June 2015; Director of Integrys Energy Group from February 2007 to June 2015.

Core competencies, qualifications and experience

With over 40 years of utility experience in senior leadership positions, Mr. Budney brings to our Board of Directors extensive knowledge in managing the operations of a utility company and the complexities that arise from operating in a highly-regulated industry. He has acquired considerable board experience in utility industry mergers and acquisitions having served as a director of Niagara Mohawk Holdings when it was acquired by National Grid and of Integrys Energy Group when it was acquired by the Company. Mr. Budney brings to the Board knowledge of environmental issues that he gained as President of Niagara Mohawk Holdings while supervising the Vice President of Environmental Affairs. This provided Mr. Budney with experience he applied as a founding member of the

Environmental Committee of the Board at Integrys Energy Group prior to its acquisition by WEC Energy Group. Having also served as the Chair of the Corporate Governance Committee and lead director of Integrys Energy Group, Mr. Budney's broad knowledge in governance, corporate management, and strategic planning matters are very valuable to the Board in carrying out its oversight in these areas.

Patricia W. Chadwick
Age: 70
Director Since: 2006
Board Committees: Audit and Oversight; Finance

- Ravengate Partners, LLC - President since 1999. Ravengate Partners, LLC provides businesses and not-for-profit institutions with advice about the financial markets, business management, and global economics.
- Director of AMICA Mutual Insurance Company since 1992; Director of VOYA Mutual Funds (previously ING Mutual Funds) since 2006; Director of The Royce Funds since 2009.
- Director of WEC Energy Group since 2006; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2006 to June 2015.

Core competencies, qualifications and experience
Ms. Chadwick, who is a Chartered Financial Analyst, brings to our Board of Directors extensive investment management expertise gained from more than 30 years of experience as an investment professional, portfolio manager or principal. As founder and President of Ravengate Partners, a firm that has been educating and advising businesses and not-for-profit institutions about the financial markets and global macro economy since 1999, Ms. Chadwick's insights into the investment industry's perspectives is valuable to the Board's financial planning and strategy discussions. Her knowledge of capital markets is particularly helpful to WEC Energy Group and its subsidiaries, which operate in a capital intensive industry and consistently access the capital markets. Ms. Chadwick serves as a director and committee member on the boards of two registered investment companies, VOYA Mutual Funds and The Royce Funds, through which she has developed extensive governance experience with respect to audit oversight and financial reporting. As a board director and Finance Committee member of AMICA Mutual Insurance Company, she has gained a deep understanding of insurance risk management and oversight matters, which is valuable experience that she applies to her role on the WEC Energy Group Finance Committee.

Curt S. Culver
Age: 66
Director Since: 2004
Board Committees: Corporate Governance; Finance (Chair)

- MGIC Investment Corporation - Non-Executive Chairman of the Board since March 2015. Served as Chairman from 2005 to February 2015, CEO from 2000 to February 2015, and President from 1999 to 2006. MGIC Investment Corporation is the parent of Mortgage Guaranty Insurance Corporation.
- Mortgage Guaranty Insurance Corporation - Non-Executive Chairman of the Board since March 2015. Served as Chairman from 2005 to February 2015, CEO from 1999 to February 2015, and President from 1996 to 2006. Mortgage Guaranty Insurance Corporation is a private mortgage insurance company.
- Director of MGIC Investment Corporation since 1999.
- Director of WEC Energy Group since 2004; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2004 to June 2015.

Core competencies, qualifications and experience
Having served for 15 years as the CEO of Mortgage Guaranty Insurance Corporation and its parent company, MGIC Investment Corporation, Mr. Culver brings to our Board of Directors a strong working knowledge of the strategic, economic, and public policy issues facing a large, regulated, publicly-held company headquartered in Milwaukee, Wisconsin. His expertise in risk management and oversight is particularly valuable in his service as chair of the Finance Committee, while his insurance industry experience puts him in a position to lead the Committee's evaluation of the Company's overall risk management program. Mr. Culver's broad corporate governance experience, developed from his extensive past and present service on the MGIC boards, as well as several highly-visible Milwaukee-area non-profit entities and two private for-profit organizations, is of great value to the Board as it carries out its oversight

responsibilities.

Danny L. Cunningham
Age: 63
Director Since: 2018
Board Committees: Audit and Oversight

- Deloitte & Touche LLP - Retired Partner and Chief Risk Officer. Served as Partner from 2002 to 2015 and as Chief Risk Officer from 2012 to 2015. Deloitte & Touche LLP is an industry-leading audit, consulting, tax, and advisory firm.
- Director of Actuant Corporation since 2016.
- Director of WEC Energy Group since January 2018.

Core competencies, qualifications and experience

Mr. Cunningham brings to our Board of Directors more than 30 years of experience serving public audit clients in a broad array of industries, including manufacturing, printing, process, software, and financial services, as well as a deep understanding of the business, economic, compliance, and governmental environment in which the Company and many of the Company's major customers operate. Mr. Cunningham’s strong expertise in financial reporting, internal controls, and audit functions are of great value to the Board as it fulfills its responsibility for oversight of the Company's accurate preparation of financial statements and disclosures, and compliance with legal and regulatory requirements. Having served as chief risk officer at
Deloitte & Touche LLP, he gained keen insights into the complexities of risk management, through which he applies his expertise in assessing the effectiveness of the Company's practices and policies to mitigate enterprise-wide risks. Mr. Cunningham’s multi-national experience brings the added diversity of a global perspective to the Board as it evaluates its strategic objectives, while his past service on the boards of several major Milwaukee-area not-for-profit organizations equips him to contribute thoughtful insights on issues impacting the city’s culture, workforce, and economic vitality.

William M. Farrow III
Age: 63
Director Since: 2018
Board Committees: Finance

- Winston and Wolfe, LLC - Chairman and Chief Executive Officer since 2010. Winston and Wolfe LLC is a privately held technology development and advisory company.
- Urban Partnership Bank - Retired President and CEO from August 2010 to January 2018. UPB provides financial services in moderate income communities located in Chicago, Detroit and Cleveland.
- Director of CBOE Global Markets Inc. since 2016; Director of Echo Global Logistics Inc. since 2017.
- Director of WEC Energy Group since January 2018.

Core competencies, qualifications and experience

Mr. Farrow brings to our Board of Directors 40 years of senior leadership experience in managing business operations, technology development, enterprise risk and strategy. His extensive professional experience in the banking and financial markets, accompanied by knowledge acquired from his service on the boards of CBOE Global Markets and the Federal Reserve Bank of Chicago, enables him to add significant value to the Board’s oversight of the Company’s financial management strategy. His first-hand experience and perspectives in addressing advances in information technology, as well as the experience he’s gained as a current board member on the Audit Committee for both CBOE Global Markets and Echo Global Logistics, is particularly valuable to the Board as WEC Energy Group companies address complex risks, including those associated with protecting operating systems and assets against physical and cyber threats. Having spent his career in the City of Chicago, Mr. Farrow is also able to provide the Board with economic and public policy insight as it relates to conducting business in Chicago, which is further enhanced by the strong relationships he has developed with key leaders while serving on the boards of several highly-visible Chicago-area private, not-for-profit and community organizations. This is especially important given the sizable, long-term construction project that is underway by the Company's Illinois utility subsidiary to modernize the natural gas infrastructure in the City of Chicago, which requires ongoing collaboration with city and state government officials and regulatory agencies.

Thomas J. Fischer
Age: 71
Director Since: 2005
Board Committees: Audit and Oversight (Chair); Compensation; Executive

- Fischer Financial Consulting LLC - Principal since 2002. Fischer Financial Consulting LLC provides consulting on corporate financial, accounting, and governance matters.
- Director of Actuant Corporation from 2003 to January 2017; Director of Badger Meter, Inc. since 2003; Director of Regal Beloit Corporation since 2004.
- Director of WEC Energy Group since 2005; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2005 to June 2015.

Core competencies, qualifications and experience

Mr. Fischer provides our Board of Directors with significant expertise in accounting and auditing matters, including financial reporting and regulatory compliance, risk assessment and management, and corporate governance issues. His experience in these areas comes from 33 years of work at Arthur Andersen, a large, international independent accounting firm, where for 22 years, he served as a partner responsible for services provided to large, complex public and private companies and several public utility audits. Since 2002, Mr. Fischer has provided consulting services to companies in the areas of corporate financial, accounting, and governance matters. Mr. Fischer, who is a Certified Public Accountant, brings extensive knowledge and experience to his responsibilities as WEC Energy Group's Audit and Oversight Committee Chair as a result of his past and present service on several other audit committees at public companies based in Wisconsin. His significant expertise is invaluable to WEC Energy Group's Board as it navigates a complex and evolving regulatory compliance landscape.

J. Kevin Fletcher
Age: 60
Director Since: 2019

- WEC Energy Group, Inc. - CEO since February 2019; President since October 2018.
- Wisconsin Electric Power Company (subsidiary of WEC) - Chairman of the Board and Chief Executive Officer since February 2019; President from May 2016 to November 2018; Executive Vice President-Customer Service and Operations from June 2015 to May 2016; Senior Vice President-Customer Operations from October 2011 to June 2015.
- Director of WEC Energy Group, Inc. since February 2019; Director of Wisconsin Electric Power Company since June 2015.
- Mr. Fletcher also serves as an executive officer and/or director of several other major subsidiaries of WEC Energy Group.

Core competencies, qualifications and experience

Mr. Fletcher has more than 40 years of experience working in the public utility industry, including nearly 25 years at a senior leadership level. Prior to joining the Company in 2011, Mr. Fletcher served as Senior Vice President-Community and Economic Development at Georgia Power, the largest subsidiary of The Southern Company, a public utility holding company serving the southeastern United States. During his 34-year career with Southern Co., 16 of those years as an officer, Mr. Fletcher held leadership positions in operations, customer service, marketing and sales. When he first joined WEC Energy Group, he served as Senior Vice President-Customer Operations of its utility subsidiaries, with overall responsibility for the planning, engineering, construction, operation and maintenance of the Company’s electric and natural gas distribution systems in Wisconsin and Michigan’s Upper Peninsula. In May 2016, he was appointed to serve as President of the Company’s Wisconsin utility subsidiaries, and assumed responsibilities as President of the Company’s Minnesota and Michigan utility subsidiaries in September 2018. In October 2018, Mr. Fletcher was appointed President of WEC Energy Group, followed by his appointment to CEO in February 2019, whereby he has financial and operational responsibility for all of the Company's utility subsidiaries. He also has held responsibility for the supplier diversity initiative across all of the Company’s utilities. With his extensive experience in business operations, customer service, and senior leadership of publicly regulated utilities, Mr. Fletcher contributes substantive insight into the Company’s industry and customers, to the management team, and to the Board.

Gale E. Klappa
Age: 68
Director Since: 2003
Board Committee: Executive (Chair)

- WEC Energy Group, Inc. - Executive Chairman since February 2019; Chairman of the Board and CEO from 2004 to May 2016 and October 2017 to February 2019; Non-Executive Chairman of the Board from May 2016 to October 2017; President from 2003 to August 2013.
- Wisconsin Electric Power Company (subsidiary of WEC) - Chairman of the Board from 2004 to May 2016 and January 2018 to February 2019; CEO from 2003 to May 2016 and January 2018 to February 2019; President from 2003 to June 2015.
- Director of Associated Banc-Corp since 2016 and Director of Badger Meter, Inc. since 2010, both headquartered in Wisconsin; Director of Joy Global Inc. from 2006 to 2017.
- Director of WEC Energy Group, Inc. since 2003; Director of Wisconsin Electric Power Company from 2003 to May 2016 and January 2018 to present.
- Mr. Klappa also serves a director of several other major subsidiaries of WEC Energy Group.

Core competencies, qualifications and experience
Mr. Klappa has more than 40 years of experience working in the public utility industry, including more than 25 at a senior executive level. He retired as the Company's CEO in May 2016, at which time he assumed the role of Non-Executive Chairman of the Board. Prior to joining the Company in 2003, Mr. Klappa served in various executive leadership roles at The Southern Company, a public utility holding company serving the southeastern United States. Under his leadership, WEC Energy Group successfully completed its 2015 acquisition of Integrys Energy Group, which nearly doubled the employee and customer population, and increased the Company’s geographic footprint to four states. With his extensive experience in the business operations and C-suite leadership of publicly regulated utilities, his service as a board member for several other public companies, and his contributions to significant economic development initiatives in southeastern Wisconsin, Mr. Klappa has led the Board with a deep understanding of the financial investment decisions and public policy issues facing large public companies. In October 2017, after the Company’s then-CEO, Allen Leverett, suffered a stroke, the Board appointed Mr. Klappa to serve in the role of CEO, while also having him retain his role of Board Chairman. With the appointment of Mr. Fletcher as CEO effective February 2019, Mr. Klappa now serves as Executive Chairman. Mr. Klappa’s deep knowledge of the Company’s industry, customers, stockholders, and management team is of great value to the Board.

Henry W. Knueppel
Age: 70
Director Since: 2013
Board Committees: Audit and Oversight; Corporate Governance

- Regal Beloit Corporation - Retired Chairman of the Board and CEO. Served as CEO from 2005 to 2011 and as Chairman from 2006 to 2011. Regal Beloit Corporation is a leading manufacturer of electric motors, mechanical and electrical motion controls, and power generation products.
- Harsco Corporation - Independent, Non-Executive Chairman of the Board from September 2012 until September 2014. Served as Interim Chairman and CEO from February 2012 to September 2012 and Director from 2008 to April 2016. Harsco Corporation is a diversified, worldwide industrial services company.
- Director of Regal Beloit Corporation since 1987; Director of Snap-on Incorporated since 2011.
- Director of WEC Energy Group since 2013; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2013 to June 2015.

Core competencies, qualifications and experience

With more than 30 years of senior management experience at Regal Beloit Corporation, including five years as the combined Chairman of the Board and CEO, Mr. Knueppel brings extensive executive management experience to our Board of Directors, including strategic planning, financial strategy and talent management perspective. Regal Beloit Corporation is a Wisconsin-based manufacturer of electrical motors, mechanical and electrical motion controls, and power generation products, which gives Mr. Knueppel knowledge of key equipment used in the Company's operations. He currently serves on the boards of several large, publicly-traded industrial companies and provides the Board with perspective on operational matters the Company faces in serving its large commercial and industrial customers. Mr. Knueppel also brings to the Board a wide range of knowledge and experience in corporate governance, having served for more than 30 years as a director for several publicly-traded companies, including his role as the independent, non-executive chairman of the board of Harsco Corporation.

Allen L. Leverett
Age: 52
Director Since: 2016

- WEC Energy Group, Inc. - President from August 2013 to October 2018; CEO from May 2016 to October 2017; Executive Vice President from 2004 through July 2013; CFO from 2003 until 2011. Mr. Leverett also served as the principal executive officer of WEC Energy Group's generation operations from 2011 to May 2016.
- Wisconsin Electric Power Company (subsidiary of WEC) - Chairman of the Board and CEO from May 2016 through December 2017; President from June 2015 to May 2016; Executive Vice President from 2004 through June 2015; CFO from 2003 until 2011.
- Director of WEC Energy Group since January 2016; Director of Wisconsin Electric Power Company from June 2015 to January 2018.

Core competencies, qualifications and experience

Having worked in the public utility industry for nearly 25 years, Mr. Leverett has a deep understanding of the complexities of the Company's industry, operations, and regulatory environment, while having built extensive senior leadership experience. Mr. Leverett served in executive positions at Georgia Power and Southern Company Services, where he held overall responsibility for financial planning and analysis, capital markets and leasing, treasury, and investor relations. He joined WEC Energy Group in 2003 as CFO and proceeded to hold numerous executive positions, including President and CEO of the Company's power generation group, with overall responsibility for the electric generation portfolio, fuel procurement, environmental compliance, and renewable energy development strategy. Following the Company's acquisition of Integrys Energy Group in June 2015, Mr. Leverett served as President of the Company's utilities located in Wisconsin, Michigan, and Minnesota through early 2016. Effective May 1, 2016, Mr. Leverett was appointed as CEO of WEC Energy Group and served in that role until October 2017, when he suffered a stroke and began a medical leave of absence. In October 2018, Mr. Leverett resigned as President of the Company, while retaining his role as a member of the Board. Mr. Leverett's experience and insights in running a regulated public company serve as critical inputs to the Board's oversight of the Company's long-term strategic plan.

Ulice Payne, Jr.
Age: 63
Director Since: 2003
Board Committees: Compensation; Executive; Finance

- Addison-Clifton, LLC - Managing Member since 2004. Addison-Clifton, LLC provides global trade compliance advisory services.
- Director of Foot Locker, Inc. since December 2016; Director of Manpower Group since 2007; Trustee of The Northwestern Mutual Life Insurance Company since 2005.
- Director of WEC Energy Group since 2003; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2003 to June 2015.

Core competencies, qualifications and experience

Mr. Payne brings to our Board of Directors strong senior leadership and public service experience within the greater Milwaukee community and State of Wisconsin, having previously served in roles that included the Securities Commissioner for the State of Wisconsin, managing partner of the Milwaukee office of the law firm Foley & Lardner LLP, and president and CEO of the Milwaukee Brewers Baseball Club, Inc. In addition, Mr. Payne is involved in numerous Milwaukee-area non-profit entities, making him well-positioned to provide the Board with perspective on the economic and social issues affecting the greater Milwaukee area, as well as a broad spectrum of the Company's customers. As founder and President of Addison-Clifton, LLC, which provides global trade compliance consulting, Mr. Payne understands the importance of providing clients with exceptional customer service, a focus that is critical to execution of WEC Energy Group's strategic initiatives. Mr. Payne also contributes valuable financial and risk assessment insights gained throughout his career, including from his past and present service on the boards of several public companies, for which he has served as a member of the Audit, Finance, and/or Corporate Governance committee at each of these companies.

Mary Ellen Stanek
Age: 62
Director Since: 2012
Board Committee: Finance

- Baird Financial Group - Managing Director and Director of Asset Management since 2000. Baird Financial Group provides wealth management, capital markets, private equity, and asset management services to clients worldwide.
- Baird Advisors - Chief Investment Officer since 2000. Baird Advisors is an institutional fixed income investment advisor.
- Baird Funds, Inc. - President since 2000. Baird Funds is a publicly registered investment company.
- Trustee of The Northwestern Mutual Life Insurance Company since 2009.
- Director of Journal Media Group, Inc. and its predecessor companies from 2002 to April 2016.
- Director of WEC Energy Group since 2012; Director of Wisconsin Electric Power Company (subsidiary of WEC) from 2012 to June 2015.

Core competencies, qualifications and experience
Ms. Stanek, who is a Chartered Financial Analyst, brings to our Board of Directors extensive financial and investment strategy expertise, resulting from over 40 years of investment management experience. As Managing Director and Director of Asset Management of Baird Financial Group, a position she has held since 2000, Ms. Stanek's expertise in fixed income investments provides the Board and management with invaluable financial strategy insight relative to WEC Energy Group and its subsidiaries, which customarily issue debt securities as a means of raising capital. As a member of the WEC Energy Group Finance Committee, she also offers valuable perspective on insurance risk matters, having served for 15 years as a director of West Bend Mutual Insurance Company. In addition to her recognition as a prominent business leader in Milwaukee's financial community, Ms. Stanek has dedicated significant time to serving on the boards of a large number of Milwaukee-area non-profit organizations, through which she has developed strong relationships with key community leaders and stakeholders. From these experiences, she brings the Board insightful perspectives on issues impacting the culture and viability of today’s workforce.

GOVERNANCE

Accountability to stockholders is critical to the Company’s long-term success. We have mechanisms in place to ensure that management and the Board hear, understand, and consider the issues that matter most to our stockholders. This ongoing engagement provides valuable insight into how our stockholders view the Company’s practices and policies, shapes the processes used to evaluate goals and expectations, and identifies emerging issues that may affect our corporate governance and compensation practices.

STOCKHOLDER ENGAGEMENT

Under the Board’s oversight, Company leadership regularly engages with investors to discuss business results, strategic direction, and corporate governance and compensation practices through a year-round stockholder engagement program. The Company’s outreach and engagement program took many forms during 2018:

- Direct engagement by senior management with the Company’s stockholders to discuss issues of interest, including corporate governance, executive compensation, and corporate responsibility practices. These conversations are reported to the Board and are taken into consideration when reviewing and modifying governance and compensation practices and policies.
- Investor presentations conducted at analyst meetings and investor conferences across the U.S., Canada, and Europe.
- CEO, CFO, and other senior management meetings and conference calls with stockholders to discuss corporate strategy, financial and business performance, and to update stockholders on key developments.
- Invitations to investors to listen to Webcasts of the Annual Meeting and quarterly earnings conference calls, and to view the annual report, news releases, Securities and Exchange Commission ("SEC") filings, and other significant corporate publications on our Website.
- The opportunity to attend and voice opinions at our Annual Meeting.
- The ability for stockholders to submit stockholder proposals and director nominees, and to formally nominate director candidates using proxy access as permitted under our bylaws.
- Annual election of directors, who are elected by majority vote in uncontested elections.
- Annual advisory vote on our executive compensation program (“say-on-pay”).
- Strong Board committee structure, which allows the Board to focus on issues that matter most to our stockholders, including consideration of previous stockholder votes on say-on-pay, director elections, and other matters when developing policies and practices.
- Process for stockholders to directly correspond with individual directors via the Corporate Secretary page P-31.

Below is a summary of our yearly corporate governance practices related to stockholder engagement on environmental, social and governance ("ESG") topics.

SUMMER	FALL	WINTER	SPRING
• Review results from Annual Meeting of Stockholders • Engage with stockholders to discuss voting results • Conduct annual assessment of corporate governance practices to identify potential areas of focus • Discuss voting results, investor feedback, and annual assessment with	• Meet with institutional investors to discuss our governance and compensation practices and to address questions or concerns • Consider enhancements to our practices and disclosures based on investor feedback • Share investor feedback and recommendations for changes in practices and disclosures with Board committees and full Board	• Approve any changes to corporate governance and compensation practices • Develop disclosures for the proxy statement	• Publish annual disclosure documents (Form 10-K, Annual Report, Proxy Statement) • Hold Annual Meeting of Stockholders

Board

CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance Guidelines

In 1996, WEC Energy Group became one of the earliest adopters of a formal set of Corporate Governance Guidelines, which have been modified over the years in response to evolving governance best practices and stockholder expectations. To maintain effective guidelines, the Corporate Governance Committee annually reviews the Company’s governance practices, taking into consideration discussions with stockholders as part of our investor outreach and engagement program, industry surveys, and benchmarking studies, as well as governance guidelines published by institutional investors and proxy advisors.

Key governance practices adopted by the Board include:

GOVERNANCE PRINCIPLES		WEC ENERGY GROUP PRACTICES
Board composition	ü	• Annual election of directors since 2005 • 10 of 13 independent directors (based on director nominees) • Diverse representation of skills and competencies • Regular Board refreshment and mix of tenure • Comprehensive, ongoing Board succession planning process • Expectation that directors will dedicate sufficient time to perform duties
Board leadership	ü	• Separate CEO/Chair roles • Presiding independent director with defined duties • Chairman active in stockholder engagement and communications
Board governance practices	ü	• Expectation that directors participate in annual meeting with stockholders • Annual performance evaluations of CEO, Board, and Board committees • 100% independent Board Committees (except for the Executive Committee) • Board participation in critical activities, including agenda setting and strategic planning • Complete access to management and outside advisors for Board members • Stock ownership requirements • Regular executive sessions of independent directors at Board and committee meetings
Stockholder voting rights	ü	• Stockholders' ability to nominate directors; proxy access bylaw adopted in 2016 • One-share, one-vote standard; dual class voting is not practiced • Special meeting provisions
Executive compensation	ü	• Competitively tailored to business and industry, aligned with long-term performance and business strategy • Utilizes short- and long-term metrics, cash, and equity components; substantial portion is at risk • Public disclosure of peer groups, benchmarks, and performance measurements • Clawback policies for cash and equity; prohibition of hedging and pledging of Company securities • Stock ownership requirements

Business Conduct and Ethics

WEC Energy Group’s Code of Business Conduct, which was benchmarked and updated in 2017 to comport with best practices, addresses, among other things: conflicts of interest; confidentiality; fair dealing; protection and proper use of Company assets; and compliance with laws, rules, and regulations (including insider trading laws). All WEC Energy Group directors, executive officers, and employees, including the principal executive, financial, and accounting officers, have a responsibility to comply with WEC Energy Group’s Code of Business Conduct, to seek advice in doubtful situations, and to report suspected violations. The Company has not provided any waiver to the Code for any director, executive officer, or other employee.

The Company has several ways individuals can raise questions concerning WEC Energy Group's Code of Business Conduct and other Company policies. As one reporting mechanism, the Company has contracted with an independent service so that individuals can confidentially and anonymously report suspected violations of the Code of Business Conduct or other concerns, including those regarding accounting, internal accounting controls, or auditing matters.

Related Party Transactions/Conflicts of Interest

The Code of Business Conduct addresses, among other things, what actions are required when potential conflicts of interest may arise, including those from related-party transactions. Specifically, executive officers and members of the Board must obtain approval of the Audit and Oversight Committee Chair before: (1) obtaining any financial interest in or participating in any business relationship with any company, individual, or concern doing business with WEC Energy Group or any of its subsidiaries that might influence the individual's decisions or job performance; (2) participating in any joint venture, partnership, or other business relationship with WEC Energy Group or any of its subsidiaries; and (3) serving as an officer or member of the board of any substantial, outside for-profit organization. Furthermore, before serving as an officer or member of the board of any substantial, outside for-profit organization, the CEO must obtain the approval of the full Board; members of the WEC Energy Group Board must obtain the prior approval of the Corporate Governance Committee. In addition, executive officers must obtain the prior approval of the CEO before accepting a position with a substantial non-profit organization; members of the Board must notify the Compliance Officer when joining the board of a substantial non-profit organization, but do not need to obtain prior approval.

WEC Energy Group's Code of Business Conduct also requires employees and directors to notify the Compliance Officer of situations where family members are a supplier or significant customer of WEC Energy Group or employed by one. To the extent the Compliance Officer deems it appropriate, he will consult with the Audit and Oversight Committee Chair in situations involving executive officers and members of the Board.

BOARD LEADERSHIP

Leadership Structure

Consistent with WEC Energy Group's bylaws and our Corporate Governance Guidelines, the Board retains the right to exercise its discretion in combining or separating the offices of Chief Executive Officer and Chairman of the Board. From May 1, 2016 to October 12, 2017, the office of the CEO was separated from the office of Chairman of the Board. Gale Klappa served as Non-Executive Chairman and Allen Leverett served as CEO. On October 12, 2017, the Board appointed Gale Klappa to serve as CEO during Mr. Leverett's medical leave. Mr. Klappa served as Chairman and CEO until February 1, 2019, when the Board appointed J. Kevin Fletcher as CEO and named Mr. Klappa as Executive Chairman of the Board, thus again separating the CEO and Chair positions.

Independent Presiding Director

Our Corporate Governance Guidelines detail the specific duties to be performed by the Board's Independent Presiding Director, a position that is currently held by Director Bowles, Chair of the Corporate Governance Committee. Duties of this role include:

- presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the non-management directors;
- serves as liaison between the CEO and the independent directors under most circumstances, although each individual director has full access to the CEO;
- has authority to call meetings of the independent directors;
- reviews and provides input to meeting agendas for the Board and its Committees;
- reviews meeting schedules to assure there is sufficient time for discussion of all agenda items;
- reviews all proposed changes to committee charters; and
- leads the annual Board evaluation.

RISK OVERSIGHT

The Board has overall responsibility for risk oversight and oversees the Company's risk environment and associated management practices as part of its evaluation of the Company's ongoing operations and strategic direction. During meetings of the Board and its committees, directors receive regular briefings from management on specific areas of risk, as well as emerging risks to the enterprise.

While it has retained oversight of certain broad risks that could impact the Company's long-term strategy, including, for example, climate change risk, the Board has delegated certain risk monitoring responsibilities to its committees. With the exception of the Executive Committee, each of the Board's committees regularly reports to the full Board on risks that fall within designated areas of responsibility, as described in each committee's respective charter. Examples of risk monitoring activity that have been designated to committees is shown in the chart below. More information on the committees' duties and responsibilities begins on page P-27.

Executive sessions for the non-management directors are generally held at every regularly scheduled committee meeting, during which committees have direct access to, and meet as needed with, Company representatives without other management present to discuss matters related to, among other things, risk management. Outside of scheduled meetings, the Board, its committees, and individual Board members have full access to senior executives and other key employees, including the CEO, CFO, General Counsel, Chief Audit Officer, Compliance Officer, Chief Information Officer, and Controller.

The Company has an Enterprise Risk Steering Committee, comprised of senior-level management employees whose purpose is to foster an enterprise-wide approach to identifying and managing risk. The Audit Services department conducts a semiannual enterprise risk assessment, and as part of this process, business leaders identify existing, new, or emerging issues or changes within their business areas that could have enterprise implications. Senior management is tasked with ensuring that these risks and opportunities are appropriately addressed. The results of these risk management efforts are reported to the executive leadership team and are the subject of regular reports to the Board.

The Board believes that its leadership structure and enterprise risk management program support the risk oversight function of the Board.

ENVIRONMENTAL AND SOCIAL GOVERNANCE

The Board is vigilant in its oversight of management’s strategic decision-making as it navigates important developments in our industry, including new technologies, customer preferences, commodity prices, energy resiliency efforts, and ESG initiatives. Examples of how the Company’s ESG practices are aligned with the needs of our stakeholders and support the well-being of the areas we serve are provided here.

Environmental Stewardship

Protecting the environment is a responsibility we take seriously. Since 2000, the Company has invested in repowered generating facilities, renewable energy projects, state-of-the-art air quality control systems, power grid upgrades, and additional environmental protection technologies that position our electric generating companies well for the future.

We are working with our industry partners, environmental groups, and the State of Wisconsin to reduce carbon dioxide emissions, and we have set a two-part goal:

- 40 percent reduction below 2005 levels by 2030
- 80 percent reduction below 2005 levels by 2050

We are collaborating with Electric Power Research Institute and other industry members on the analysis of potential pathways beyond 2030 for electric companies, taking into account International Energy Agency’s 2-degree scenario and other publicly available data.

Social Performance

Our employees are the bedrock of our business, driving key corporate initiatives focused on safety, diversity and inclusion, and talent development.

- Since 2008, the total number of OSHA-recordable and lost-time incidents have been reduced by 59 and 51 percent, respectively.
- Forbes included WEC Energy Group in its 2019 ranking of 'Best Employers for Diversity' and in its 2017 ranking of 'America's Best Employers.'
- We conducted a Company-wide, confidential employee engagement survey in 2018 to gauge employees' perceptions of their work, their leadership and the Company as a whole; leadership is using the results to actively address areas where the need for improvement was identified.

We are also deeply committed to our customers, suppliers, and communities.

- Again in 2018, WEC was recognized by Corporate Responsibility Magazine as one of the 100 best corporate citizens in America.
- In 2018, We Energies was named the most reliable utility in the Midwest for the eighth consecutive year by PA Consulting Group.
- Our companies spent more than $263.1 million in 2018 with certified minority-, women-, veteran- or service disabled-owned businesses, a nearly 50 percent increase over 2016.

Commitment to Reporting Transparency

In addition to engaging directly with stakeholders on environmental and social issues, we are committed to enhancing our transparency on these matters through a variety of reporting mechanisms, including:

- In 2019, the Company will issue its 18th annual Corporate Responsibility Report, covering our ESG performance in 2018.
- In 2019, the Company will issue its first report focused on climate change.
- For more than a decade, the Company has disclosed information regarding operations and ESG goals, risks and opportunities to CDP; the 2018 survey responses on climate and water can be found on the Company's website.
- The Company contributed to Edison Electric Institute's development of a template designed to make ESG metrics and information more accessible to investors and comparable across the electric sector.
- See the Corporate Responsibility section of our website for more details: www.wecenergygroup.com/csr

BOARD AND COMMITTEE PRACTICES

Board Meetings and Executive Sessions

During 2018, the Board met nine times and executed one written unanimous consent. All directors attended more than 75% of the total number of meetings of the Board and Board committees on which he or she served with the exception of Mr. Leverett who was excused for medical reasons. Mr. Leverett has consistently attended Board meetings since his return. Generally, all directors are expected to attend the Company's Annual Meetings of Stockholders. With the exception of Messrs. Bergstrom and Leverett, all directors attended the Annual Meeting of Stockholders held on May 3, 2018.

At every regularly scheduled Board and committee meeting, executive sessions are scheduled, and are generally held, for the non-management directors to meet without management present.

Director Orientation and Continuing Education
Management takes very seriously its responsibility to onboard new directors and continuously educate existing directors on the unique and complex issues inherent in operating a public company in the regulated utility industry.

Management has created a robust orientation program that introduces new directors to the Company's organizational structure, businesses, strategies, risks and opportunities, which assists new directors in developing company and industry knowledge to optimize their service on the Board. Directors Cunningham and Farrow engaged in a substantive orientation program throughout 2018, which included both in-house and field programming.

Opportunities to participate in regular continuing education are provided to the directors in the form of internally developed materials and presentations, programs presented by third parties, and financial support to attend qualifying academic or other independent programs, which help our directors enhance the skills and knowledge needed to carry out their responsibilities. During 2018, management facilitated numerous educational programs in which both Company and third-party experts presented to and discussed with the directors a variety of strategic and industry-related topics.

Succession Planning
Board Succession Planning
The Board is regularly engaged in rigorous discussions on Board succession planning, taking into consideration matters such as: current inventory of director skills; diversity, including gender, ethnicity, retirement age, and tenure; and future competencies needed to support appropriate oversight of the Company's strategic initiatives, financial and operational performance, and enterprise risks. During 2018, these discussions took into consideration the impact of Directors Bergstrom and Brodsky completing their service on the Board in May 2019, as well as the fact that multiple other directors will reach retirement age over the next two years. The election of Directors Cunningham and Farrow in 2018, and the election of Director Fletcher in February 2019, added skills and perspectives to the Board in areas it had determined were essential for carrying out its oversight responsibilities.

Management Succession Planning
The Compensation Committee, which has responsibility for reviewing organizational changes that have a significant impact on the Company, as well as reviewing succession plans for executive officers, held numerous discussions throughout 2018 to ensure continuity with respect to a number of organizational matters that occurred. The Committee also reviewed the Company's recruiting and development programs, which included updates on key talent, as well as workforce demographics across the organization.

Throughout 2018, the Board was also actively engaged in oversight of the executive succession planning process. The Board spent considerable time discussing the progress of Mr. Leverett's recovery with respect to his potential return to his executive duties. It also devoted significant time to evaluating alternatives in the event that Mr. Leverett did not return in an executive capacity.

In October 2018, Mr. Leverett resigned from his duties as President of WEC Energy Group, while retaining his position as a Board director. The Board approved of management's plan for a series of internal promotions, including appointing Mr. Fletcher as President, and associated reorganization activities in response to Mr. Leverett's resignation. Effective February 1, 2019, the Board appointed Mr. Fletcher as CEO of WEC Energy Group to succeed Mr. Klappa, who was appointed Executive Chairman.

The Board also approved the creation of the Office of the Chair comprised of four industry veterans: Gale Klappa, J. Kevin Fletcher, Scott Lauber, and Frederick Kuester. The Board believes this structure is appropriate to continue the smooth transition in leadership following Mr. Leverett's resignation as an active employee. This structure solidifies a strong and seasoned leadership team with the experience and skills needed to establish and carry out the Company's strategies, and provides the Company with strong and balanced executive leadership.

Annual Performance Evaluations

CEO Performance

The Compensation Committee, on behalf of the Board, annually evaluates the performance of the CEO and reports the results to the Board. The CEO is evaluated in a number of areas including leadership, vision, financial stewardship, strategy development and execution, management development, effective communication with constituencies, demonstrated integrity, and effective representation of the Company in community and industry affairs.

As part of this practice, the Compensation Committee obtains from each non-management director his or her input on the CEO's performance, which is summarized and then discussed in executive session with all non-management directors. The Chair of the Compensation Committee shares the evaluation results with the CEO. This procedure allows the Board to evaluate the CEO and to communicate the Board's expectations. The process is also used by the Compensation Committee to determine appropriate compensation for the CEO. This process was completed for Mr. Klappa in December 2018.

Board Performance
The Board annually evaluates its own performance, a process that is led by the Independent Presiding Director. The Board uses a framework of questions developed by the National Association of Corporate Directors to conduct the performance evaluation. Each director independently considers several “reflection” questions, in addition to a list of questions that fall within five broad categories: board composition and leadership; board committees; board meetings; overall effectiveness of the Board; and overall effectiveness of the Board with regard to management.

The Independent Presiding Director uses this framework to provide each Board member an opportunity to speak candidly during one-on-one discussion sessions. At the conclusion of the individual feedback sessions, the Independent Presiding Director leads the Corporate Governance Committee and the Board through a group discussion of key takeaways. This evaluation process was conducted in November and December of 2018, following which the Corporate Governance Committee and the Board discussed the findings at their meetings in January 2019. It is routine practice for the Board to incorporate recommendations from its evaluation process into new standard practices, and the Corporate Governance Committee routinely uses the results of this process to foster continuous improvement of the Board’s governance activities.

Committee Performance
Each committee, except the Executive Committee, conducts an annual performance evaluation of its own activities and reports the results to the Board. During this evaluation, each committee compares its performance against the requirements of its charter and its annual planning calendar; contemplates a series of questions related to the qualifications and performance of committee members; considers the quality and quantity of information provided to the committee in advance of its meetings; and evaluates the effectiveness of the processes the committee uses to carry out its oversight responsibilities. The results of the annual evaluations are used by each committee to identify its strengths and areas where its governance practices can be improved. Each committee may recommend changes to its charter to the full Board based upon the evaluation results.

BOARD COMMITTEES
The Board of Directors has the following committees: Audit and Oversight, Compensation, Corporate Governance, Finance, and Executive. Each committee, except the Executive Committee, operates under a charter approved by the Board, which can be found on our website at www.wecenergygroup.com/govern/committee-comp.htm. With the exception of the Executive Committee, only independent directors serve on the standing committees.

Directors John Bergstrom and William Brodsky will complete their service as directors in 2019 and thus are not serving as nominees for re-election at the 2019 Annual Meeting. Mr. Brodsky currently serves as a member of the Finance Committee. Mr. Bergstrom currently chairs the Compensation Committee and is a member of the Audit and Oversight Committee.The Board is finalizing its plan for appointing a new Compensation Committee Chair.

Audit and Oversight

Members	Key Responsibilities
Thomas J. Fischer, Chair John F. Bergstrom Barbara L. Bowles Patricia W. Chadwick Danny L. Cunningham	• Oversee the integrity of the financial statements. • Oversee management compliance with legal and regulatory requirements. • Review the Company's environmental and compliance programs. • Review, approve, and evaluate the independent auditors’ services. • Oversee the performance of the internal audit function and independent auditors. • Discuss risk management and major risk exposures and steps taken to monitor and control such exposures.

Henry W. Knueppel	• Establish procedures for the submission and treatment of complaints and concerns regarding the Company’s accounting controls and auditing matters.
2018 Meetings: 6	• Prepare the audit committee report required by the SEC for inclusion in the proxy statement.

The Audit and Oversight Committee is a separately designated committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The Audit and Oversight Committee consists solely of independent directors who meet the independence requirements of the SEC, NYSE and the Board's Corporate Governance Guidelines. In addition, the Board has determined that all of the members of the Audit and Oversight Committee are financially literate as required by NYSE rules and qualify as audit committee financial experts within the meaning of SEC rules.

Compensation Members	Key Responsibilities
John F. Bergstrom, Chair Thomas J. Fischer Ulice Payne, Jr. 2018 Meetings: 6	• Determine and annually review the Compensation Committee's compensation philosophy. • Oversee the development of competitive, performance-based executive and director compensation programs. • Review and approve the compensation paid to select employees, including certain senior officers and executive officers (including base salaries, incentive compensation, and benefits). • Establish and administer the CEO compensation package. • Set performance goals relevant to the CEO's compensation. • Annually evaluate CEO performance and determine compensation adjustments. • Oversee succession planning and assignments to key executive officers. • Prepare the report required by the SEC for inclusion in the proxy statement. • Review the results of the most recent stockholder advisory vote on compensation of the NEOs.

The Compensation Committee consists solely of independent directors who meet the independence requirements of the SEC, NYSE and the Board's Corporate Governance Guidelines.

The Compensation Committee is also charged with administering the compensation package of WEC Energy Group's non-management directors. The Compensation Committee meets with the Corporate Governance Committee annually to review the compensation package of WEC Energy Group's non-management directors and to determine the appropriate amount of such compensation.

The Compensation Committee, which has authority to retain advisers, including compensation consultants, at WEC Energy Group's expense, retained Frederic W. Cook & Co., Inc. ("FW Cook") to analyze and help develop the Company's executive compensation program, and to assess whether the compensation program is competitive and supports the Committee's objectives. FW Cook also assesses and provides recommendations on non-management director compensation, as discussed in more detail on page P-32. FW Cook is engaged solely by the Compensation Committee to provide executive compensation consulting services, and does not provide any additional services to the Company.

In connection with its retention of FW Cook, the Compensation Committee reviewed FW Cook's independence including: (1) the amount of fees received by FW Cook from WEC Energy Group as a percentage of FW Cook's total revenue; (2) FW Cook's policies and procedures designed to prevent conflicts of interest; and (3) the existence of any business or personal relationships that could impact independence. After reviewing these and other factors, the Compensation Committee determined that FW Cook is independent and the engagement did not present any conflicts of interest. FW Cook also determined that it was independent from the Company's management, which was confirmed in a written statement delivered to the Compensation Committee.

For more information regarding our executive and director compensation processes and procedures, please refer to "Compensation Discussion and Analysis" beginning on page P-35 and to "Director Compensation" beginning on page P-32, respectively.

Corporate Governance Members	Key Responsibilities
Barbara L. Bowles, Chair Albert J. Budney, Jr. Curt S. Culver Henry W. Knueppel 2018 Meetings: 3	• Establish and annually review the Corporate Governance Guidelines to verify that the Board is effectively performing its fiduciary responsibilities to stockholders. • Establish and annually review director candidate selection criteria. • Identify and recommend candidates to be named as nominees of the Board for election as directors. • Lead the Board in its annual review of the Board's performance.

The Corporate Governance Committee consists solely of independent directors who meet the independence requirements of the NYSE and the Board's Corporate Governance Guidelines.

Finance Members	Key Responsibilities
Curt S. Culver, Chair William J. Brodsky Patrica W. Chadwick William M. Farrow III Ulice Payne, Jr. Mary Ellen Stanek	• Review and monitor the Company’s current and long-range financial policies and strategies, including our capital structure and dividend policy. • Authorize the issuance of corporate debt within limits set by the Board. • Discuss policies and financial programs with respect to financial risk management. • Approve the Company’s financial plan, including the capital budget.

2018 Meetings: 4

The Finance Committee consists solely of independent directors who meet the independence requirements of the NYSE and the Board's Corporate Governance Guidelines.

Executive

The Board also has an Executive Committee, which may exercise all powers vested in the Board except action regarding dividends or other distributions to stockholders, filling Board vacancies, and other powers which by law may not be delegated to a committee or actions reserved for a committee comprised of independent directors. The members of the Executive Committee are Gale E. Klappa (Chair), John F. Bergstrom, Barbara L. Bowles, Thomas J. Fischer, and Ulice Payne, Jr. The Executive Committee did not meet in 2018.

WHERE TO FIND MORE INFORMATION ON GOVERNANCE

You can find our Corporate Governance Guidelines, Code of Business Conduct, and other corporate governance materials, including WEC Energy Group’s Restated Articles of Incorporation, Bylaws, Board committee charters and Board contact information, on the Corporate Governance section of our website at www.wecenergygroup.com/govern/governance.htm. You can request copies of these materials from the Corporate Secretary at the address provided below under “Communicating with the Board."

COMMUNICATING WITH THE BOARD

Correspondence may be sent to the directors, including the non-management directors, in care of the Corporate Secretary, Margaret C. Kelsey, at the Company’s principal business office, 231 W. Michigan Street, PO Box 1331, Milwaukee, Wisconsin 53201. All communications received as set forth above will be opened by the Corporate Secretary for the sole purpose of confirming the contents represent a message to the Company’s directors. Pursuant to instructions from the Board of Directors, all communication, other than advertising, promotion of a product or service, or patently offensive material, will be forwarded promptly to the addressee.

DIRECTOR COMPENSATION

Consistent with its charter, the Compensation Committee seeks to maintain a competitive director compensation program that enables the Company to attract and retain key individuals and to motivate them to help the Company achieve its short- and long-term goals. As such, the committee is responsible for reviewing key market-based trends in director compensation and benefits packages and for recommending changes to the Board, as appropriate, that will attract and retain quality directors. The Committee's charter authorizes it to engage consultants or advisors in connection with its review and analysis of director compensation. The Compensation Committee used FW Cook during 2018 for this purpose. Directors who are also employees of the Company do not receive additional compensation for service as a director.

2018 Compensation of the Board of Directors

The following table describes the components of the non-management director compensation program during 2018. The Compensation Committee believes that this program:

- is equitable based upon the work required of directors serving an entity of the Company's size and scope, and
- ties the majority of director compensation to stockholder interests because the value of the equity awards fluctuates depending upon the Company's stock price.

Compensation Element	2018 Non-Management Director Compensation Program
Annual Cash Retainer	$100,000, which may be deferred at the director's option
Annual Equity Retainer	$135,000 in restricted stock, which vests one year from grant date
Annual Committee Chair Fees	
Audit and Oversight	$20,000 paid in $5,000 quarterly increments
Compensation	$15,000 paid in $3,750 quarterly increments
Corporate Governance	$15,000 paid in $3,750 quarterly increments
Finance	$15,000 paid in $3,750 quarterly increments
Board and Committee Meeting Fees	None
Stock Ownership Guideline	Ownership of common stock or deferred stock units that have a value equal to five times the annual cash retainer for non-management directors to be satisfied within five years of joining the Board

Insurance is also provided by the Company for director liability coverage, fiduciary and employee benefit liability coverage, and travel accident coverage for director travel on Company business. The premiums paid for this insurance are not included in the amounts reported in the table below.

The Company reimburses directors for all out-of-pocket travel expenses. These reimbursed amounts are not reflected in the table below.

Deferred Compensation Plan. Non-management directors may defer all or a portion of their cash fees pursuant to the Directors' Deferred Compensation Plan. Directors have two investment options in the plan - the Company's phantom stock measurement fund or a prime rate fund. The value of the phantom stock measurement fund appreciates or depreciates based upon market performance of the Company's common stock, and it also grows through the accumulation of reinvested dividend equivalents. Deferral amounts are credited in the name of each participating director to accounts on the books of WEC Energy Group that are unsecured and are payable only in cash at the time elected by the director. Deferred amounts will be paid out of general corporate assets or the assets of the Wisconsin Energy Corporation 2014 Rabbi Trust discussed later in this proxy statement.

Legacy Charitable Awards Program. Directors elected prior to January 1, 2007 participate in a Directors' Charitable Awards Program under which the Company intends to contribute up to $100,000 per year for 10 years to one or more charitable organizations chosen by each participating director, including employee directors, following the director's death. Charitable donations under the program will be paid out of general corporate assets. Directors derive no financial benefit from the program, and all income tax deductions accrue solely to the Company. The tax deductibility of these charitable donations may mitigate the net cost to the Company. The Directors' Charitable Awards Program has been eliminated for any new directors elected after January 1, 2007. Directors already participating as of that date are Messrs. Bergstrom, Culver, Fischer, Klappa, and Payne, and Mmes. Bowles and Chadwick.

Director Compensation Table. The following table summarizes the total compensation received by each of WEC Energy Group's non-management directors during 2018.

Name	Fees Earned or Paid In Cash ($)	(1) Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John F. Bergstrom	115,000	135,000	—	—	—	21,947	271,947
Barbara L. Bowles	115,000	135,000	—	—	—	20,608	270,608
William J. Brodsky	100,000	135,000	—	—	—	—	235,000
Albert J. Budney, Jr.	100,000	135,000	—	—	—	—	235,000
Patricia W. Chadwick	100,000	135,000	—	—	—	30,110	265,110
Curt S. Culver	115,000	135,000	—	—	—	21,689	271,689
Danny L. Cunningham	100,000	135,000	—	—	—	—	235,000
William M. Farrow III	100,000	135,000	—	—	—	—	235,000
Thomas J. Fischer	120,000	135,000	—	—	—	21,947	276,947
Henry W. Knueppel	100,000	135,000	—	—	—	—	235,000
Allen L. Leverett (2)	—	—	—	—	—	—	—
Ulice Payne, Jr.	100,000	135,000	—	—	—	15,901	250,901
Mary Ellen Stanek	100,000	135,000	—	—	—	—	235,000

(1) Other than Mr. Cunningham (2,175 shares), Mr. Farrow (2,114 shares), and Mr. Leverett (23,248 shares), each director listed in this table held 4,828 shares of restricted stock as of the close of business on December 31, 2018.

(2) Effective October 10, 2018, Mr. Leverett resigned his position as President of WEC Energy Group but continues to serve as a member of the Board. Mr. Leverett did not receive any non-management director compensation during 2018. All compensation that Mr. Leverett received during 2018 for serving as an executive officer is reported in the "Summary Compensation Table" on page P-52.

Fees Earned or Paid in Cash. The amounts reported in the Fees Earned or Paid in Cash column include annual cash-based retainers for each non-management director and applicable annual committee chair fees earned during 2018 regardless of whether such retainers and fees were paid in cash or deferred.

Stock Awards. On January 2, 2018, each non-management director (other than Mr. Leverett) received his or her 2018 annual equity retainer in the form of restricted stock equal to a value of $135,000. The amounts reported in the Stock Awards column reflect the aggregate grant date fair value, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 718, excluding estimated forfeitures, of the restricted stock awarded. Each reported restricted stock award vests in full one year from the grant date.

All Other Compensation. All amounts reported in the All Other Compensation column represent costs for the Directors' Charitable Awards Program. See "Legacy Charitable Awards Program" above for additional information.

2019 Compensation of the Board of Directors

In December 2018, the Compensation Committee completed its annual review of director compensation and determined that, based upon research provided by FW Cook, total non-management director compensation was consistent with the market median. As a result, the Compensation Committee concluded and the Board agreed that it was appropriate for 2019 Board compensation to remain unchanged from the approved 2018 levels.

PROPOSAL 2: ADVISORY VOTE TO APPROVE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

Pursuant to Section 14A of the Securities Exchange Act of 1934, the Company seeks your advisory vote on the approval of the compensation paid to our named executed officers (commonly referred to as "Say-on-Pay") as described in the Compensation Discussion and Analysis and the related tables included in this proxy statement. Approval, on a non-binding, advisory basis, of the compensation of the named executed officers requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting. Presuming a quorum is present, shares not voted, whether by broker non-vote, abstention, or otherwise, have no effect on the outcome of this matter. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation.

As described in the Compensation Discussion and Analysis on pages P-35 through P-51 of this proxy statement, the Compensation Committee has structured the Company's executive compensation program with the following objectives in mind:

- offer a competitive, performance-based plan;
- enable the Company to attract and retain key individuals;
- reward achievement of the Company's short-term and long-term goals; and
- align with the interest of the Company's stockholders and customers.

As described in this proxy statement, the Company believes that the compensation paid to our named executed officers in 2018 was well-tailored to achieve these objectives, tying a significant portion of total pay to performance and aligning the interests of the named executed officers with those of stockholders and customers. We encourage you to carefully review the Compensation Discussion and Analysis and related tables included in this proxy statement, which describe in greater detail WEC Energy Group's compensation philosophy and programs, as well as the 2018 compensation levels, in connection with approval of the following resolution:

"RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers as disclosed in the Proxy Statement for the 2019 Annual Meeting."

The Board of Directors recommends that you vote "FOR"
the advisory vote on Executive Compensation.

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion provides an overview and analysis of our executive compensation program, including the role of the Compensation Committee of our Board, the elements of our executive compensation program, the purposes and objectives of these elements, and the manner in which we established the compensation of our named executive officers ("NEOs") for fiscal year 2018.

References to “we,” “us,” “our,” "Company," and “WEC Energy Group” in this discussion and analysis mean WEC Energy Group, Inc. and its management, as applicable.

EXECUTIVE SUMMARY

Overview

The primary objective of our executive compensation program is to provide a competitive, performance-based plan that enables the Company to attract and retain key individuals and to reward them for achieving both the Company’s short-term and long-term goals without creating an incentive for our NEOs to take excessive risks. Our program has been designed to provide a level of compensation that is strongly dependent upon the achievement of short-term and long-term goals that are aligned with the interests of our stockholders and customers. To that end, a substantial portion of pay is at risk, and generally, the value will only be realized upon strong corporate performance.

2018 Business Highlights

During 2018, we continued to make excellent progress in our efforts to integrate employees, merge and improve business processes, and consolidate IT infrastructure following our acquisition of Integrys Energy Group in June 2015. At the same time, the Company achieved solid results and continued to create long-term value for our stockholders and customers by focusing on the following:

- World-class reliability
- Operating efficiency
- Employee safety
- Financial discipline
- Exceptional customer care

In addition, the seamless continuity in leadership provided by our senior executive management team following Allen Leverett’s unexpected illness in October 2017 resulted in solid earnings and cash flow generation for the Company in 2018.

Commitment to Stockholder Value Creation. Financially, WEC Energy Group again delivered solid earnings growth, generated strong cash flow, and increased the dividend for the 15^{th} consecutive year. In January 2018, the Board raised the quarterly dividend 6.25% to $0.5525 per share, equivalent to an annual rate of $2.21 per share. In January 2019, the Board increased the quarterly dividend 6.8% to $0.59 per share, which is equivalent to an annual rate of $2.36 per share, in line with our plan to maintain a dividend payout ratio of 65% to 70% of earnings. Overall, the Company also turned in strong performances in customer satisfaction and network reliability during 2018.

Specific Company achievements during 2018 include:

2018 Financial Highlights

- WEC Energy Group delivered solid earnings growth again, generated strong cash flow, and increased the dividend for the 15th consecutive year.
- We achieved fully diluted earnings per share of $3.34. (2)
- Each of our regulated utility subsidiaries earned its allowed rate of return.
- We returned approximately $697.3 million to WEC Energy Group stockholders through dividends.
- Our common stock traded at a then all-time high of $75.48 on December 12, 2018.
- In January 2019, the Board raised the quarterly dividend to $0.59 per share, which is equivalent to an annual dividend rate of $2.36 per share.

(1) For 2017, excludes a one-time $0.65 per share gain related to a revaluation of our deferred taxes as a result of the Tax Cuts and Jobs Act of 2017. For 2016, 2015, and 2014, excludes costs of $0.01, $0.30, and $0.06 per share, respectively, related to our acquisition of Integrys. See Appendix A on P-79 for a full GAAP reconciliation and an explanation of why we believe the presentation of adjusted earnings per share is relevant and useful to investors.

2018 Performance Highlights

- WEC Energy Group was again recognized in 2018 by Corporate Responsibility Magazine as one of the 100 best corporate citizens in America.
- PA Consulting Group named We Energies the most reliable utility in the Midwest for the eighth year in a row.
- Set a new long-term goal to reduce carbon dioxide emissions below 2005 levels by 80% by 2050.
- Closed nearly 1,500 megawatts of older, less efficient coal-fired generation.
- Spent $263.1 million with qualified women-, minority-, and veteran- or service disabled- owned businesses, the highest spending with diverse suppliers in the Company's history.(2)
- Wisconsin Public Service Corporation ("WPSC") was named as a 2018 Most Trusted Utility Brand by Market Strategies International.
- All major utility subsidiaries either met or exceeded our overall customer satisfaction targets.(2)
- Continued to grow the Company's non-utility energy infrastructure segment, acquiring majority interests in three different wind farms with a total investment of approximately $587 million. Filed with the Public Service Commission of Wisconsin for approval for WPSC to partner with Madison Gas & Electric on two major solar projects in Wisconsin, where WPSC would own 100 megawatts of each project.

(2) This measure is a component of our short-term incentive compensation program.

Long-Term Stockholder Returns

Over the past decade, WEC Energy Group has consistently delivered among the best total returns in the industry and did so again in 2018.

(1) The Five-Year Cumulative Return Chart shows a comparison of the cumulative total return, assuming reinvestment of dividends, over the last five years had $100 been invested at the close of business on December 31, 2013. For information about the Custom Peer Index Group, see "Performance Graph" in the Company's 2018 Annual Report.

Source: Bloomberg; assumes all dividends are reinvested and returns are compounded daily.

Consideration of 2018 Stockholder Advisory Vote and Stockholder Outreach

At the 2018 Annual Meeting of Stockholders, the Company’s stockholders approved the compensation of our named executive officers with 94% of the votes cast. The Compensation Committee considered this outcome as well as the feedback received during meetings we again held with several of our institutional stockholders. During 2018, we held dedicated sessions with stockholders representing approximately 27.1% of the Company’s outstanding common stock about our governance and compensation practices. The Compensation Committee is always looking for ways to refine our compensation program. However, in light of the significant stockholder support our executive compensation program received in 2018 and the payout levels under our performance-based program for 2018, the Compensation Committee believes that the current compensation program is competitive, aligned with our financial and operational performance, and in the best interests of the Company, stockholders, and customers.

COMPONENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

We have three primary elements of total direct compensation: (1) base salary; (2) annual incentive awards; and (3) long-term incentive awards consisting of a mix of performance units, stock options, and restricted stock. The Compensation Committee again retained Frederic W. Cook & Co., Inc. ("FW Cook") as its independent compensation consultant to advise the Compensation Committee with respect to our executive compensation program. The Compensation Committee generally relied on the recommendations of FW Cook as it developed the 2018 program.

As shown in the charts below, 85% of Mr. Klappa's 2018 total direct compensation and an average of 82% of the other NEOs' 2018 total direct compensation is tied to Company performance and is not guaranteed.

In addition to the components of total direct compensation identified above, our retirement programs are another important component of our compensation program.

To the extent feasible, we believe it is important that the Company's compensation program not dilute the interests of current stockholders. Therefore, we currently use open-market purchases to satisfy our benefit plan obligations, including the exercise of stock options and vesting of restricted stock.

This Compensation Discussion and Analysis contains a more detailed discussion of each of the above components for 2018, including FW Cook's recommendations with respect to each component.

Compensation Governance and Practices

The Compensation Committee annually reviews and considers the Company's compensation policies and practices to ensure our executive compensation program aligns with our compensation philosophy. Highlighted below is an overview of our current compensation practices.

What We Do

- Our compensation program focuses on key Company results (financial, safety, customer satisfaction, diversity) that are aligned with our strategic goals.
- A substantial portion of compensation is at risk and tied to Company performance.
- The compensation program has a long-term orientation aligned with stockholder interests.
- The Compensation Committee retains an independent compensation consultant to help design the Company's compensation program and determine competitive levels of pay.
- The Compensation Committee's independent compensation consultant reviews competitive employment market data from two general industry surveys and a comparison group of companies similar to WEC Energy Group.
- We have implemented a clawback policy that provides for the recoupment of incentive-based compensation. (page P-49)
- Annual incentive-based compensation contains multiple, pre-established performance metrics aligned with stockholder and customer interests. (page P-42)
- The Performance Unit Plan award payouts (including dividend equivalents) are based on stockholder return as compared to an appropriate peer group and Additional Performance Measure(s), selected by the Compensation Committee. (page P-45)
- The Performance Unit Plan requires a separation from service following a change in control for award vesting to occur. (page P-48)
- Equity award and other benefit plan obligations are satisfied through open-market purchases of WEC Energy Group common stock.
- Meaningful stock ownership levels are required for senior executives. (page P-49)
- Ongoing engagement with investors takes place to ensure that compensation practices are responsive to stockholder interests.
- We prohibit hedging and pledging of WEC Energy Group common stock. (page P-49)
- We prohibit entry into any new arrangements that obligate the Company to pay directly or reimburse individual tax liability for benefits provided by the Company. (page P-50)
- We prohibit repricing of stock options without stockholder approval.

Competitive Benchmarking

As a general matter, we believe the labor market for WEC Energy Group executive officers is consistent with that of general industry. Although we recognize our business is focused on the energy services industry, our goal is to have an executive compensation program that will allow us to be competitive in recruiting the most qualified candidates to serve as executive officers of the Company, including individuals who may be employed outside of the energy services industry. Further, in order to retain top performing executive officers, we believe our compensation practices must be competitive with those of general industry.

To confirm that our annual executive compensation is competitive with the market, FW Cook reviewed the compensation data obtained from Willis Towers Watson's 2018 Executive Compensation Data Bank as well as similar

data from Aon Hewitt.
FW Cook also analyzed the compensation data from a peer group of 18 companies similar to WEC Energy Group in size and business model. The methodology used by FW Cook to determine the peer group of companies is described below.

FW Cook started with U.S. companies in the Standard & Poor's database, and then limited those companies to the same line of business as WEC Energy Group as indicated by the Global Industry Classification Standards. This list of companies was then further limited to companies with revenues between $2.5 billion and $22.8 billion (approximately one-third to three times the size of WEC Energy Group's revenues), and that were within a reasonable size range in various other measures such as operating income, total assets, total employees, and market capitalization. From this list, FW Cook selected companies similar in overall size to WEC Energy Group with consideration given to companies that met one or more of the following criteria:

- Diversified, technically sophisticated utility operations (e.g., multiple utilities, electric utilities);
- Minimal non-regulated business; and/or
- Operates in the Midwest.

These criteria resulted in a comparison group of 18 companies with median revenues and market capitalization of approximately $9.6 billion and $17 billion, respectively.

The comparison group utilized for purposes of 2018 compensation includes the same companies as the previous year's comparison group, and was comprised of the 18 companies listed below.

• Alliant Energy Corporation	• Consolidated Edison, Inc.	• FirstEnergy Corp.	• SCANA Corporation
• Ameren Corporation	• DTE Energy Co.	• NiSource Inc.	• The Southern Company
• American Electric Power Company	• Edison International	• PG&E Corporation	• Xcel Energy Inc.
• CMS Energy Corporation	• Entergy Inc.	• PPL Corp.	
• CenterPoint Energy	• Eversource Energy	• Pinnacle West Capital Corp.	

The Compensation Committee approved this comparison group.

DETERMINATION OF MARKET MEDIAN

In order to determine the "market median" for our NEOs, FW Cook recommended that the survey data from Willis Towers Watson and Aon Hewitt receive a 75% weighting and the comparison group of 18 companies receive a 25% weighting. The Compensation Committee agreed with this recommendation. The survey data received a higher weighting because we consider the labor market for our executives to be consistent with that of general industry. Using this methodology, FW Cook recommended, and the Compensation Committee approved, the appropriate market median for each of our NEOs.

The comparison of each component of compensation with the appropriate market median when setting the compensation levels of our NEOs generally drives the allocation of cash versus non-cash compensation and short-term versus long-term incentive compensation.

DETERMINATION OF MESSRS. KLAPPA'S AND KUESTER'S 2018 COMPENSATION

As we previously reported, Mr. Klappa agreed to resume the role of CEO of WEC Energy Group after Mr. Leverett suffered a stroke in October 2017. In recognition of his continued service and leadership while Mr. Leverett continued to recover from his stroke, the Compensation Committee, in consultation with FW Cook regarding the appropriate pay level for Mr. Klappa under the circumstances, determined that the aggregate amount of Mr. Klappa's direct compensation (as opposed to each individual component of direct compensation) should be substantially the same as it was at the time of his retirement in 2016. Therefore, the Compensation Committee set Mr. Klappa's 2018 annual base salary at $1,425,000 and his annual incentive plan target at 120% of base salary, the same target he was receiving at the time of his retirement in 2016. The Committee then awarded Mr. Klappa long-term incentive compensation at a level that was lower than he was receiving in 2016, so that the total value of direct compensation Mr. Klappa received would be substantially equal to his 2016 compensation levels and at or near the 2018 median for overall compensation.

Mr. Kuester had an ongoing consulting relationship with the Company following his retirement in 2013 pursuant to which he periodically advised on WEC Energy Group's capital program. Due to Mr. Leverett's medical leave beginning in October 2017, and in order to provide for continuity and dedicated oversight of the Company's significant capital program during Mr. Leverett's absence, Mr. Kuester's consulting duties significantly increased at the end of 2017. This substantial increase in duties resulted in a significant increase in payments under his prior consulting agreement, which remained in effect until Mr. Kuester agreed to return to the Company and assume the position of Senior Executive Vice President effective March 1, 2018. The Compensation Committee determined that the aggregate amount of Mr. Kuester's direct compensation as Senior Executive Vice President should be substantially the same as it was at the time he retired as Executive Vice President from the Company in 2013, recognizing that he was assuming additional responsibilities from those he held prior to his retirement in 2013. As a result, the Committee set Mr. Kuester's 2018 annualized base salary and target award under the STPP at $765,000 and 80% of base salary, respectively. Mr. Kuester's long-term incentive compensation was set slightly below the level he was receiving when he retired in 2013. Mr. Kuester's responsibilities include oversight of the development and execution of the Company's capital plan.

MR. LEVERETT'S 2018 COMPENSATION

We compensated Mr. Leverett pursuant to the Company's standard medical leave policy until he resigned as President of WEC Energy Group effective October 10, 2018. At the time 2018 compensation levels were being determined, we did not know how long Mr. Leverett would be on medical leave, but fully expected that he would return to the role of Chief Executive Officer. As a result, the Compensation Committee evaluated Mr. Leverett's 2017 performance up to the start of his medical leave in October 2017, and determined that he had earned a standard cost-of-living base salary increase of 3% for 2018. In addition, Mr. Leverett's target award level under the STPP remained unchanged at 125% of base salary. In accordance with the Company's standard benefit plans and policies applicable to all management employees, Mr. Leverett received an award under the STPP pro-rated to his number of days of service in 2018 prior to his resignation as President. In addition, Mr. Leverett received a customary long-term incentive award in accordance with the Company's standard practices for those on medical leave. Upon his resignation as President, Mr. Leverett began receiving payments under other applicable benefit plans of the Company in which he was already a participant and under which he was eligible to receive payments.

ANNUAL BASE SALARY

The annual base salary component of our executive compensation program provides each executive officer with a fixed level of annual cash compensation. We believe that providing annual cash compensation through a base salary is an established market practice and is a necessary component of a competitive compensation program.

Based upon the market data analyzed by FW Cook, we generally target base salaries to be at or near the market median for each NEO. However, the Compensation Committee may, in its discretion, set base salaries at a different amount when the Compensation Committee deems it appropriate.

Actual salary determinations are made taking into consideration factors such as the relative levels of individual experience, performance, responsibility, and contribution to the results of the Company's operations. At the beginning of each year, our CEO develops a list of goals for WEC Energy Group and our employees to achieve during the upcoming year. At the end of the year, our CEO measures the performance of the Company against each stated goal and reports the results to the Board. The Compensation Committee then takes the Company's performance into consideration when establishing our CEO's compensation for the upcoming year. Our CEO undertakes a similar process with the NEOs, who develop individual goals related to the achievement of the Company's goals developed by our CEO. At the end of the year, each officer's performance is measured against these goals. Compensation recommendations and determinations for the upcoming year for each executive officer also take into consideration the level of such performance.

For information about Messrs. Klappa's, Kuester's and Leverett's base salary, see the discussion about each individual's compensation above.

With respect to the remaining NEOs, in December 2017, Mr. Klappa recommended an annual base salary to the Compensation Committee based upon a review of the market compensation data provided by FW Cook and the factors described above. The Compensation Committee approved the recommendations, which represented an average increase in annual base salary of approximately 3% for Messrs. Fletcher and Keyes, and Ms. Kelsey, and an increase in annual base salary of approximately 12% for Mr. Lauber.

In recognition of Mr. Fletcher's appointment to President of WEC Energy Group in October 2018, the Compensation Committee increased his annual base salary to $700,000.

Upon his appointment as Executive Vice President and Chief Financial Officer in April 2016, Mr. Lauber's base salary was initially set below market median because of how significant such an increase would have been in order to bring his salary at or near median. As we previously reported, the Compensation Committee's intent was to increase Mr. Lauber's salary in multiple steps to eventually move it to market median. In line with this intent, the Compensation Committee increased Mr. Lauber's base salary by 12% effective January 1, 2018, and again by 7.9% effective July 29, 2018, to provide an aggregate base salary of $600,000 in 2018, putting his salary at market median. The annual base salary of each NEO (other than Mr. Klappa, whose total direct compensation was determined as described above) was at or near the market median.

ANNUAL CASH INCENTIVE COMPENSATION

We provide annual cash incentive compensation through our Short-Term Performance Plan ("STPP"). The STPP provides for annual cash awards to NEOs based upon the achievement of pre-established stockholder-, customer-, and employee- focused objectives. All payments under the STPP are at risk. Payments are made only if performance goals are achieved, and awards may be less or greater than targeted amounts based upon actual performance. Payments under the STPP are intended to reward achievement of short-term goals that contribute to stockholder and customer value, as well as individual contributions to successful operations.

2018 Target Awards. Each year, the Compensation Committee approves a target level of compensation under the STPP for each of our NEOs. This target level of compensation is expressed as a percentage of base salary.

In October 2018, the target award level for Mr. Fletcher was increased to 90% of base salary in recognition of his appointment to President of WEC Energy Group. Therefore, Mr. Fletcher's STPP payout level reflects a 70% target level for nine months and a 90% target level for three months.

The year-end 2018 target awards for each NEO (other than Messrs. Klappa, Kuester and Leverett, who are discussed above) are set forth in the chart below.

Executive Officer	Target STPP Award as a Percentage of Base Salary
Mr. Lauber	80%
Mr. Fletcher	90%
Ms. Kelsey	70%
Mr. Keyes	75%

The target award levels of each officer named in the table above reflect median incentive compensation practices as indicated by the market data.

For 2018, the possible payout for any NEO ranged from 0% of the target award to 210% of the target award, based upon performance.

2018 Financial Goals under the STPP. The Compensation Committee adopted the 2018 STPP with a continued principal focus on financial results. In December 2017, the Compensation Committee approved WEC Energy Group's earnings per share (75% weight) and cash flow (25% weight) as the primary performance measures to be used in 2018. For those officers whose positions primarily relate to utility operations in Wisconsin (including Mr. Fletcher until he was appointed President of WEC Energy Group in October 2018) the Compensation Committee approved WEC Energy Group's earnings per share (25% weight) and cash flow (25% weight), as well as aggregate net income of WEC Energy Group's Wisconsin utility operations (50% weight), as the primary performance measures to be used in 2018. We believe earnings per share and cash flow are key indicators of financial strength and performance, and are recognized as such by the investment community. Utility net income is an important financial measure as it is an indicator of the return on equity earned by our utilities, and in order to meet our earnings per share targets it is important that our utilities earn at or close to their allowed rates of return.

In October 2018, the target award level for Mr. Fletcher was increased from 70% to 90% of base salary in recognition of his appointment to President of WEC Energy Group. Therefore, Mr. Fletcher's STPP payout level is based upon a combination of (i) WEC Energy Group's Wisconsin utility operations' performance against their 2018 performance goals and (ii) WEC Energy Group's performance against its 2018 performance goals.

In January 2018, the Compensation Committee approved the performance goals under the STPP for WEC Energy Group's earnings per share as set forth in the chart below.

Earnings Per Share Performance Goal	Earnings Per Share CAGR	Payout Level
$3.19	3.2%	25%
$3.21	3.9%	50%
$3.24	5.0%	100%
$3.26	5.5%	135%
$3.30	6.8%	200%

If the Company's performance falls between these levels, the payout level with respect to earnings per share is determined by interpolating on a straight line basis the appropriate payout level.

Although WEC Energy Group achieved earnings per share of $3.79 based on generally accepted accounting principles ("GAAP"), because this result included a one-time adjustment of $0.65 per share related to the impact of the Tax Cuts and Jobs Act of 2017 (the "Tax Legislation"), the Compensation Committee determined that the appropriate earnings per share measure on which to base the 2018 performance goals was WEC Energy Group's 2017 adjusted earnings per share of $3.14.

The Company's growth plan, which has been communicated to the public, calls for a long-term compound annual growth rate ("CAGR") in earnings per share of 5.0% to 7.0%. At the time the Compensation Committee was establishing targets for 2018, this CAGR was measured off a 2017 base of $3.09 per share, which represented the mid-point of the 2017 annual earnings guidance. We believe that this CAGR, plus our continued growth in dividends, supports a premium valuation as compared to the Company's peers. Therefore, the Compensation Committee tied the target (100%) payout level to achievement of the low end of the target CAGR range (5.0%), and the above-target payout level to achievement of a 5.5% CAGR. The Compensation Committee tied the maximum payout level (200%) to achievement of a 6.8% CAGR.

In January 2018, the Compensation Committee approved the initial performance goals under the STPP for WEC Energy Group's cash flow. At that time, management informed the Compensation Committee that it might recommend new cash flow performance goals for consideration later in the year based upon the impact of the Tax Legislation and voluntary contributions to subsidiary pension plans. During 2018, WEC Energy Group returned $100 million to customers related to the impacts of the Tax Legislation and one of the Company's utility subsidiaries made a voluntary contribution of $60 million to its pension plan. As a result, in October 2018, the Compensation Committee revised the cash flow performance goals, which are set forth in the chart below ($ in millions).

Cash Flow	Payout Level
$1,700	25%
$1,750	50%
$1,800	100%
$1,850	135%
$1,950	200%

If the Company's performance falls between these levels, the payout level with respect to cash flow is determined by interpolating on a straight-line basis the appropriate payout level.

The Compensation Committee based the cash flow performance level goals on WEC Energy Group's funds from operations ("FFO"). FFO is calculated by taking "cash provided by operating activities" and eliminating certain accruals and other items related to capital spending. GAAP requires these items to be recorded as part of cash from operations, but management views them as related to the Company's capital expenditure program. The Compensation Committee believes that basing the cash flow performance goals on FFO provides a more accurate measurement of the cash generated by the Company's operations that is available for capital investment, which is the Company's primary driver for earnings growth. FFO is not a measure of financial performance under GAAP, and the Company's calculation may differ from similarly titled measures used by other companies or securities rating agencies.

In January 2018, the Compensation Committee approved the performance goals under the STPP for the Wisconsin utilities' net income (based upon WEC Energy Group's earnings per share performance goals) as set forth in the chart below ($ in millions).

Net Income	Weighted Return on Equity	Payout Level
$588	9.92%	25%
$593	10.00%	50%
$598	10.08%	100%
$603	10.16%	135%
$613	10.32%	200%

2018 Financial Performance under the STPP. In January 2019, the Compensation Committee reviewed our actual performance for 2018 against the financial and operational performance goals established under the STPP, subject to final audit.

WEC Energy Group's 2018 financial performance satisfied the maximum payout level established for earnings per share, cash flow, and net income for the Wisconsin utilities. WEC Energy Group's earnings per share were $3.34 for 2018. WEC Energy Group's cash flow, based on FFO, was $2,372 million, and the Wisconsin utilities' net income was $617 million for 2018. Our cash flow result is not a measure of financial performance under GAAP.

By satisfying the maximum payout level with respect to these financial measures, the NEOs earned 200% of the target award from the financial goal component of the STPP.

2018 WEC Energy Group Operational Goals and Performance under the STPP. Similar to prior years, in December 2017 and January 2018, the Compensation Committee also approved operational performance measures and targets under the STPP. Annual incentive awards could be increased or decreased by up to 10% of the actual award based upon WEC Energy Group’s performance in the operational areas of customer satisfaction (5% weight), safety (2.5% weight), and supplier and workforce diversity (2.5% weight). The Compensation Committee recognizes the importance of strong operational results to the success of the Company and has identified these three operational areas in particular as being critical to that success.

The Compensation Committee measures customer satisfaction levels based upon the results of surveys that an independent third party conducts of customers who had direct contact with our utilities during the year, which measure (i) customers’ satisfaction with the respective utility overall, and (ii) customers’ satisfaction with respect to the particular transactions with the applicable utility. Safety is measured based upon performance against the number of lost time injuries and OSHA recordable incidents, as well as the number of Near Miss/Unsafe Condition ("NMUC") Reports filed. NMUC reporting is designed to proactively identify and take action on potential safety risks before an incident occurs (unsafe conditions); and to learn from near-miss incidents that have occurred, but did not result in an injury or damage.

The operational performance measures are based upon recommendations from management and take into consideration both current year performance and our longer-term objective of achieving top quartile performance of all of our principal utilities. The Compensation Committee reviews management's recommendations and may make adjustments to the performance measures if it feels changes are necessary. The following table provides the operational goals approved by the Compensation Committee for 2018, as well as WEC Energy Group's performance against these goals:

Operational Measure	Below Goal	Goal	Above Goal	Final Result
Customer Satisfaction Percentage of "Highly Satisfied":	-5.00%	0.00%	+5.00%	
Company	<75.7%	75.7% - 78.8%	>78.8%	79.2%
Transaction	<79.2%	79.2% - 82.2%	>82.2%	82.4%
Safety:	-2.50%	0.00%	+2.50%	
Lost Time Injury - Incidents	>67	39 - 67	<39	55
OSHA Recordable - Incidents	>206	135 - 206	<135	193
Near Miss / Unsafe Condition Reports	<20,100	20,100 - 23,992	>23,992	25,146
Diversity:	-2.50%	0.00%	+2.50%	
Supplier ($ in Millions)	<196.1	196.1 - 231.7	>231.7	263.1
Workforce - Assessment	Not Met	Met	Exceeded	Met

Based on the operational results listed in the table above, WEC Energy Group's performance with respect to operational goals generated a 7.08% increase to the compensation awarded under the STPP for 2018.

2018 Wisconsin Utilities Operational Goals and Performance under the STPP. For those officers whose positions in 2018 primarily related to utility operations in Wisconsin, STPP awards could be increased or decreased by up to 10% based upon performance in the operational areas of customer satisfaction (5% weight), safety (2.5% weight), and supplier diversity (1.25% weight) for WEC Energy Group's Wisconsin utility operations, as well as WEC Energy Group's performance in the operational area of workforce diversity (1.25% weight).

The Compensation Committee measures customer satisfaction levels based upon the results of surveys that an independent third party conducts of customers who had direct contact with our Wisconsin utilities during the year, which measure (1) customers' satisfaction with the specific Wisconsin utility overall, and (2) customers' satisfaction with respect to their particular transactions with their specific utility. Safety is measured based upon performance against the number of lost time injuries and OSHA recordable incidents, as well as the number of NMUC Reports filed.

The following table provides the operational goals approved by the Compensation Committee for 2018 for WEC Energy Group's Wisconsin utility operations, as well as the Company's performance against these goals:

Operational Measure	Below Goal	Goal	Above Goal	Final Result
Customer Satisfaction Percentage of "Highly Satisfied":	-5.00%	0.00%	+5.00%	
Company	<78.8%	78.8% - 81.7%	>81.7%	81.8%
Transaction	<82.0%	82.0% - 85.1%	>85.1%	84.7%
Safety:	-2.50%	0.00%	+2.50%	
Lost Time Injury - Incidents	>25	13 - 25	<13	31
OSHA Recordable - Incidents	>105	65 - 105	<65	109
Near Miss / Unsafe Condition Reports	<14,538	14,538 - 17,792	>17,792	15,012
Diversity:	-2.50%	0.00%	+2.50%	
Supplier ($ in Millions)	<105.0	105.0 - 120.0	>120.0	138.2
Workforce - Assessment	Not Met	Met	Exceeded	Met

Based upon the operational results listed in the table above, the Wisconsin utilities' performance with respect to operational goals generated a 2.08% increase to the compensation awarded under the STPP for 2018.

The Compensation Committee retains the right to exercise discretion in adjusting awards under the STPP when it deems appropriate, but did not factor individual contributions into determining the amount of the awards for the NEOs for 2018. Because the Company's performance against the financial and operational goals resulted in significant STPP awards in 2018, the Compensation Committee determined that no further adjustments based upon individual contributions or otherwise were appropriate.

Based upon the Company's performance against the financial and operational goals established by the Compensation Committee, Mr. Klappa received annual incentive cash compensation under the STPP of $3,541,124 for 2018. This represented 248% of his annual base salary. Messrs. Lauber, Fletcher, Kuester, and Keyes, and Ms. Kelsey, each received annual cash incentive compensation for 2018 under the STPP equal to 166%, 157%, 198%, 155%, and 145% of their respective annual base salaries, representing 207.08% of the target award for each officer, other than Mr. Fletcher, whose incentive compensation payout was 204.05% of his target award. Mr. Fletcher's STPP payout is based upon a combination of (i) the number of days he served as President of WEC Energy Group with a target award of 90% of base pay multiplied by WEC Energy Group's payout level of 207.08% of his target award and (ii) the number of days he served as President of WEC Energy Group's Wisconsin utility operations with a target award of 70% of base salary multiplied by WEC Energy Group's Wisconsin utility operations' payout level of 202.08% of his target award. For additional information about Messrs. Klappa's, Kuester's, and Leverett's receipt of incentive compensation under the STPP, see "Determination of Messrs. Klappa's and Kuester's 2018 Compensation" and "Mr. Leverett's 2018 Compensation" on page P-40.

LONG-TERM INCENTIVE COMPENSATION

The Compensation Committee administers our 1993 Omnibus Stock Incentive Plan, amended and restated effective January 1, 2016, which is a stockholder-approved, long-term incentive plan designed to link the interests of our executives and other key employees to creating long-term stockholder value. It allows for various types of awards tied to the performance of our common stock, including stock options, stock appreciation rights, and restricted stock. The Compensation Committee also administers the WEC Energy Group Performance Unit Plan, under which the Compensation Committee may award performance units. The Compensation Committee primarily uses (1) performance units, including dividend-equivalents, (2) stock options, and
(3) restricted stock to deliver long-term incentive opportunities.

Performance Units. Each year, the Compensation Committee makes annual grants of performance units under the Performance Unit Plan. The performance units are designed to provide a form of long-term incentive compensation that aligns the interests of management with those of a typical utility stockholder who is focused not only on stock price appreciation but also on dividends. Payouts are based upon the Company's level of "total stockholder return" (stock price appreciation plus reinvested dividends) in comparison to a peer group of companies over a three-year performance period, and may be adjusted based upon the Company's performance against one or more Additional Performance Measures. The performance units are settled in cash.

Selection of Additional Performance Measure(s). "Additional Performance Measure" is defined as the performance criterion or criteria (if any) that the Compensation Committee selects, in its sole discretion, based upon the attainment of specific levels of performance by WEC Energy Group. Performance units vest in an amount between 0% and 175% of the target award based upon WEC Energy Group's comparative total stockholder return over a three-year performance period. However, the vesting percentage may be adjusted based upon WEC Energy's performance against the Additional Performance Measure(s). The Additional Performance Measure(s), if any, must be selected by the Compensation Committee at the beginning of the three-year performance period. For each year during the performance period, the Compensation Committee will select the target(s) for the Additional Performance Measure(s) and the potential adjustment to the vesting percentage for that year based upon achievement of the Additional Performance Measure(s) relative to the selected target(s). The actual adjustment, if any, to the vesting percentage based upon the Additional Performance Measure(s) will be determined annually. In no event will any adjustment cause the vesting percentage over the three-year performance period to be less than zero.

Short-Term Dividend Equivalents. We increase the number of unvested performance units as of any date that we declare a cash dividend on our common stock by the amount of short-term dividend equivalents a participant is entitled to receive. Short-term dividend equivalents are calculated by multiplying (a) the number of unvested performance units held by a plan participant as of the related dividend record date by (b) the amount of cash dividend payable by the Company on a share of common stock; and (c) dividing the result by the closing price for a share of the Company's common stock on the dividend payment date. In effect, short-term dividend equivalents are credited and accumulated as reinvested dividends on each performance unit so that the performance units and accumulated dividends will be paid out at the end of the three-year performance period, rather than paying out the dividend equivalents annually on unearned performance units.

Short-term dividend equivalents are treated as additional unvested performance units and are subject to the same vesting, forfeiture, payment, termination, and other terms and conditions as the original performance units to which they relate. In addition, outstanding short-term dividend equivalents are treated as unvested performance units for purposes of calculating future short-term dividend equivalents.

Stock Options. Each year, the Compensation Committee also makes annual stock option grants as part of our long-term incentive program. These stock options have an exercise price equal to the fair market value of our common stock on the date of grant and expire on the 10th anniversary of the grant date. Since management benefits from a stock option award only to the extent our stock price appreciates above the exercise price of the stock option, stock options align the interests of management with those of our stockholders in attaining long-term stock price appreciation.

Restricted Stock. The Compensation Committee also awards restricted stock as part of the long-term incentive plan, consistent with market practice. Similar to performance units, restricted stock aligns the interests of management with a typical utility stockholder who is focused on stock price appreciation and dividends.

Aggregate 2018 Long-Term Incentive Awards. Generally, when establishing the target value of long-term incentive awards and the appropriate mix of performance units, stock options, and restricted stock for each NEO, the Compensation Committee reviews the market compensation data and analysis provided by FW Cook. Based upon FW Cook's analysis, for 2018 the Compensation Committee determined that the long-term incentive awards would be weighted 65% performance units, 20% stock options, and 15% restricted stock for Messrs. Lauber, Fletcher, Leverett, and Keyes, and Ms. Kelsey. Target values also were presented to and approved by the Compensation Committee in December 2017.

With respect to Messrs. Klappa and Kuester, after consultation with FW Cook, the Compensation Committee determined that their long-term incentive awards would be weighted 80% restricted stock and 20% stock options. At the time, the Committee recognized that Messrs. Klappa's and Kuester's tenure with the Company would be significantly shorter than the other executive officers. Since the vesting percentage of performance units is based upon WEC Energy Group's total stockholder return over a three-year period, the Compensation Committee did not believe that performance units would accurately reflect the contributions of Messrs. Klappa and Kuester to the success of the Company over a shorter period of time.

Based upon the market data provided by FW Cook, we target the long-term incentive award to be at or near the market median value of long-term incentive compensation for each executive officer's position. All of the NEOs' long-term incentive awards were within this target range for 2018. For additional information on Messrs. Klappa's, Kuester's and Leverett's awards, see "Determination of Messrs. Klappa's and Kuester's 2018 Compensation" and "Mr. Leverett's 2018 Compensation" on page P-40.

2018 Stock Option Grants. In December 2017, the Compensation Committee approved the grant of stock options to each of our NEOs (other than Mr. Kuester) and established an overall pool of options that were granted to approximately 200 other employees. The option grants to the NEOs (other than Mr. Kuester) were made effective January 2, 2018, the first trading day of 2018. The options were granted with an exercise price equal to the average of the high and low prices reported on the NYSE for shares of WEC Energy Group common stock on the grant date. The options were granted in accordance with our standard practice of making annual stock option grants effective on the first trading day of each year, and the timing of the grants was not tied to the timing of any release of material information. The Compensation Committee granted Mr. Kuester's stock options effective March 1, 2018, the date he commenced service as Senior Executive Vice President of WEC Energy Group.

These stock options have a term of 10 years and vest 100% on the third anniversary of the date of grant. The vesting of the stock options may be accelerated in connection with a change in control or an executive officer's termination of employment under certain circumstances. See "Potential Payments upon Termination or Change in Control" beginning on page P-63 for additional information. Subject to the limitations of the 1993 Omnibus Stock Incentive Plan, the Compensation Committee has the power to amend the terms of any option (with the participant's consent). However, the Committee may not reduce the exercise price of existing options or cancel outstanding options and grant replacement options having a lower exercise price without stockholder approval.

For purposes of determining the appropriate number of options to grant to a particular NEO, the value of an option was determined based upon the Black-Scholes option pricing model. We use the Black-Scholes option pricing model for purposes of the compensation valuation. The following table provides the number of options granted to each NEO in 2018:
Executive Officer

	Options Granted
Mr. Klappa	115,960
Mr. Lauber	26,465
Mr. Fletcher	16,055
Mr. Kuester	50,055
Ms. Kelsey	18,380
Mr. Leverett	120,925
Mr. Keyes	24,825

For financial reporting purposes, the stock options granted on January 2, 2018 had a grant date fair value of $8.68 per option for Messrs. Lauber, Leverett, and Keyes, and Ms. Kelsey, and a grant date fair value of $6.84 for Messrs. Klappa and Fletcher, who are considered to be "retirement eligible." The stock options granted on March 1, 2018 to Mr. Kuester, who is also "retirement eligible," had a grant date fair value of $5.95. The options granted to Messrs. Klappa, Fletcher and Kuester are presumed to have a shorter expected life, which results in a lower option value.

2018 Restricted Stock Awards. In December 2017, the Compensation Committee also approved the grant of restricted stock to each of our NEOs (other than Mr. Kuester) and established an overall pool of restricted stock that was granted to approximately 200 other employees. The grants to the NEOs were also made effective January 2, 2018 (other than Mr. Kuester). Mr. Kuester's grant of restricted stock was made effective March 1, 2018. Other than the shares granted to Messrs. Klappa and Kuester, the restricted stock vests in three equal annual installments beginning on January 2, 2019. The shares of restricted stock granted to Messrs. Klappa and Kuester vest in full on the one year anniversary of the grant date, reflecting the shorter tenure the Committee expected for Messrs. Klappa and Kuester.

The vesting of the restricted stock may be accelerated in connection with a termination of employment due to a change in control, death or disability, or by action of the Compensation Committee. Messrs. Klappa's and Kuester's restricted stock also fully vested if they resigned for "good reason," defined as a material diminution in their authority, duties or responsibilities, including, but not limited to, the Company's appointment of a successor Chief Executive Officer. The Compensation Committee wanted to appropriately incentivize Messrs. Klappa and Kuester to return to the Company while Mr. Leverett recovered from his stroke. See "Potential Payments upon Termination or Change in Control" beginning on page P-63 for additional information. Tax withholding obligations related to vesting may be satisfied, at the option of the executive officer, by withholding shares otherwise deliverable upon vesting or by cash. The NEOs have the right to vote the restricted stock and to receive cash dividends when the Company pays a dividend to our stockholders.

For purposes of determining the appropriate number of shares of restricted stock to grant to a particular NEO, the Compensation Committee used a value of $68.39 per share. This value was based upon the volume weighted price of WEC Energy Group's common stock for the ten trading days beginning on December 4, 2017, and ending on December 15, 2017. The Compensation Committee uses the volume-weighted price in order to minimize the impact of day-to-day volatility in the stock market.

The measurement period is customarily close to the grant date in order to shorten the timeframe between the calculation of the awards and the actual grant date. The following table provides the number of shares of restricted stock granted to each NEO in 2018:

Executive Officer	Restricted Stock Granted
Mr. Klappa	57,008
Mr. Lauber	2,439
Mr. Fletcher	1,479
Mr. Kuester	24,609
Ms. Kelsey	1,695
Mr. Leverett	11,145
Mr. Keyes	2,289

2018 Performance Units. In 2018, the Compensation Committee granted performance units to each of our NEOs (other than Messrs. Klappa and Kuester) and approved a pool of performance units that were granted to approximately 200 other employees. With respect to the 2018 performance units, the amount of the benefit that ultimately vests will be dependent upon the Company's total stockholder return over a three-year period ending December 31, 2020, as compared to the total stockholder return of the custom peer group described below. Total stockholder return is the calculation of total return (stock price appreciation plus reinvestment of dividends) based upon an initial investment of $100 and subsequent $100 investments at the end of each quarter during the three-year performance period. However, the vesting percentage may be adjusted based upon WEC Energy Group's performance against the Additional Performance Measure. For the 2018 performance unit awards, the Compensation Committee selected performance against the weighted average authorized return on equity of all WEC Energy Group's utility subsidiaries as the

Additional Performance Measure.

Upon vesting, the performance units will be settled in cash in an amount determined by multiplying the number of performance units that have vested by the closing price of the Company's common stock on the last trading day of the performance period.

The 2018 performance unit peer group against which WEC Energy Group's performance will be measured includes:

- Alliant Energy Corporation
- Ameren Corporation
- American Electric Power Company
- CMS Energy Corporation
- Consolidated Edison, Inc.
- DTE Energy Co.
- Duke Energy Corp.
- Edison International
- Eversource Energy
- Evergy, Inc.
- FirstEnergy Corp.
- NiSource Inc.
- OGE Energy Corp.
- PG&E Corporation
- Pinnacle West Capital Corp.
- SCANA Corporation
- The Southern Company
- Xcel Energy Inc.

The peer group is chosen by the Compensation Committee, based upon management's recommendation and with the concurrence of FW Cook. This peer group was chosen because we believe these companies are similar to WEC Energy Group in terms of business model and long-term strategies, with a primary focus on regulated utility operations rather than a non-regulated business model. There is significant overlap between the performance unit peer group and the comparison group developed by FW Cook for purposes of benchmarking compensation levels. However, there are several companies that are different among the two groups because FW Cook places significant weight on the financial metrics of the companies included in its comparison group, whereas we focus more on operational measures for the performance unit peer group.

The required percentile ranking for total stockholder return and the applicable vesting percentage are set forth in the chart below.

Performance Percentile Rank	Vesting Percent
< 25th Percentile	0%
25th Percentile	25%
Target (50th Percentile)	100%
75th Percentile	125%
90th Percentile	175%

If the Company's rank is between the benchmarks identified above, the vesting percentage will be determined by interpolating on a straight line basis the appropriate vesting percentage. Unvested performance units generally are immediately forfeited upon a NEO's cessation of employment with WEC Energy Group prior to completion of the three-year performance period. However, the performance units will vest immediately at the target 100% rate upon the termination of the NEO's employment (1) by reason of disability or death or (2) after a change in control of WEC Energy Group. In addition, a prorated number of performance units (based upon the target 100% rate) will vest upon the termination of employment of the NEO by reason of retirement prior to the end of the three-year performance period.

In response to feedback we received from stockholders, the Compensation Committee amended the Performance Unit Plan, effective January 1, 2017, to provide for an Additional Performance Measure. For the 2018 performance unit awards, the Additional Performance Measure is the weighted average authorized return on equity ("ROE") of all WEC Energy Group's utility subsidiaries. In order for WEC Energy Group to meet its earnings per share targets, it is important that our utilities earn at or close to their allowed rates of return. The Company's performance against this measure may increase or decrease the vesting percentage of the performance units up to 10% over the three-year performance period. For 2018, the ROE targets and potential adjustments were set as follows:

If Actual Annual ROE is	The Annual Adjustment is	ROE Ranges
≤ 20 bp below the Authorized ROE	+ 3.33%	≥ 9.76%
21 - 30 bp below the Authorized ROE	0%	9.66% - 9.75%
> 30 bp below the Authorized ROE	(3.33)%	< 9.66%

These are the same ROE targets and potential adjustments that we used in connection with the Additional Performance Measure for the 2017 performance unit awards, which was the first year we included an Additional Performance Measure.

WEC Energy Group's utility subsidiaries achieved a weighted average authorized ROE of 10.38% for 2018. This resulted in a 3.33% increase in the vesting percentage of the performance units awarded in January 2018 and January 2017. For purposes of determining the appropriate number of performance units to grant to a particular NEO, the Compensation Committee used a value of $68.39 per unit, the same value used for the restricted stock granted in January 2018.

The following table provides the number of performance units granted to each NEO effective January 2, 2018, at the 100% target level:

Executive Officer	Performance Units Granted
Mr. Klappa	—
Mr. Lauber	10,570
Mr. Fletcher	6,415
Mr. Kuester	—
Ms. Kelsey	7,340
Mr. Leverett	48,305
Mr. Keyes	9,915

2018 Payouts under Previously Granted Long-Term Incentive Awards. In 2016, the Compensation Committee granted performance unit awards to participants in the Performance Unit Plan. The terms of the performance units granted in 2016 were substantially similar to those of the performance units granted in 2018 described above, except that the 2016 performance units did not have an Additional Performance Measure. The required percentile ranks for total stockholder return and related vesting schedule were identical to that of the 2018 performance units.

Payouts under the 2016 performance units were based upon our total stockholder return for the three-year performance period ended December 31, 2018 against the same group of peer companies used for the 2018 performance unit awards.

Our total stockholder return was at the 78th percentile of the peer group for the three-year performance period ended December 31, 2018, resulting in the performance units vesting at a level of 134.3%. The actual payouts were determined by multiplying the number of vested performance units by the closing price of our common stock ($69.26) on December 31, 2018, the last trading day of the performance period. The actual payout to each NEO (other than Messrs. Klappa and Kuester, and Ms. Kelsey, who did not have any 2016 performance units outstanding) is reflected in the “Option Exercises and Stock Vested for Fiscal Year 2018” table.

COMPENSATION RECOUPMENT POLICY

Accountability is a fundamental value of WEC Energy Group. To reinforce this value through the Company’s executive compensation program, the Compensation Committee has adopted a clawback policy that provides for the recoupment of incentive-based compensation in the event WEC Energy Group is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws (other than restatements permitted as a result of changes in accounting principles or interpretation). Pursuant to the policy, the Compensation Committee will recover from any current or former executive officer who has received incentive-based compensation during the three-year period preceding the date on which WEC Energy Group is required to prepare the accounting restatement, any portion of the incentive-based compensation paid in excess of what would have been paid to the executive officer under the restated financial results. The Company may also recover incentive-based compensation if an executive officer’s employment is terminated for cause, or the executive officer violates a noncompetition or other restrictive covenant.

STOCK OWNERSHIP GUIDELINES

The Compensation Committee believes that an important adjunct to the long-term incentive program is significant stock ownership by officers who participate in the program, including the NEOs. Accordingly, the Compensation Committee has implemented stock ownership guidelines requiring officers who participate in the long-term incentive program to hold an amount of Company common stock and other equity-related Company securities that varies depending upon such officer's level.

In addition to shares owned outright, holdings of each of the following are included in determining compliance with our stock ownership guidelines: restricted stock; WEC Energy Group phantom stock units held in the Executive Deferred Compensation Plan; WEC Energy Group stock held in WEC Energy Group's 401(k) plans; performance units at target; and shares held in a brokerage account, jointly with an immediate family member or in a trust.

The guidelines require each executive officer, including the NEOs, to acquire (generally within five years of appointment as an executive officer) and hold common stock and other equity-related securities of the Company having a minimum fair market value ranging from 250% to 600% of base salary. The Compensation Committee believes these stock ownership guidelines discourage unreasonable risk taking by Company officers.

The Compensation Committee annually reviews whether executive officers are in compliance with these guidelines. The last review was completed in October 2018. The Compensation Committee determined that all NEOs are in compliance, or making sufficient progress towards compliance, with these guidelines.

PROHIBITION ON HEDGING AND PLEDGING

WEC Energy Group's Corporate Securities Trading Policy prohibits the use of any strategies or products, including derivatives and short-selling techniques, to hedge against potential changes in the value of WEC Energy Group's common stock. The policy, which is applicable to all directors and employees of the Company, including the NEOs, also prohibits the holding of WEC Energy Group securities in a margin account, as well as the pledging of WEC Energy Group securities as collateral for a loan.

LIMITED TRADING WINDOWS

Officers, including the NEOs, other key employees, and the Company's directors may only transact in WEC Energy Group securities during approved trading windows after satisfying mandatory pre-clearance requirements.

RETIREMENT PROGRAMS

We also maintain retirement plans in which our NEOs participate: a defined benefit pension plan of the cash balance type, a supplemental pension plan, individual letter agreements with some of the NEOs, and a 401(k) plan. We believe our retirement plans are a valuable benefit in the attraction and retention of our employees, including the NEOs. We believe that providing a foundation for long-term financial security for our employees, beyond their employment with the Company, is a valuable component of our overall compensation program which will inspire increased loyalty and improved performance. For more information about our retirement plans, see "Pension Benefits at Fiscal Year-End 2018" and "Retirement Plans."

Messrs. Klappa and Kuester had previously retired from the Company. For information regarding certain payments made to Messrs. Klappa and Kuester in connection with such retirements, see “Pension Benefits at Fiscal Year-End 2018.”

OTHER BENEFITS, INCLUDING PERQUISITES

We provide our executive officers, including the NEOs, with employee benefits and a limited number of perquisites. Except as specifically noted elsewhere in this proxy statement, the employee benefits programs in which executive officers participate (which provide benefits such as medical coverage, retirement benefits, annual contributions to a qualified savings plan, and moving and relocation costs) are generally the same programs offered to substantially all of the Company’s management employees.

The perquisites made available to executive officers include financial planning, membership in a service that provides health care and safety management when traveling outside the United States, reimbursement for expenses related to annual physical exam costs not covered by insurance, and limited spousal travel for business purposes. The Company also pays periodic dues and fees for club memberships for certain of the NEOs and other designated officers.

We customarily review market data regarding executive perquisite practices on an annual basis. Following our acquisition of Integrys Energy Group, the Compensation Committee undertook a thorough review of WEC Energy Group’s perquisite practices with FW Cook. At that time, FW Cook recommended to the Compensation Committee that the Company retain its package of perquisites. For 2018, the Compensation Committee again reviewed our package of perquisites with FW Cook and decided not to make any changes. WEC Energy Group has a legacy group of executives who are still eligible for gross-ups. We reimburse those executives for taxes paid on income attributable to the financial planning benefits provided to the executives only if the executive uses the Company’s identified preferred provider, AYCO. We believe the use of the preferred financial adviser provides administrative benefits and eases communication between Company personnel and the financial adviser.

We pay periodic dues and fees for certain club memberships as we have found that the use of these facilities helps foster better customer and community relationships. Officers, including the NEOs, are expected to use clubs for which the Company pays dues primarily for business purposes. We do not pay any additional expenses incurred for personal use of these facilities, and officers are required to reimburse the Company to the extent that it pays for any such personal use. The total annual club dues are included in the "Summary Compensation Table." We do not permit personal use of the airplane available to the Company. We do allow spousal travel if an executive’s spouse is accompanying the executive on business travel and the airplane is not fully utilized by Company personnel. There is no incremental cost to the Company for this travel, other than the reimbursement for taxes paid on imputed income attributable to the executives for this perquisite, as the airplane cost is the same regardless of whether or not an executive’s spouse travels. Any tax reimbursement is subject to the Company’s Tax Gross-Up Policy discussed below.

In addition, each of our executive officers is eligible to participate in an officer life insurance benefit. If an executive officer chooses to participate, upon such officer’s death while employed by the Company, a benefit is paid to his or her designated beneficiary in an amount equal to the value of three times the officer’s base salary at the time of death.

TAX GROSS-UP POLICY

The Compensation Committee adopted a formal policy that prohibits entry into any contract, agreement, or arrangement with any officer of the Company that obligates the Company to pay directly or reimburse the officer for any portion of the officer's individual tax liability for benefits provided by the Company. Excluded from this policy are (1) agreements or arrangements entered into prior to December 2014 when the policy was adopted, (2) agreements or arrangements entered into prior to, and assumed by the Company in connection with, any merger or acquisition, or (3) plans or policies applicable to Company employees generally.

This policy formalized the Compensation Committee's policy that had been in place since July 2011 to eliminate tax gross-ups on perquisites provided by the Company to its officers (except to officers who were already receiving gross-ups as of July 2011). Of the NEOs, Messrs. Lauber and Leverett were receiving gross-ups from the Company prior to July 2011.

In light of Mr. Klappa's retirement in May 2016, and subsequent re-appointment as CEO in 2017, and Mr. Kuester's retirement in January 2013 and subsequent appointment as Senior Executive Vice President in 2018, both Mr. Klappa and Mr. Kuester are deemed new employees for benefits purposes and are not eligible to receive gross-ups.

SEVERANCE BENEFITS AND CHANGE IN CONTROL

Several years ago, the Compensation Committee determined that it would no longer offer severance and change in control benefits in employment agreements. Therefore, Messrs. Klappa, Lauber, Kuester, and Keyes, and Ms. Kelsey, have not entered into an employment agreement that provides for these benefits. However, they are eligible to participate in the Company's Severance Pay Plan. Prior to that time, each of Messrs. Fletcher and Leverett entered into an employment agreement with the Company, which includes severance and change in control provisions. For a discussion of the severance and change in control benefits available under these agreements, and to our executive officers generally, see "Potential Payments upon Termination or Change in Control."

In addition, our supplemental pension plan provides that in the event of a change in control, participants will be entitled to a lump sum payment of amounts due under the plan if employment is terminated within 18 months of the change in control.

IMPACT OF PRIOR COMPENSATION

The Compensation Committee does not believe it is appropriate to consider the amounts realized or realizable from prior incentive compensation awards when establishing future levels of short-term and long-term incentive compensation.

SECTION 162(m) OF THE INTERNAL REVENUE CODE

Certain components of the Company's compensation program were designed to ensure the deductibility of compensation based on tax regulations in effect at the time the compensation was awarded, including Section 162(m). Section 162(m) of the Internal Revenue Code limits the deductibility of certain executives' compensation that exceeds $1,000,000 per year. For tax years prior to 2018, compensation over $1,000,000 per year could be deducted by the Company if such compensation was performance-based under Section 162(m) and issued through a plan that had been approved by stockholders. Starting with compensation awarded in 2018, the Tax Cuts and Jobs Act of 2017 eliminated the performance-based compensation exception under 162(m) for compensation over $1,000,000.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation Committee

John F. Bergstrom, Committee Chair
Thomas J. Fischer
Ulice Payne, Jr.

EXECUTIVE COMPENSATION TABLES

The following table summarizes total compensation awarded to, earned by, or paid to WEC Energy Group's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and each of the other individuals identified in the table below (the "NEOs").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	(5) Stock Awards	(6) Option Awards	(7) Non-Equity Incentive Plan Compensation	(8) Change in Pension Value and Nonqualified Deferred Compensation Earnings	(9)(10) All Other Compensation	Total	Total Without Change in Pension Value
		($)	($)	($)	($)	($)	($)	($)	($)	($)
Gale E.	2018	1,425,000	—	3,763,383	793,166	3,541,124	158,568	181,752	9,862,993	9,862,993
Klappa[1]	2017	2,225,000	—	250,012	—	—	2,529,057	27,102	5,031,171	2,593,579
Executive Chairman	2016	589,043	—	7,427,755	816,752	1,179,632	925,719	210,435	11,149,336	10,250,269
Scott J. Lauber	2018	574,711	—	858,790	229,716	952,418	22,857	76,186	2,714,678	2,714,678
Senior Executive Vice	2017	467,321	—	534,890	137,001	764,441	93,343	66,124	2,063,120	1,977,525
President, CFO and Treasurer	2016	351,784	—	158,886	38,371	513,010	65,818	38,116	1,165,985	1,103,685
J. Kevin	2018	504,733	—	521,122	109,816	792,078	739,652	52,100	2,719,501	2,023,895
Fletcher[1]	2017	436,800	—	535,648	137,199	633,095	1,198,310	44,062	2,985,114	1,800,225
President and Chief Executive Officer	2016	411,345	—	336,818	81,425	606,866	671,274	39,869	2,147,597	1,482,133
Frederick D. Kuester[2] Senior Executive Vice President	2018	638,481	—	1,476,294	297,827	1,267,350	33,485	266,998	3,980,435	3,980,435
Margaret C. Kelsey[2] Executive Vice President, General Counsel and Corporate Secretary	2018	515,000	—	596,445	159,538	746,535	41	88,223	2,105,782	2,105,782
Allen L.	2018	980,235	—	3,924,592	1,049,629	2,400,040	2,595,024	390,357	11,339,877	8,783,390
Leverett[3]	2017	1,161,000	—	4,034,706	1,033,362	3,018,251	4,224,896	170,022	13,642,237	9,437,265
Former President	2016	941,667	—	2,939,251	769,144	2,162,593	4,549,812	140,512	11,502,979	6,963,294
J. Patrick	2018	579,676	—	805,647	215,481	900,309	137,664	75,557	2,714,334	2,609,178
Keyes[4]	2017	562,792	—	920,228	235,718	885,736	122,780	73,214	2,800,468	2,682,669
	2016	546,400	—	889,965	215,067	904,320	111,973	73,034	2,740,759	2,630,909

Former
Executive Vice
President,
Strategy

Note: In order to show the effect that the year-over-year change in pension value had on total compensation, as determined under applicable SEC rules, we have included an additional column to show total compensation minus the change in pension value. The amounts reported in the Total Without Change in Pension Value column may differ substantially from the amounts reported in the Total column required under SEC rules and are not a substitute for total compensation. Total Without Change in Pension Value represents total compensation, as determined under applicable SEC rules, minus the change in pension value reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column. The change in pension value is subject to many external variables, such as interest rates, that are not related to Company performance. Therefore, we do not believe a year-over-year change in pension value is helpful in evaluating compensation for comparative purposes.

(1) Mr. Klappa retired as CEO on May 1, 2016, but continued to serve as the Non-Executive Chairman of the Company's Board. After Mr. Leverett suffered a stroke in October 2017, the Company's Board appointed Mr. Klappa Chairman and CEO while Mr. Leverett recovered from his stroke. Mr. Klappa served in these roles until February 1, 2019, at which time he began serving as Executive Chairman. Mr. Fletcher, who was appointed to serve as President of WEC Energy Group on October 9, 2018, was appointed President and Chief Executive Officer of the Company effective February 1, 2019.

(2) Mr. Kuester, who was named Senior Executive Vice President effective March 1, 2018, and Ms. Kelsey, who was named Executive Vice President, General Counsel and Corporate Secretary effective January 1, 2018, became named executive officers in 2018. Therefore, no information has been provided for 2016 or 2017 for either officer.

(3) Mr. Leverett, who had been recovering from a stroke he suffered in October 2017, resigned as President effective October 10, 2018. Pursuant to the Company's standard medical leave policy, Mr. Leverett received 100% of his annual base salary until March 26, 2018, at which time he started receiving 80% of his base pay. Upon his resignation as President, Mr. Leverett began receiving payments under certain benefit plans of the Company, which are reflected in the All Other Compensation column. Mr. Leverett's annual incentive award under the STPP, included in the Non-Equity Incentive Plan Compensation column, was prorated to reflect the number of days Mr. Leverett served as President in 2018.

(4) Mr. Keyes resigned as Executive Vice President, Strategy and from his other officer positions with WEC Energy Group and its subsidiaries effective September 14, 2018, but remained an employee of the Company until January 4, 2019 to help transition his responsibilities.

(5) The amounts reported reflect the aggregate grant date fair value, as computed in accordance with FASB ASC Topic 718 excluding estimated forfeitures, of performance units and/or restricted stock awarded to each NEO in the respective year for which such amounts are reported. The amounts reported for the performance units are based upon the probable outcome as of the grant date of associated performance and market conditions, and are consistent with our estimate, as of the grant date, of aggregate compensation cost to be recognized over the three-year performance period. The actual value received by the executives from these awards may range from $0 to greater than the reported amounts, depending upon the Company's performance and the executive's number of additional years of service with the Company.

The value of the performance unit awards as of the grant date, assuming achievement of the highest level of performance and excluding any performance units resulting from short-term dividend equivalents and the Additional Performance Measure, for each of Messrs. Lauber, Fletcher, Leverett, and Keyes, and Ms. Kelsey, is $1,221,145, $741,084, $5,580,512, $1,145,426, and $847,963, respectively, for the 2018 awards. The value of the performance unit awards as of the grant date, assuming achievement of the highest level of performance and excluding any performance units resulting from short-term dividend equivalents and the Additional Performance Measure, for each of Messrs. Lauber, Fletcher, Leverett, and Keyes, is $760,647, $761,697, $5,736,862, and $1,308,597, respectively, for the 2017 awards. See "Option Exercises and Stock Vested For Fiscal Year 2017" for the amount of the actual payout with respect to the 2016 award of performance units. Mr. Klappa's 2016 grant of performance units vested pursuant to the terms of the Company's Performance Unit Plan upon his retirement on May 1, 2016. Not included are the performance unit awards resulting from short-term dividend equivalents and/or the Additional Performance Measure that may increase or, in the case of the Additional Performance Measure, decrease these amounts.

(6) The amounts reported reflect the aggregate grant date fair value, as computed in accordance with FASB ASC Topic 718 excluding estimated forfeitures, of options awarded to each NEO in the respective year for which such amounts are reported. The actual value received by the executives from these awards may range from $0 to greater than the reported amounts, depending upon Company performance. In accordance with FASB ASC Topic 718, we made certain assumptions in our calculation of the grant date fair value of the stock options. See "Stock Options" in Note 1(k) -- Stock-Based Compensation, in the Notes to Consolidated Financial Statements in our 2018 Annual Report on Form 10-K for a description of these assumptions. For 2018, the assumptions made in connection with the valuation of the stock options are the same as described in Note 1(k), except that the expected life of the options is 7.7 years for Messrs. Lauber, Leverett, and Keyes, and Ms. Kelsey, 4.3 years for Messrs. Klappa and Fletcher, and 3.5 years for Mr. Kuester. Mr. Kuester's options were granted effective March 1, 2018 as compared to the grant date of January 2, 2018 for the other NEOs. The change in the expected life of the options as set forth in Note 1(k) resulted from the fact that Messrs. Klappa, Fletcher, and Kuester are "retirement eligible" as of the grant date, and Messrs. Lauber, Leverett, and Keyes, and Ms. Kelsey, were not, whereas the assumption described in Note 1(k) is a weighted average of all option holders.

(7) Consists of the annual incentive compensation earned under WEC Energy Group's STPP.

(8) The amounts reported for 2018, 2017, and 2016 reflect the aggregate change in the actuarial present value of each applicable NEO's accumulated benefit under all defined benefit plans from December 31, 2017 to December 31, 2018, December 31, 2016 to December 31, 2017, and December 31, 2015 to December 31, 2016, respectively. The amounts reported for all three years also include above-market earnings on compensation that is deferred by the NEOs into the Prime Rate Fund under WEC Energy Group's Executive Deferred Compensation Plan. Above-market earnings represent the difference between the interest rate used to calculate earnings under the Plan and 120% of the applicable federal long-term rate prescribed by the Internal Revenue Code. The amounts earned for 2018 are shown below.

Name	Change in Pension Value	Non-Qualified Deferred Compensation Earnings	Total
	($)	($)	($)
Gale E. Klappa	—	158,568	158,568

Scott J. Lauber	—	22,857	22,857
J. Kevin Fletcher	695,606	44,046	739,652
Frederick D. Kuester	—	33,485	33,485
Margaret C. Kelsey	—	41	41
Allen L. Leverett	2,556,487	38,537	2,595,024
J. Patrick Keyes	105,156	32,508	137,664

For 2018, 2017, and 2016, the applicable discount rate used to value pension plan liabilities moved from 3.65% to 4.30%, 4.15% to 3.65%, and 4.45% to 4.15%, respectively. As the discount rate decreases, the Company's pension funding obligation increases, and vice versa. The changes in the actuarial present values of the NEOs' pension benefits do not constitute cash payments to the NEOs.

The pension values reported represent only WEC Energy Group's obligation of the aggregate change in the actuarial present value of each NEO's accumulated benefit under all defined benefit plans. Messrs. Klappa, Fletcher, Kuester, and Leverett are entitled to receive pension benefits from prior employers. To the extent such prior employers are unable to pay their pension obligations, WEC Energy Group may be obligated to pay the total amount.

(9) During 2018, each NEO received financial planning services and the cost of an annual physical exam; Messrs. Klappa, Lauber, Fletcher, and Leverett were provided with membership in a service that provides healthcare and safety management when traveling outside the United States; Mr. Leverett received reimbursement for club dues. In 2018, the Company paid $78,181 for the lease of an apartment and related parking costs for Mr. Kuester as he transitioned from retirement back to Milwaukee, Wisconsin and into his new role as Senior Executive Vice President. Although Mr. Klappa utilized the benefit of spousal travel for business purposes in 2018, there was no associated cost to the Company as Mr. Klappa was not eligible to receive reimbursement for taxes paid on imputed income attributable to him for such travel.

(10) For Mr. Klappa, the amount reported in All Other Compensation for 2018 includes $23,453 attributable to WEC Energy Group's Directors' Charitable Awards Program in connection with Mr. Klappa's service on the Company's Board. See "Director Compensation" for a description of the Directors' Charitable Awards Program.

All Other Compensation for Messrs. Klappa, Lauber, Fletcher, Leverett, and Keyes, and Ms. Kelsey, for 2018 also consists of:

- Employer matching of contributions into the WEC Energy Group 401(k) plan in the amount of $11,000 for Messrs. Klappa, Lauber, Fletcher, and Keyes; $10,625 for Messrs. Kuester and Leverett; and $10,434 for Ms. Kelsey;
- Employer contributions into the WEC Energy Group 401(k) plan in the amount of $16,500 for Messrs. Klappa and Kuester, and Ms. Kelsey, and into the WEC Energy Group Non-Qualified Retirement Savings Plan in the amount of $69,000 for Mr. Klappa, $20,043 for Mr. Kuester, and $26,674 for Ms. Kelsey. These payments are in lieu of participation in the Company's pension plan;
- "Make-whole" payments under the Executive Deferred Compensation Plan that provides a match at the same level as the WEC Energy Group 401(k) plan (4% for up to 7% of wages) for all deferred salary and bonus not otherwise eligible for a match in the amounts of $46,000 for Mr. Klappa, $42,239 for Mr. Lauber, $33,700 for Mr. Fletcher, $16,914 for Ms. Kelsey, $143,089 for Mr. Leverett, and $46,557 for Mr. Keyes;
- Payments in the amount of $128,817 to Mr. Kuester under a previous consulting agreement with WEC Energy Group for services he provided in January and February 2018, prior to being named Senior Executive Vice President;
- Payments under a supplemental long-term benefit plan in the amount of $200,108 for Mr. Leverett; and
- Tax reimbursements or "gross-ups" for all applicable perquisites in the amounts of $7,202 and $14,454 for Messrs. Lauber and Leverett, respectively.

Other Information

In recognition of his appointment as President and Chief Executive Officer of WEC Energy Group in February 2019, Mr. Fletcher's 2019 annual base salary was increased to $1,004,000 and his target award under the STPP was increased to 125% of base salary. Additionally, in connection with Mr. Klappa's appointment as Executive Chairman in February 2019, his 2019 annual base salary and STPP target were set at $1,000,000 and 100% of base salary, respectively.

GRANTS OF PLAN-BASED AWARDS FOR FISCAL YEAR 2018

The following table shows additional data regarding incentive plan awards to the NEOs in 2018.

Name	Grant Date	Action Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)			Estimated Future Payouts Under Equity Incentive Plan Awards (3)			All Other Stock Awards: Number of Shares of Stock or Units (4) (#)	All Other Option Awards (5)			
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		Number of Securities Underlying Options (#)	Exercise or Base Price (6) ($/Sh)	Closing Market Price ($/Sh)	Gran Date Valu Stoc Opti Awa ($)
Gale E. Klappa	1/18/18	—	427,500	1,710,000	3,591,000	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	—	—	—	57,008	—	—	—	3,76
	1/2/18	12/7/17	—	—	—	—	—	—	—	115,960	66.015	65.77	793,
Scott J. Lauber	1/18/18	—	114,980	459,920	965,832	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	2,643	10,570	18,498	—	—	—	—	697,
	1/2/18	12/7/17	—	—	—	—	—	—	2,439	—	—	—	161,
	1/2/18	12/7/17	—	—	—	—	—	—	—	26,465	66.015	65.77	229,
J. Kevin Fletcher	1/18/18	—	97,045	388,180	815,178	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	1,604	6,415	11,226	—	—	—	—	423,
	1/2/18	12/7/17	—	—	—	—	—	—	1,479	—	—	—	97,6
	1/2/18	12/7/17	—	—	—	—	—	—	—	16,055	66.015	65.77	109,
Frederick D. Kuester	3/1/18	—	153,000	612,000	1,285,200	—	—	—	—	—	—	—	—
	3/1/18	2/23/18	—	—	—	—	—	—	24,609	—	—	—	1,47
	3/1/18	2/23/18	—	—	—	—	—	—	—	50,055	59.99	59.63	297,
Margaret C. Kelsey	1/18/18	—	90,125	360,500	757,050	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	1,835	7,340	12,845	—	—	—	—	484,
	1/2/18	12/7/17	—	—	—	—	—	—	1,695	—	—	—	111,
	1/2/18	12/7/17	—	—	—	—	—	—	—	18,380	66.015	65.77	159,
Allen L. Leverett	1/18/18	—	289,743	1,158,973	2,433,843	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	12,076	48,305	84,534	—	—	—	—	3,18
	1/2/18	12/7/17	—	—	—	—	—	—	11,145	—	—	—	735,
	1/2/18	12/7/17	—	—	—	—	—	—	—	120,925	66.015	65.77	1,04
J. Patrick Keyes	1/18/18	—	108,689	434,757	912,990	—	—	—	—	—	—	—	—
	1/2/18	12/7/17	—	—	—	2,479	9,915	17,351	—	—	—	—	654,
	1/2/18	12/7/17	—	—	—	—	—	—	2,289	—	—	—	151,
	1/2/18	12/7/17	—	—	—	—	—	—	—	24,825	66.015	65.77	215,

(1) Other than with respect to Mr. Kuester, on December 7, 2017, the Compensation Committee awarded the 2018 option, restricted stock, and performance unit grants effective the first trading day of 2018 (January 2, 2018). On February 23, 2018 the Compensation Committee awarded Mr. Kuester option and restricted stock grants effective March 1, 2018.

(2) Non-equity incentive plan awards consist of annual incentive awards under WEC Energy Group's STPP. For a more detailed description of the STPP, see the Compensation Discussion and Analysis.

(3) Consists of performance units awarded under the WEC Energy Group Performance Unit Plan. WEC Energy Group's Performance Unit Plan provides for short-term dividend equivalents. The number of performance units awarded will be increased as of any date that WEC Energy Group declares a cash dividend on its common stock by

the amount of short-term dividend equivalents awarded. In effect, short-term dividend equivalents will be credited and accumulated as reinvested dividends on each performance unit so that the performance units and accumulated dividends will be paid out at the end of the performance units' three-year performance period, contingent upon the Company's performance. Therefore, the number of performance units reported at each of the threshold, target, and maximum levels in this table will increase by the number of short-term dividend equivalents earned. In addition, these amounts do not reflect any potential impact of the Company's performance against the Additional Performance Measure. For a more detailed description of the performance units, short-term dividend equivalents and Additional Performance Measure, see the Compensation Discussion and Analysis.

(4) Consists of restricted stock awarded under the 1993 Omnibus Stock Incentive Plan. For a more detailed description of the terms of the restricted stock, see the Compensation Discussion and Analysis.

(5) Consists of non-qualified stock options to purchase shares of WEC Energy Group common stock pursuant to the 1993 Omnibus Stock Incentive Plan. For a more detailed description of the terms of the options, see the Compensation Discussion and Analysis.

(6) The exercise price of the option awards is equal to the fair market value of WEC Energy Group's common stock on the date of grant. Fair market value is the average of the high and low prices of WEC Energy Group common stock, which is listed on the New York Stock Exchange, reported by Bloomberg, LLP on the grant date.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

The following table reflects the number and value of exercisable and unexercisable options as well as the number and value of other equity awards held by the NEOs at fiscal year-end 2018.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options: Exercisable (#)	Number of Securities Underlying Unexercised Options: Unexercisable [(1)] (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested [(2)] (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested [(3)] ($)
Gale E. Klappa	180,310	—	—	37.46	1/2/23	—	—	—	—
	302,535	—	—	41.025	1/2/24	—	—	—	—
	176,010	—	—	52.895	1/2/25	—	—	—	—
	190,830	—	—	50.925	1/4/26	—	—	—	—
	—	115,960	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	59,866	4,146,319	—	—
Scott J. Lauber	3,650	—	—	34.875	1/3/22	—	—	—	—
	6,360	—	—	37.46	1/2/23	—	—	—	—
	9,560	—	—	41.025	1/2/24	—	—	—	—
	5,330	—	—	52.895	1/2/25	—	—	—	—
	—	6,720	—	50.925	1/4/26	—	—	—	—
	—	17,320	—	58.305	1/3/27	—	—	—	—
	—	26,465	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	3,780	261,803	—	—
	—	—	—	—	—	—	—	14,202	983,631
	—	—	—	—	—	—	—	19,497	1,350,362
J. Kevin Fletcher	12,845	—	—	52.895	1/2/25	—	—	—	—
	—	14,260	—	50.925	1/4/26	—	—	—	—
	—	17,345	—	58.305	1/3/27	—	—	—	—
	—	16,055	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	3,040	210,550	—	—
	—	—	—	—	—	—	—	14,222	985,016
	—	—	—	—	—	—	—	11,832	819,484
Frederick D. Kuester	—	50,055	—	59.99	3/1/28	—	—	—	—
	—	—	—	—	—	24,609	1,704,419	—	—
Margaret C. Kelsey	—	18,380	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	1,695	117,396	—	—
	—	—	—	—	—	—	—	13,539	937,711
	112,250	—	—	34.875	1/3/22	—	—	—	—

Allen L.	197,360	—	—	37.46	1/2/23	—	—	—	—
Leverett	134,055	—	—	41.025	1/2/24	—	—	—	—
	77,955	—	—	52.895	1/2/25	—	—	—	—
	—	82,455	—	50.925	1/4/26	—	—	—	—
	—	42,679	—	58.325	5/2/26	—	—	—	—
	—	130,640	—	58.305	1/3/27	—	—	—	—
	—	120,925	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	23,248	1,610,156	—	—
	—	—	—	—	—	—	—	107,114	7,418,716
	—	—	—	—	—	—	—	89,103	6,171,274
	10,460	—	—	34.875	1/3/22	—	—	—	—
	95,265	—	—	37.46	1/2/23	—	—	—	—
	57,335	—	—	41.025	1/2/24	—	—	—	—
	32,685	—	—	52.895	1/2/25	—	—	—	—
J. Patrick	—	37,665	—	50.925	1/4/26	—	—	—	—
Keyes	—	29,800	—	58.305	1/3/27	—	—	—	—
	—	24,825	—	66.015	1/2/28	—	—	—	—
	—	—	—	—	—	5,353	370,749	—	—
	—	—	—	—	—	—	—	24,433	1,692,230
	—	—	—	—	—	—	—	18,290	1,266,765

(1) All options reported in this column were granted ten years prior to their respective expiration date and vest 100% on the third anniversary of the grant date. Upon his separation from the Company effective January 4, 2019, Mr. Keyes forfeited the 29,800 and 24,825 options that expire on January 3, 2027 and January 2, 2028, respectively.

(2) Effective January 4, 2016, Messrs. Lauber, Fletcher, Leverett, and Keyes were granted restricted stock awards of 585; 1,239; 7,173; and 3,276 shares, respectively, which began vesting in three equal annual installments on January 4, 2017. Effective May 2, 2016, Mr. Leverett was granted a restricted stock award of 3,186 shares, which began vesting in three equal annual installments on May 2, 2017. Effective May 2, 2016, Mr. Klappa was granted a restricted stock award of 2,858 shares for his service as Non-Executive Chairman of the Company's Board of Directors, which will vest 100% on May 2, 2019. Effective January 3, 2017, Messrs. Lauber, Fletcher, Leverett, and Keyes were granted restricted stock awards of 1,719; 1,722; 12,975; and 2,958 shares, respectively, which began vesting in three equal annual installments on January 3, 2018. Effective January 2, 2018, Messrs. Lauber, Fletcher, Leverett, and Keyes, and Ms. Kelsey, were granted restricted stock awards of 2,439; 1,479; 11,145; 2,289; and 1,695 shares, respectively, which began vesting in three equal annual installments on January 2, 2019. Effective January 2, 2018, Mr. Klappa was granted a restricted stock award of 57,008 shares, which vested 100% on January 2, 2019. Effective March 1, 2018, Mr. Kuester was granted a restricted stock award of 24,609 shares which vested 100% on March 1, 2019. The vesting of the restricted stock granted to Messrs. Lauber, Fletcher, and Keyes, and Ms. Kelsey, may be accelerated in connection with a termination of employment due to a change in control, death or disability, or by action of the Compensation Committee. Upon his separation from the Company effective January 4, 2019, Mr. Keyes forfeited all unvested shares of restricted stock.

(3) The number of performance units reported were awarded in 2017 (first line) and 2018 (second line) and vest at the end of the three-year performance period ending December 31, 2019 and December 31, 2020, respectively. The number of performance units reported and their corresponding value are based upon a payout at the maximum amount for both 2017 and 2018. The number and value of the 2017 performance units includes performance units resulting from the grant of short-term dividend equivalents and Achievement of the Additional Performance Measure in 2017 and 2018. The number and value of the 2018 performance units includes performance units resulting from the grant of short-term dividend equivalents and achievement of the Additional Performance Measure in 2018.

OPTION EXERCISES AND STOCK VESTED FOR FISCAL YEAR 2018

This table shows the number and value of (1) stock options that were exercised by the NEOs, (2) restricted stock awards that vested, and (3) performance units that vested in 2018.

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1) ($)	Stock Awards Number of Shares Acquired on Vesting (2) (#)	Value Realized on Vesting (3)(4) ($)
Gale E. Klappa	246,618 —	8,560,938 —	4,429 —	281,668 —
Scott J. Lauber	— —	— —	923 3,763	60,640 260,624
J. Kevin Fletcher	72,455 —	2,378,464 —	1,360 7,979	89,371 552,604
Frederick D. Kuester	168,790 —	5,725,198 —	— —	— —
Margaret C. Kelsey	— —	— —	— —	— —
Allen L. Leverett	— —	— —	8,984 66,457	590,383 4,602,790
J. Patrick Keyes	— —	— —	3,029 21,079	199,052 1,459,903

(1)

Value realized upon the exercise of options is determined by multiplying the number of shares received upon exercise by the difference between the market price of WEC Energy Group common stock at the time of exercise and the exercise price.

(2) Reflects the number of shares of restricted stock that vested in 2018 (first line) and, the number of performance units that vested as of December 31, 2018, the end of the applicable three-year performance period (second line). The performance units were settled in cash.

(3) Restricted stock value realized is determined by multiplying the number of shares of restricted stock that vested by the fair market value of WEC Energy Group common stock on the date of vesting. We compute fair market value as the average of the high and low prices of WEC Energy Group common stock reported by Bloomberg, LLP on the vesting date.

(4) Performance units value realized is determined by multiplying the number of performance units that vested by the closing market price of WEC Energy Group common stock on December 31, 2018, the last trading day of the year.

PENSION BENEFITS AT FISCAL YEAR-END 2018

The following table sets forth information for each NEO regarding their pension benefits at fiscal year-end 2018 under WEC Energy Group's three different retirement plans discussed below.

Name	Plan Name	Number of Years Credited Service (1) (#)	Present Value of Accumulated Benefit (5)(6) ($)	Payments During Last Fiscal Year(7) ($)
	WEC Energy Group Plan	13	274,933	—
Gale E. Klappa(2)	SERP	—	3,269,974	263,731
	Individual Letter Agreement	38.67	22,933,487	1,849,639
	WEC Energy Group Plan	28.5	505,856	—
Scott J. Lauber	SERP	28.5	165,017	—
	Individual Letter Agreement	—	—	—
	WEC Energy Group Plan	7.17	139,950	—
J. Kevin Fletcher	SERP	7.17	289,379	—
	Individual Letter Agreement	41.75	5,347,216	—
	WEC Energy Group Plan	—	—	—
Frederick D. Kuester(3)	SERP	9.17	864,942	61,739
	Individual Letter Agreement	40.33	9,271,352	661,782
	WEC Energy Group Plan	—	—	—
Margaret C. Kelsey(4)	SERP	—	—	—
	Individual Letter Agreement	—	—	—
	WEC Energy Group Plan	15.5	340,716	—
Allen L. Leverett	SERP	15.5	2,340,189	—
	Individual Letter Agreement	30	14,539,604	—
	WEC Energy Group Plan	7.67	148,788	—
J. Patrick Keyes	SERP	7.67	447,936	—
	Individual Letter Agreement	7.67	151,334	—

(1) Years of service are computed as of December 31, 2018, the pension plan measurement date used for financial statement reporting purposes. Messrs. Fletcher and Leverett have been credited with 34.58 and 14.5 years of service, respectively, pursuant to the terms of their Individual Letter Agreements ("ILAs"). Prior to his retirement in May 2016, Mr. Klappa was credited with 25.67 years of service pursuant to the terms of his ILA. Prior to his retirement in January 2013, Mr. Kuester was credited with 31.16 years of service pursuant to the terms of his ILA. The increase in the aggregate amount of each of Messrs. Klappa's, Fletcher's, Kuester's, and Leverett's accumulated benefit under all of WEC Energy Group's retirement plans resulting from the additional years of credited service is $20,981,171, $4,460,712, $8,192,804, and $10,536,282, respectively.

(2) Upon his retirement in May 2016, Mr. Klappa's ILA terminated. At that time, the number of years of credited service and the accumulated benefit effectively transferred to the WEC Energy Group Plan and the SERP. Payments related to the ILA were actually paid under the WEC SERP. Mr. Klappa is not accruing additional benefits under these plans in connection with his current service.

(3) Upon his retirement in January 2013, Mr. Kuester's ILA terminated. At that time, the number of years of credited service and the accumulated benefit effectively transferred to the WEC Energy Group Plan and the SERP. Payments related to the ILA were actually paid under the WEC SERP. Mr. Kuester is not accruing additional benefits under these plans in connection with his current service.

(4) Ms. Kelsey is not eligible to receive pension benefits under the WEC Energy Group Plan.

(5) The key assumptions used in calculating the actuarial present values reflected in this column are:

- Earliest projected unreduced retirement age based upon projected service:

- For Mr. Klappa, age 65.67 (actual age at retirement).
- For Mr. Lauber, age 60.
- For Mr. Fletcher, age 65.
- For Mr. Kuester, age 62.42 (actual age at retirement).
- For Mr. Leverett, age 60.
- For Mr. Keyes, age 55.58.
- Discount rate of 4.30%.
- Cash balance interest crediting rate of 5.00%.
- Form of payment:
  - Mr. Klappa's actual form of payment elected at retirement: WEC Energy Group Plan, SERP, and ILA - Single Life annuity
  - Mr. Lauber: WEC Energy Group Plan 50% lump sum / 50% life annuity; SERP - Life annuity
  - Messrs. Fletcher and Keyes: WEC Energy Group Plan 50% lump sum / 50% life annuity; SERP and ILA - Life annuity.
  - Mr. Kuester''s actual form of payment elected at retirement: WEC Energy Group Plan - Lump Sum; SERP and ILA - 50% Joint & Survivor annuity
  - Mr. Leverett: WEC Energy Group Plan 50% lump sum / 50% life annuity; SERP and ILA - 5 annual installments.
- Mortality Table, for Messrs. Klappa's, Lauber's, Fletcher's, Kuester's life annuity, and Leverett's actuarial 5 annual installments - RP2014/ Male/White Collar with modified MP2017 projection.

(6) WEC Energy Group's pension benefit obligations to Messrs. Klappa, Fletcher, Kuester, and Leverett will be partially offset by pension benefits they are entitled to receive from their former employers. The amounts reported for Messrs. Klappa, Fletcher, Kuester, and Leverett, represent only WEC Energy Group's obligation of the aggregate actuarial present value of each of their accumulated benefit under all of the plans. The total aggregate actuarial present value of each of Messrs. Klappa's, Fletcher's, Kuester's, and Leverett's accumulated benefit under all of the plans is $31,010,886, $8,054,982, $13,374,898, and $17,861,925, respectively, $4,532,492, $2,278,437, $3,238,604, and $641,416 of which we estimate the prior employer is obligated to pay. If Messrs. Klappa, Fletcher, Kuester, and Leverett's former employer becomes unable to pay its portion of his respective accumulated pension benefit, WEC Energy Group may be obligated to pay the total amount.

(7) Messrs. Klappa and Kuester continued to receive retirement benefits under the SERP; however, payments under the WEC Energy Group Plan were suspended for Mr. Klappa at the time he resumed his role as an executive officer with the Company. Mr. Kuester's entire WEC Energy Group Plan balance was previously paid in the form of a lump sum; therefore no further benefit exists for him in this plan.

RETIREMENT PLANS

WEC Energy Group maintains four different plans providing for retirement payments and benefits for the NEOs: a defined benefit pension plan of the cash balance type ("WEC Energy Group Plan"); a supplemental executive retirement plan ("SERP"); ILAs; and the WEC Energy Group Retirement Savings Plan, which is a 401(k) plan. The compensation currently considered for purposes of the retirement plans (other than the WEC Energy Group Plan and SERP) for Messrs. Fletcher and Leverett is $1,022,337 and $3,177,680, respectively. These amounts represent the average compensation (consisting of base salary and annual incentive compensation) for the 36 highest consecutive months. For Messrs. Lauber and Keyes, the compensation considered for purposes of the retirement plans (other than the WEC Energy Group Plan) is $1,334,961 and $1,439,693, respectively. These amounts represent their 2018 base salary, plus their 2017 STPP award paid in 2018. As of December 31, 2018, Messrs. Lauber, Fletcher, Leverett, and Keyes currently have or are considered to have 28.5, 41.75, 30, and 7.67 credited years of service, respectively, under the various plans described below. Messrs. Lauber and Keyes were not granted additional years of credited service.

See below for a discussion of the contributions made to the WEC Energy Group Retirement Savings Plan on behalf of Messrs.
Klappa and Kuester, and Ms. Kelsey, who do not participate in the WEC Energy Group Plan.

The WEC Energy Group Plan

Most regular full-time and part-time employees, including several of the NEOs, participate in the WEC Energy Group Plan. The WEC Energy Group Plan bases a participant's defined benefit pension on the value of a hypothetical account balance. For individuals participating in the WEC Energy Group Plan as of December 31, 1995, a starting account balance was created equal to the present value of the benefit accrued as of December 31, 1994, under the plan benefit formula prior to the change to a cash balance approach. That formula provided a retirement income based on years of credited service and average compensation (consisting of base salary and annual incentive compensation) for the 36 highest consecutive months, with an adjustment to reflect the Social Security integrated benefit. In addition, individuals participating in the WEC Energy Group Plan as of December 31, 1995, received a special one-time transition credit amount equal to a specified percentage varying with age multiplied by credited service and 1994 base pay.

The present value of the accrued benefit as of December 31, 1994, plus the transition credit, was also credited with interest at a stated rate. For 1996 through 2007, a participant received annual credits to the account equal to 5% of base pay (including WEC Energy Group 401(k) plan pre-tax deferrals and other items), plus an interest credit on all prior accruals equal to 4% plus 75% of the annual time-weighted trust investment return for the year in excess of 4%. From 2008 through 2013, the interest credit percentage was set at either the long-term corporate bond third segment rate, published by the Internal Revenue Service, or 4%, whichever was greater.

Effective January 1, 2014, participants receive an annual credit to the account equal to 6% of base pay (including WEC Energy Group 401(k) plan pre-tax deferrals and other items), plus an interest credit on all prior accruals equal to a 5% fixed rate. For participants in the WEC Energy Group Plan on December 31, 2007 and December 31, 2013, their WEC Energy Group Plan benefit will never be less than the benefit accrued as of December 31, 2007 and December 31, 2013, respectively. The WEC Energy Group Plan benefit will be calculated under all three formulas to provide participants with the greater benefit; however, in calculating a participant's benefit accrued as of December 31, 2007 and December 31, 2013, interest credits as defined under each of the prior WEC Energy Group Plan formulas will be taken into account but not any additional pay credits.

Participants who were "grandfathered" as of December 31, 1995, as discussed below, will still receive the greater of the grandfathered benefit or the cash balance benefit.

The life annuity payable under the WEC Energy Group Plan is determined by converting the hypothetical account balance credits into annuity form.

Individuals who were participants in the WEC Energy Group Plan on December 31, 1995 were "grandfathered" so that they will not receive any lower retirement benefit than would have been provided under the formula in effect through December 31, 1995, had it continued. This amount continued to increase until December 31, 2010, at which time it was frozen. Upon retirement, participants will receive the greater of this frozen amount or the accumulated cash balance.

For Mr. Lauber, estimated benefits under the grandfathered formula are higher than under the cash balance plan formula. Messrs. Fletcher, Leverett, and Keyes do not participate in the grandfathered formula. Although all of the NEOs (other than Mr. Kuester and Ms. Kelsey) participate in the cash balance plan formula, pursuant to the agreement discussed below, Mr. Leverett’s total retirement benefits would be determined by the prior plan benefit formula if he were to retire at or after age 60. Mr. Leverett’s agreement also provides that the prior plan benefit formula will continue to be applied until retirement, with no amounts frozen as of December 31, 2010. Mr. Leverett would receive the cash balance in his account if he was to terminate employment prior to attaining the age of 60. Although Mr. Leverett resigned as President of WEC Energy Group effective October 10, 2018, he remains an inactive employee, which is consistent with the Company's policy regarding similarly-situated management employees. Therefore, Mr. Leverett remains entitled to these retirement benefits.

Under the WEC Energy Group Plan, participants receive unreduced pension benefits upon reaching one of the following three thresholds: (1) age 65; (2) age 62 with 30 years of service; or (3) age 60 with 35 years of service.

Pursuant to the Internal Revenue Code, only $275,000 of pension eligible earnings (base pay and annual incentive compensation) may be considered for purposes of the WEC Energy Group Plan.

Supplemental Executive Retirement Plans and Individual Letter Agreements
Designated officers of WEC Energy Group, including all of the NEOs (other than Ms. Kelsey) participate in the SERP, which is part of the Supplemental Pension Plan (the “SPP”) adopted to comply with Section 409A of the Internal Revenue Code. The SERP provides monthly supplemental pension benefits to participants, which will be paid out of unsecured corporate assets, or the grantor trust described below, in an amount equal to the difference between the actual pension benefit payable under the WEC Energy Group Plan and what such pension benefit would be if calculated without regard to any limitation imposed by the Internal Revenue Code on pension benefits or covered compensation, including amounts deferred to the WEC Energy Group Executive Deferred Compensation Plan. Except for a “change in control” of WEC Energy Group, as defined in the SPP, and pursuant to the terms of the ILAs discussed below, no payments are made until after the participant’s retirement at or after age 60 or death. If a participant in the SERP dies prior to age 60, his or her beneficiary is entitled to receive retirement benefits under the SERP. Although Messrs. Klappa and Kuester remain participants in the SPP, they no longer accrue any benefits under the plan as a result of their earlier retirements. In addition, although Mr. Keyes remains a participant in the SPP, he no longer accrues any benefits under the plan as a result of his separation from the Company.

WEC Energy Group entered into an individual letter agreement with Mr. Klappa when he first commenced employment in 2003 to provide him with supplemental retirement benefits upon retirement at or after age 60. The supplemental retirement payments are intended to make the total retirement benefits payable to Mr. Klappa comparable to that which would have been received under the WEC Energy Group Plan as in effect on December 31, 1995, had the defined benefit formula then in effect continued until his retirement, calculated without regard to Internal Revenue Code limits, and as if Mr. Klappa had started participation in the WEC Energy Group Plan. Pursuant to the terms of the agreement, which terminated upon Mr. Klappa’s retirement in May 2016, Mr. Klappa’s benefits under the WEC Energy Group Plan and the SERP are being paid under the prior plan benefit formula as in effect on December 1, 1995, and as if Mr. Klappa had started with WEC Energy Group at age 27. As a result, Mr. Klappa had 38.67 years of credited service under the WEC Energy Group Plan and the SERP upon his retirement in May 2016.

WEC Energy Group entered into an agreement with Mr. Fletcher to provide him with supplemental retirement benefits upon his retirement, provided he completed one year of service with the Company. The supplemental retirement payments are intended to make the total retirement benefits payable to Mr. Fletcher comparable to that which would have been received under his prior employer’s defined benefit pension plan, calculated without regard to

Internal Revenue Code limits, and as if Mr. Fletcher's employment continued with the prior employer and the defined benefit formula then in effect under the prior employer's plan continued to his retirement. The retirement benefits payable as a result of this agreement will be offset by the value of any qualified and non-qualified defined benefit pension plan of the prior employer.

WEC entered into an individual letter agreement with Mr. Kuester when he first commenced employment in 2003 that was similar to Mr. Klappa's agreement to provide him with supplemental retirement benefits upon retirement at or after age 60. Pursuant to the terms of the agreement, which terminated upon Mr. Kuester's retirement in January 2013, Mr. Kuester's benefits under the WEC Energy Group Plan and the SERP are being paid under the prior plan benefit formula as in effect on December 1, 1995, and as if Mr. Kuester had started with WEC Energy Group at age 22. As a result, Mr. Kuester had 40.33 years of credited service under the WEC Energy Group Plan and the SERP upon his retirement in January 2013.

WEC Energy Group entered into an agreement with Mr. Leverett that was similar to Mr. Klappa's agreement to provide him with supplemental retirement benefits upon retirement at or after age 60. The supplemental retirement payments are intended to make the total retirement benefits payable to Mr. Leverett comparable to that which would have been received under the WEC Energy Group Plan as in effect on December 31, 1995, had the defined benefit formula then in effect continued until his retirement, calculated without regard to Internal Revenue Code limits, and as if Mr. Leverett had started participation in the WEC

Energy Group Plan on January 1, 1989. The retirement benefits payable to Mr. Leverett will be offset by the value of any qualified or non-qualified defined benefit pension plans of prior employers.

Mr. Leverett's agreement also provides for a pre-retirement spousal benefit to be paid to his spouse in the event of his death while employed by the Company. The benefit payable is equal to the amount which would have been received by Mr. Leverett's spouse under the WEC Energy Group Plan as in effect on December 31, 1995, had the benefit formula then in effect continued until Mr. Leverett's death, calculated without regard to Internal Revenue Code limits, and as if Mr. Leverett had started at the age indicated above. The spousal benefit payable would be offset by one half of the value of any qualified or non-qualified deferred benefit pension plans of Mr. Leverett's prior employer.

WEC Energy Group entered into an agreement with Mr. Keyes when he was hired as Vice President and Treasurer in 2011 that provided for a supplemental pension benefit account, which was credited with $100,000. This account was credited with interest annually at the same rate as the WEC Energy Group Plan. The account balance would have vested at the earliest to occur of Mr. Keyes attaining age 60 or completion of 10 years of service; however, Mr. Keyes forfeited this benefit upon his separation from the Company.

The purpose of these agreements was to ensure that Messrs. Klappa, Fletcher, Leverett, and Keyes did not lose pension earnings by joining the executive management team at WEC Energy Group they otherwise would have received from their former employers. Without providing a means to retain these pension benefits, it would have been difficult for WEC Energy Group to attract these officers.

The SPP provides for a mandatory lump sum payment upon a change in control if the executive's employment is terminated within 18 months after the change in control. The Wisconsin Energy Corporation 2014 Rabbi Trust, a grantor trust, funds certain non-qualified benefits, including the SPP and the ILAs, as well as the Executive Deferred Compensation Plan and the Directors' Deferred Compensation Plan. See "Potential Payments upon Termination or Change in Control" later in this proxy statement for additional information.

WEC Energy Group Retirement Savings Plan

Effective January 1, 2015, all newly hired management employees, including executive officers, will receive an annual contribution equal to 6% of pension eligible wages from the Company into WEC Energy Group's 401(k) plan rather than participate in the WEC Energy Group Plan. Pension eligible wages consist of annual base salary and STPP payouts. In connection with this plan, the Compensation Committee adopted the WEC Energy Group Non-Qualified Retirement Savings Plan which provides "make-whole" benefits to address Internal Revenue Code limits on the amount of money that can be contributed to a 401(k) plan.

Since Messrs. Klappa and Kuester are considered new employees, they will no longer accrue additional benefits under the WEC Energy Group Plan; however, Messrs. Klappa and Kuester, along with Ms. Kelsey, are entitled to receive Company contributions to the 401(k) plan and Non-Qualified Retirement Savings Plan.

NONQUALIFIED DEFERRED COMPENSATION FOR FISCAL YEAR 2018

The following table reflects activity by the NEOs during 2018 in WEC Energy Group's Executive Deferred Compensation Plan discussed below.

Name	Executive Contributions in Last Fiscal Year (1)	Registrant Contributions in Last Fiscal Year (1)	Aggregate Earnings In Last Fiscal Year	Aggregate Withdrawals / Distributions	Aggregate Balance at Last Fiscal Year-End (2)
	($)	($)	($)	($)	($)

Gale E. Klappa	84,404	46,000	353,452	947,996	6,722,197
Scott J. Lauber	189,344	42,239	58,628	—	1,693,064
J. Kevin Fletcher	531,410	33,700	125,979	—	2,803,514
Frederick D. Kuester	—	—	66,379	285,333	1,141,332
Margaret C. Kelsey	36,010	16,914	16,082	—	222,326
Allen L. Leverett	441,304	143,089	52,008	—	6,291,763
J. Patrick Keyes	921,638	46,557	(263,131)	—	5,897,325

(1) All of the amounts are reported as compensation in the "Summary Compensation Table" of this proxy statement.

(2) $227,270, $693,245, $3,556,960, and $2,678,095 of the reported amounts were reported as compensation in the Summary Compensation Tables in prior proxy statements for Messrs. Lauber, Fletcher, Leverett, and Keyes, respectively. Messrs. Klappa and Kuester reported $6,931,246 and $2,350,309, respectively, in the Summary Compensation Tables in prior proxy statements. The amounts reported in this column for Messrs. Klappa and Kuester are lower than these previously reported amounts because Messrs. Klappa and Kuester have been receiving distributions

under the WEC Energy Group Executive Deferred Compensation Plan. Ms. Kelsey became a named executive officer in 2018; therefore, no amounts were previously reported in prior proxy statements for her. The amount for Ms. Kelsey includes a $150,000 contribution from WEC Energy Group in 2017 that vests upon Ms. Kelsey's third anniversary with the Company.

Executive Deferred Compensation Plan
WEC Energy Group maintains two executive deferred compensation plans in which the NEOs participate: the Legacy WEC Energy Group Executive Deferred Compensation Plan (the "Legacy EDCP"), and the WEC Energy Group Executive Deferred Compensation Plan (the "EDCP") adopted effective January 1, 2005 to comply with Section 409A of the Internal Revenue Code. The Legacy EDCP provides that (1) amounts earned, deferred, vested, credited, and/or accrued as of December 31, 2004 are preserved and frozen so that these amounts are exempt from Section 409A and (2) no new employees may participate in the Legacy EDCP as of January 1, 2005. Since January 1, 2005, all deferrals have been made to the EDCP. The provisions of the EDCP as in effect on December 31, 2018 are described below, as are the payout provisions of the Legacy EDCP.

The EDCP. Under the plan, a participant may defer up to 50% of his or her base salary, annual incentive compensation and vested awards of performance units. Stock option gains and vested restricted stock may not be deferred into the EDCP. Generally, deferral elections are made annually by each participant for the upcoming plan year. The Company maintains detailed records tracking each participant's "account balance." In addition to deferrals made by the participants, the Company may also credit each participant's account balance by matching a certain portion of each participant's deferral. Such deferral matching is determined by a formula taking into account the matching rate applicable under the Company's 401(k) plan, the percentage of compensation subject to such matching rate, the participant's gross compensation eligible for matching, and the amount of eligible compensation actually deferred. Also, in our discretion, the Company may credit any other amounts, as appropriate, to each participant's account.

Mr. Kuester was not eligible to defer any compensation into the EDCP for 2018, nor was he eligible for any Company contributions to the EDCP.

Participants may elect to participate in the Company's stock measurement fund and/or the Prime Rate Fund. The Company tracks each participant's account balance as though the balance was actually invested in these funds. Fund elections are not actual investments, but are elections chosen only for purposes of calculating market gain or loss on deferred amounts for the duration of the deferral period. Each participant may select the amount of deferred compensation to be allocated among the two measurement funds. Contributions and deductions may be made to each participant's account based on the performance of the measurement fund(s) elected.

The annual rate of return for the calendar year ended December 31, 2018 for the WEC Energy Group Common Stock Fund and the Prime Rate Fund was 4.3% and 4.88%, respectively.

Each participant's account balance is debited or credited periodically based on the performance of the measurement fund(s) elected by the participant. Subject to certain restrictions, participants may make changes to their measurement fund elections by notice to the committee administering the plan.

At the time of his or her deferral election, each participant may designate a prospective payout election for any or the entire amount deferred, plus any amounts debited or credited to the deferred amount as of the designated payout. Amounts deferred into the EDCP may not be withdrawn at the discretion of the participant and a change to the designated payout delays the initial payment at least five years beyond the originally designated payout date. In addition, the Company may not limit payout amounts in order to deduct such amounts under Section 162(m) of the Internal Revenue Code.

The balance of a participant's account is payable on his or her retirement in either a lump sum payout or in annual installments, at the election of the participant. Upon the death of a participant after retirement, payouts are made to the deceased participant's beneficiary in the same manner as though such payout would have been made to the participant had the participant survived. In the event of a participant's termination of employment prior to retirement, the participant may elect to receive a payout beginning the year after termination in the amount of his or her account balance as of the termination date either in a lump sum or in annual installments over a period of five years. Disability is not itself a payment event until the participant terminates employment with WEC Energy Group or its subsidiaries. A participant's account balance will be paid out in a lump sum if the participant separates from service with WEC Energy Group or its subsidiaries within 18 months after a change in control of WEC Energy Group, as defined in the plan. The deferred amounts will be paid out of the general corporate assets or the assets of the Wisconsin Energy Corporation 2014 Rabbi Trust.

The Legacy EDCP. At the time of his or her deferral election, each participant designated a prospective payout election for any or the entire amount deferred, plus any amounts debited or credited to the deferred amount as of the designated payout. A participant may elect, at any time, to withdraw part (a minimum of $25,000) or all of his or her account balance, subject to a withdrawal penalty of 10%. Payout amounts may be limited to the extent to which they are deductible by the Company under Section 162(m) of the Internal Revenue Code.

The balance of a participant’s account is payable on his or her retirement in either a lump sum payout or in annual installments, at the election of the participant. Upon the death of a participant after retirement, payouts are made to the deceased participant’s beneficiary in the same manner as though such payout would have been made to the participant had the participant survived. In the event of a participant’s termination of employment prior to retirement, the participant may elect to receive a payout beginning the year after termination in the amount of his or her account balance as of the termination date either in a lump sum or in annual installments over a period of five years. Any participant who suffers from a continued disability will be entitled to the benefits of plan participation unless and until the committee administering the plan determines that the participant has been terminated for purposes of continued participation in the plan. Upon any such determination, the disabled participant is paid out as though the participant had retired. Except in certain limited circumstances, participants’ account balances will be paid out in a lump sum (1) upon the occurrence of a change in control, as defined in the plan, or (2) upon any downgrade of the Company’s senior debt obligations to less than “investment grade.” The deferred amounts will be paid out of the general corporate assets or the assets of the Wisconsin Energy Corporation 2014 Rabbi Trust.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The tables below reflect the amount of compensation payable to each of our NEOs (other than Mr. Keyes) in the event of termination of each executive’s employment. These amounts are in addition to each NEO’s aggregate balance in the EDCP at fiscal year-end 2018, as reported in the "Aggregate Balance at Last Fiscal Year-End" column under “Nonqualified Deferred Compensation for Fiscal Year 2018.” The amount of compensation payable to each NEO (other than Mr. Keyes) upon voluntary termination, normal retirement, for-cause termination, involuntary termination (by the Company for any reason other than cause, death or disability or by the executive for “good reason”), termination following a “change in control,” disability, and death are set forth below. The amounts shown assume that such termination was effective as of December 31, 2018 and include amounts earned through that date, and are estimates of the amounts which would be paid out to the NEOs upon termination. The amounts shown under “Normal Retirement” assume the NEOs were retirement eligible with no reduction of retirement benefits. The amounts shown under “Termination Upon a Change in Control” assume the NEOs terminated employment as of December 31, 2018, which was within 18 months of a change in control of WEC Energy Group. The amounts reported in the row titled “Retirement Plans” in each table below are not in addition to the amounts reflected under “Pension Benefits at Fiscal Year-End 2018.” The actual amounts to be paid out can only be determined at the time of an officer’s termination of employment.

Payments Made Upon Voluntary Termination or Termination for Cause, Death or Disability

In the event a NEO voluntarily terminates employment or is terminated for cause, death, or disability, the officer will receive:

- accrued but unpaid base salary and, for termination by death or disability, prorated annual incentive compensation;
- 401(k) plan and EDCP account balances;
- the WEC Energy Group Plan cash balance;
- in the case of death or disability, full vesting in all outstanding stock options, restricted stock, and performance units (otherwise, the ability to exercise already vested options within three months of termination) as well as vesting in the SERP and ILAs; and
- if voluntary termination occurs after age 60, such termination is treated as a normal retirement.

NEOs are also entitled to the value of unused vacation days, if any, and for termination by death, benefits payable under the officer life insurance benefit if the NEO participates in such benefit.

On September 6, 2018, Mr. Keyes submitted his resignation from all officer positions with the Company and its subsidiaries, including as Executive Vice President of the Company, effective September 14, 2018. In order to transition his responsibilities to other executives of the Company, he remained an employee until January 4, 2019. In connection with such termination, Mr. Keyes received accrued and unpaid base salary, 401(k) plan and EDCP balances, his WEC Energy Group Plan cash balance, and the value of unused vacation days. As a result, we have not included a table reflecting potential termination payments to Mr. Keyes under other circumstances.

Payments Made Upon Normal Retirement

In the event of the retirement of a NEO, the officer will receive:

•accrued but unpaid base salary and prorated annual incentive compensation;
•full vesting in all outstanding stock options and a prorated amount of performance units;
•full vesting in all retirement plans, including the WEC Energy Group Plan, SERP, and ILAs; and
•401(k) plan and EDCP account balances.
•NEOs are also entitled to the value of unused vacation days, if any.

Payments Made Under Employment Agreements Upon a Change in Control, Involuntary Termination, or Termination for Good Reason

WEC Energy Group entered into a written employment agreement with Mr. Fletcher effective October 31, 2011. The Compensation Committee did not amend or otherwise modify Mr. Fletcher’s employment agreement in any way in connection with his appointment as President and CEO. Pursuant to the terms of this agreement, Mr. Fletcher is entitled to severance benefits if his employment is terminated (1) by the Company for any reason other than cause, death, or disability, or (2) by Mr. Fletcher for good reason. Upon termination, Mr. Fletcher’s agreement provides for (1) a lump sum payment equal to 2.99 times his annual base salary for the fiscal year in which termination occurs, and (2) health, life and other welfare benefits (excluding disability benefits) for a period of three years following termination.

Generally, pursuant to Mr. Fletcher’s ILA, good reason means:
(1) a material reduction in the executive’s base compensation;
(2) a material change in the geographic location at which the executive must perform services; or
(3) a material breach of the agreement by the Company.

WEC Energy Group also entered into a written employment agreement with Mr. Leverett, dated as of December 28, 2008, which provides for certain severance benefits if his employment is terminated, among other ways:

- in anticipation of or following a change in control by the Company for any reason, other than cause, death, or disability;
- by Mr. Leverett for good reason in anticipation of or following a change in control; or
- by Mr. Leverett within six months after completing one year of service following a change in control.

Upon termination of his employment in connection with a change in control, Mr. Leverett’s agreement provides for:
- a lump sum severance payment equal to three times the sum of Mr. Leverett’s highest annual base salary in effect for the three years preceding his termination and highest bonus amount;
- three years continuation of health and certain other welfare benefit coverage and eligibility for retiree health coverage thereafter;
- a payment equal to the value of three additional years of participation in the applicable qualified and non-qualified retirement plans based upon the higher of (1) the annual base salary in effect at the time of termination, and (2) any salary in effect during the 180 day period preceding termination, plus the highest bonus amount;
- a payment equal to the value of three additional years of Company match in the 401(k) plan and EDCP;
- full vesting in all outstanding stock options, restricted stock, and other equity awards;
- 401(k) and EDCP account balances;
- certain financial planning services and other benefits; and
- a "gross up" payment should any payments under the agreement trigger federal excise taxes under the "parachute payment" provisions of the tax law.

The highest bonus amount would be calculated as the larger of (1) the current target bonus for the fiscal year in which employment termination occurs, or (2) the highest bonus paid in any of the last three fiscal years of the Company prior to termination or the change in control. The agreement contains a one-year non-compete provision applicable on termination of employment.

Generally, pursuant to Mr. Leverett’s agreement, a change in control is deemed to occur:
(1) if any person or group acquires WEC Energy Group common stock that constitutes more than 50% of the total fair market value or total voting power of WEC Energy Group;
(2) if any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) WEC Energy Group common stock that constitutes 30% or more of the total

voting power of WEC Energy Group;

(3) if a majority of the members of WEC Energy Group's Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of WEC Energy Group's Board before the date of appointment or election; or

(4) if any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) assets from WEC Energy Group that have a total gross fair market value equal to or

more than 40% of the total gross value of all the assets of WEC Energy Group immediately before such acquisition or acquisitions, unless the assets are transferred to:

- an entity that is controlled by the stockholders of the transferring corporation;
- a stockholder of WEC Energy Group in exchange for or with respect to its stock;
- an entity of which WEC Energy Group owns, directly or indirectly, 50% or more of its total value or voting power; or
- a person or group (or an entity of which such person or group owns, directly or indirectly, 50% or more of our total value or voting power) that owns, directly or indirectly, 50% or more of the total value or voting power of WEC Energy Group.

Under the terms of his agreement, effective March 2020, Mr. Leverett will no longer be entitled to these change in control benefits.

The employment agreements Messrs. Klappa and Kuester entered into upon commencement of their employment with WEC Energy Group in 2003 terminated upon their retirements in May 2016 and January 2013, respectively.

Pursuant to the terms of the SPP and ILAs, retirement benefits are paid to the NEOs upon termination of employment within 18 months of a change in control. Participants appointed by the Company, including the NEOs, are also eligible to receive a supplemental disability benefit pursuant to the terms of the WEC Energy Group Supplemental Long Term Disability Plan, in an amount equal to the difference between the actual amount of the benefit payable under the long term disability plan applicable to all employees and what such disability benefit would have been if calculated without regard to any limitation imposed by the broad-based plan on annual compensation recognized thereunder. Mr. Leverett is currently receiving benefits under this plan.

Payments under the Severance Pay Plan

Messrs. Klappa, Lauber, and Kuester, and Ms. Kelsey, have not entered into any agreement that currently provides for severance benefits upon a change in control or otherwise. These officers are eligible to participate in the Company's Severance Pay Plan, in which all management employees are eligible to participate. In the event a participant is involuntarily terminated, other than for cause, death, disability, retirement, or resignation, the participant is entitled to receive severance pay in an amount equal to the sum of: (1) 4% of the participant's annual base salary and target bonus, plus (2) 4% of the participant's annual base salary and target bonus multiplied by his or her completed years of service with the Company. The maximum amount of severance pay that can be received under the plan is twelve months of a participant's annual base salary and target bonus.

Potential Payments to Named Executive Officers Upon Termination or Change in Control of the Company

The following tables show the potential payments upon termination or a change in control of the Company for:

Executive Benefits and Payments Upon Separation	Voluntary Termination ($)	Normal Retirement ($)	For Cause Termination ($)	Involuntary Termination ($)	Termination Upon Change in Control ($)	Disability ($)	Death ($)
Gale E. Klappa							
Cash Severance	—	—	—	1,881,000	1,881,000	—	—
Additional Pension Credited Service	—	—	—	—	—	—	—
Additional 401(k) and EDCP Match	—	—	—	—	—	—	—
Long-Term Incentive Compensation:							
Performance Units	—	—	—	—	—	—	—
Restricted Stock	—	—	—	—	3,948,374	3,948,374	3,948,374
Options	—	376,290	—	—	376,290	376,290	376,290
Benefits & Perquisites:							
Retirement Plans	26,478,394	26,478,394	26,478,394	26,478,394	26,478,394	26,478,394	
Health and Welfare Benefits	—	—	—	9,497	9,497	—	—
Excise Tax Gross-Up	—	—	—	—	—	—	—
Financial Planning	—	—	—	—	—	—	—
Outplacement	—	—	—	—	—	—	—
Death Benefit	—	—	—	—	—	—	—
Total	26,478,394	26,854,684	26,478,394	28,368,891	32,693,555	30,803,058	4,324,664
Scott J. Lauber							
Cash Severance	—	—	—	1,059,920	1,059,920	—	—
Additional Pension Credited Service	—	—	—	—	—	—	—
Additional 401(k) and EDCP Match	—	—	—	—	—	—	—
Long-Term Incentive Compensation:							
Performance Units	—	620,085	—	—	1,308,806	1,308,806	1,308,806
Restricted Stock	—	—	—	—	261,803	261,803	261,803
Options	—	398,831	—	—	398,831	398,831	398,831
Benefits & Perquisites:							
Retirement Plans	670,873	670,873	670,873	670,873	670,873	670,873	628,135
Health and Welfare Benefits	—	—	—	9,497	9,497	—	—
Excise Tax Gross-Up	—	—	—	—	—	—	—
Financial Planning	—	—	—	—	—	—	—
Outplacement	—	—	—	—	—	—	—
Death Benefit	—	—	—	—	—	—	—
Total	670,873	1,689,789	670,873	1,740,290	3,709,730	2,640,313	2,597,575
J. Kevin Fletcher							
Cash Severance	—	—	—	2,093,000	2,093,000	—	—
Additional Pension Credited Service	—	—	—	—	—	—	—
Additional 401(k) and EDCP Match	—	—	—	—	—	—	—
Long-Term Incentive Compensation:							
Performance Units	—	521,459	—	—	1,011,889	1,011,889	1,011,889
Restricted Stock	—	—	—	—	210,550	210,550	210,550
Options	—	503,570	—	—	503,570	503,570	503,570
Benefits & Perquisites:							

Retirement Plans	5,776,545	5,776,545	5,776,545	5,776,545	5,776,545	5,776,545	3,465,042
Health and Welfare Benefits	—	—	—	56,984	56,984	—	—
Excise Tax Gross-Up	—	—	—	—	—	—	—
Financial Planning	—	—	—	—	—	—	—
Outplacement	—	—	—	—	—	—	—
Death Benefit	—	—	—	—	—	—	2,100,000
Total	5,776,545	6,801,574	5,776,545	7,926,529	9,652,538	7,502,554	7,291,051

Executive Benefits and Payments Upon Separation	Voluntary Termination ($)	Normal Retirement ($)	For Cause Termination ($)	Involuntary Termination ($)	Termination Upon Change in Control ($)	Disability ($)	Death ($)
Frederick D. Kuester							
Cash Severance	—	—	—	538,965	538,965	—	—
Additional Pension Credited Service	—	—	—	—	—	—	—
Additional 401(k) and EDCP Match	—	—	—	—	—	—	—
Long-Term Incentive Compensation:							
Performance Units	—	—	—	—	—	—	—
Restricted Stock	—	—	—	—	1,704,419	1,704,419	1,704,419
Options	—	162,428	—	—	162,428	162,428	162,428
Benefits & Perquisites:							
Retirement Plans	10,136,294	10,136,294	10,136,294	10,136,294	10,136,294	10,136,294	5,120,424
Health and Welfare Benefits	—	—	—	9,497	9,497	—	—
Excise Tax Gross-Up	—	—	—	—	—	—	—
Financial Planning	—	—	—	—	—	—	—
Outplacement	—	—	—	—	—	—	—
Death Benefit	—	—	—	—	—	—	—
Total	10,136,294	10,298,722	10,136,294	10,684,756	12,551,603	12,003,141	6,987,271
Margaret C. Kelsey							
Cash Severance	—	—	—	70,040	70,040	—	—
Additional Pension Credited Service	—	—	—	—	—	—	—
Additional 401(k) and EDCP Match	—	—	—	—	—	—	—
Long-Term Incentive Compensation:							
Performance Units	—	175,297	—	—	525,822	525,822	525,822
Restricted Stock	—	—	—	—	117,396	117,396	117,396
Options	—	59,643	—	—	59,643	59,643	59,643
Benefits & Perquisites:							
Retirement Plans	—	—	—	—	—	—	—
Health and Welfare Benefits	—	—	—	9,497	9,497	—	—
Excise Tax Gross-Up	—	—	—	—	—	—	—
Financial Planning	—	—	—	—	—	—	—
Outplacement	—	—	—	—	—	—	—
Death Benefit	—	—	—	—	—	—	1,545,000
Total	—	234,940	—	79,537	782,398	702,861	2,247,861
Allen L. Leverett							
Cash Severance	—	—	—	—	12,458,256	—	—
Additional Pension Credited Service	—	—	—	—	6,344,721	—	—
Additional 401(k) and EDCP Match	—	—	—	—	498,330	—	—
Long-Term Incentive Compensation:							
Performance Units	—	3,926,903	—	—	7,620,678	7,620,678	7,620,678
Restricted Stock	—	—	—	—	1,610,156	1,610,156	1,610,156
Options	—	3,802,070	—	—	3,802,070	3,802,070	3,802,070
Benefits & Perquisites:							

Retirement Plans	17,220,509	11,604,163	17,220,509	6,623,909
Health and Welfare Benefits	—	70,485	—	—
Excise Tax Gross-Up	—	16,997,105	—	—
Financial Planning	—	54,000	—	—
Outplacement	—	30,000	—	—
Death Benefit	—	—	—	—
Total	24,949,482	61,089,964	30,253,413	19,656,813

PAY RATIO DISCLOSURE

The primary objective of our executive compensation program is to provide a competitive, performance-based plan that enables the Company to attract and retain key individuals and to reward them for achieving both the Company's short-term and long-term goals without creating an incentive for our NEOs to take excessive risks. In line with this objective, the Company's general pay practice for all management employees is to target the median pay for each individual's position at comparably sized companies.

For 2018, the annual total compensation of Mr. Klappa, our principal executive officer serving in that position on December 31, 2018, of $9,862,993, as shown in the Summary Compensation Table above ("CEO Compensation"), was approximately 91 times the annual total compensation of the median employee of $107,894.

We identified the median employee as of October 7, 2017, using total wages and earnings paid during the rolling 12-month period ended October 7, 2017, as reflected in our internal payroll records (including, without limitation, base salary, wages plus overtime, and annual cash incentive payments, as applicable), for all individuals, excluding Mr. Leverett (then CEO of the Company), who were employed by us or any of our consolidated subsidiaries on October 7, 2017 (whether employed on a full-time, part-time, seasonal or temporary basis and including union and non-union employees). After identifying the median employee, we calculated annual total compensation for such employee using the same methodology we use for our CEO Compensation, which includes annual salary, bonus, change in pension value and 401(k) matching by the Company. As defined under the pay ratio disclosure rules, the median employee remained the same since there has been no change in the Company's employee population or employee compensation that would significantly affect the pay ratio.

To provide further context to our pay practices, due to the complexity of the work associated with operating public utilities, our workforce tends to be more highly skilled than workforces at companies in other industries. Additionally, our employees often work for the Company for long periods of time; our average employee tenure is 15 years.

RISK ANALYSIS OF COMPENSATION POLICIES AND PRACTICES

As part of its process to determine the 2018 compensation of WEC Energy Group's NEOs, the Compensation Committee analyzed whether WEC Energy Group's compensation program taken as a whole creates risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee concluded it does not. This analysis applies generally to the compensation program for WEC Energy Group's employees since all management employees (both officers and non-officers) above a certain level are provided with substantially the same mix of compensation as the NEOs. The compensation package provided to employees below this level is not applicable to this analysis as such compensation package does not provide sufficient incentive to take risks that could materially affect the Company.

There is no objective way to measure risk resulting from a corporation's compensation program; therefore, this analysis is subjective in nature. We believe that the only elements of WEC Energy Group's compensation program that could incentivize risk-taking by our employees, and therefore have a reasonable likelihood of materially adversely affecting the Company, are the annual cash incentive compensation and the long-term incentive compensation, the payout of which is dependent upon the achievement of certain performance levels by the Company. Based upon the value of each of these elements to the overall compensation mix and the relative value each has to the other, we believe the Company's compensation program is appropriately balanced. We believe that the mix of short- and long-term awards minimizes risks that may be taken, as any risks taken for short-term gains could ultimately jeopardize the Company's ability to meet the long-term performance objectives. Given the current balance of compensation elements, we do not believe WEC Energy Group's compensation program incentivizes unreasonable risk-taking by management.

The Compensation Committee's stock ownership guidelines require officers who participate in the long-term incentive compensation program to hold an amount of Company common stock and other equity-related Company securities that varies depending upon such officers' level. The guidelines require the Company's executive officers to hold common stock and other equity-related securities of the Company having a minimum fair market value ranging from 250% to 600% of base salary. The Compensation Committee believes these stock ownership guidelines further discourage unreasonable risk taking by Company officers.

As part of this analysis, we also considered the nature of WEC Energy Group's business as a public utility holding company and the fact that substantially all of the Company's earnings and other financial results are generated by, or relate to, regulated public utilities. The highly regulated nature of WEC Energy Group's business, including limits on the amount of profit the Company's public utility subsidiaries (and therefore, WEC Energy Group) may earn, significantly reduces any incentive to engage in conduct that would be reasonably likely to have a material adverse effect on the Company.

PROPOSAL 3: RATIFICATION OF DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITORS FOR 2019

The Audit and Oversight Committee of the Board of Directors has sole authority to select, evaluate, and, where appropriate, terminate and replace the independent auditors. The Audit and Oversight Committee has appointed Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending December 31, 2019. The Audit and Oversight Committee believes that stockholder ratification of this matter is important considering the critical role the independent auditors play in maintaining the integrity of the Company's financial statements. If stockholders do not ratify the selection of Deloitte & Touche LLP, the Audit and Oversight Committee will reconsider the selection.

Deloitte & Touche LLP has served as the independent auditors for the Company for the last 17 fiscal years beginning with the fiscal year ended December 31, 2002. The members of the Audit and Oversight Committee and the other members of the Board believe that the continued retention of Deloitte & Touche LLP to serve as the Company's independent external auditor is in the best interests of the Company and our stockholders.

Ratification of Deloitte & Touche LLP as the Company's independent auditors requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting. Presuming a quorum is present, shares not voted, whether by abstention or otherwise, have no effect on the outcome of this matter.

Representatives of Deloitte & Touche LLP are expected to be present at the Meeting. They will have an opportunity to make a statement if they so desire and are expected to respond to appropriate questions that may be directed to them. Information concerning Deloitte & Touche LLP can be found in the following pages.

The Board of Directors recommends that you vote "FOR"
the ratification of Deloitte & Touche LLP as independent auditors for 2019.

INDEPENDENT AUDITORS' FEES AND SERVICES

Pre-Approval Policy. The Audit and Oversight Committee has a formal policy delineating its responsibilities for reviewing and approving, in advance, all audit, audit-related, tax, and other services of the independent auditors. As such, the Audit and Oversight Committee is responsible for the audit fee negotiations associated with the Company's retention of independent auditors.

The Audit and Oversight Committee is committed to ensuring the independence of the auditors, both in appearance as well as in fact. In order to assure continuing auditor independence, the Audit and Oversight Committee periodically considers whether there should be a regular rotation of the independent external audit firm. In addition, the Audit and Oversight Committee is directly involved in the selection of Deloitte & Touche LLP's lead engagement partner.

Under the pre-approval policy, before engagement of the independent auditors for the next year's audit, the independent auditors will submit (1) a description of all services anticipated to be rendered, as well as an estimate of the fees for each of the services, for the Audit and Oversight Committee to approve, and (2) written confirmation that the performance of any non-audit services is permissible and will not impact the firm's independence. Annual pre-approval will be deemed effective for a period of twelve months from the date of pre-approval, unless the Audit and Oversight Committee specifically provides for a different period. A fee level will be established for all permissible, pre-approved non-audit services. Any additional audit service, audit-related service, tax service, and other service must also be pre-approved.

The Audit and Oversight Committee delegated pre-approval authority to the Committee's Chair. The Audit and Oversight Committee Chair is required to report any pre-approval decisions at the next scheduled Audit and Oversight Committee meeting. Under the pre-approval policy, the Audit and Oversight Committee may not delegate to management its responsibilities to pre-approve services performed by the independent auditors.

Under the pre-approval policy, prohibited non-audit services are services prohibited by the Securities and Exchange Commission or by the Public Company Accounting Oversight Board (United States) to be performed by the Company's independent auditors. These services include: bookkeeping or other services related to the accounting records or financial statements of the Company; financial information systems design and implementation; appraisal or valuation services, fairness opinions or contribution-in-kind reports; actuarial services; internal audit outsourcing services; management functions or human resources; broker-dealer, investment advisor or investment banking services; legal services and expert services unrelated to the audit; services provided for a contingent fee or commission; and services related to planning, marketing or opining in favor of the tax treatment of a confidential transaction or an aggressive tax position transaction that was initially recommended, directly or indirectly, by the independent auditors. In addition, the Audit and Oversight Committee has determined that the independent auditors may not provide any services, including personal financial counseling and tax services, to any officer or other employee of the Company who serves in a financial reporting oversight role or to the chair of the Audit and Oversight Committee or to an immediate family member of these individuals, including spouses, spousal equivalents, and dependents.

Fee Table. The following table shows the fees, all of which were approved by the Audit and Oversight Committee, for professional audit services provided by Deloitte & Touche LLP for the audit of the annual financial statements of the Company and its subsidiaries for fiscal years 2018 and 2017, and fees for other services rendered during those periods. No fees were paid to Deloitte & Touche LLP pursuant to the "de minimus" exception to the pre-approval policy permitted under the Securities Exchange Act of 1934, as amended.

	2018	2017
Audit Fees (1)	$5,531,450	$5,064,125
Audit-Related Fees (2)	—	—
Tax Fees (3)	67,226	20,000
All Other Fees (4)	8,495	7,095
Total	$5,607,171	$5,091,220

(1) Audit Fees consist of fees for professional services rendered in connection with: (1) the audits of the annual financial statements of the Company and its subsidiaries, (2) the audits of the effectiveness of internal control over

financial reporting, and (3) other non-recurring audit work. This category also includes reviews of financial statements included in Form 10-Q filings of the Company and its subsidiaries and services provided in connection with statutory and regulatory filings or engagements.

(2) Audit-Related Fees consist of fees for professional services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." No such services were received from Deloitte & Touche LLP in 2018 or 2017.

(3) Tax Fees consist of fees for professional services rendered with respect to federal and state tax compliance and tax advice. This can include preparation of tax returns, claims for refunds, payment planning, and tax law interpretation.

(4) All Other Fees consist of costs for certain employees to attend accounting/tax seminars hosted by Deloitte & Touche LLP plus the subscription cost for the use of a Deloitte & Touche LLP accounting research tool.

AUDIT AND OVERSIGHT COMMITTEE REPORT

The Audit and Oversight Committee, which is comprised solely of independent directors, oversees the integrity of the financial reporting process on behalf of the Board of WEC Energy Group, Inc. In addition, the Audit and Oversight Committee oversees compliance with legal and regulatory requirements. The Audit and Oversight Committee operates under a written charter approved by the Board, which can be found in the "Governance" section of the Company's Website at wecenergygroup.com.

The Audit and Oversight Committee is also directly responsible for the appointment, compensation, retention, and oversight of the Company's independent auditors, as well as the oversight of the Company's internal audit function.

In order to assure continuing auditor independence, the Audit and Oversight Committee periodically considers whether there should be a regular rotation of the independent external audit firm. For 2019, the Audit and Oversight Committee has appointed Deloitte & Touche LLP to remain as the Company's independent auditors, subject to stockholder ratification. The members of the Audit and Oversight Committee and other members of the Board believe that the continued retention of Deloitte & Touche LLP to serve as the Company's independent external auditor is in the best interests of the Company and its stockholders.

The Audit and Oversight Committee is directly involved in the selection of Deloitte & Touche LLP's lead engagement partner in conjunction with a mandated rotation policy and is also responsible for audit fee negotiations with Deloitte & Touche LLP.

Management is responsible for the Company's financial reporting process, the preparation of consolidated financial statements in accordance with generally accepted accounting principles, and the system of internal controls and procedures designed to provide reasonable assurance regarding compliance with accounting standards and applicable laws and regulations. The Company's independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB") and issuing a report thereon.

The Audit and Oversight Committee held six meetings during 2018. Meetings are designed to facilitate and encourage open communication among the members of the Audit and Oversight Committee, management, the internal auditors, and the Company's independent auditors, Deloitte & Touche LLP. During these meetings, we reviewed and discussed with management, among other items, the Company's unaudited quarterly and audited annual financial statements and the system of internal controls designed to provide reasonable assurance regarding compliance with accounting standards and applicable laws.

We have reviewed and discussed with management and the Company's independent auditors the Company's audited consolidated financial statements and related footnotes for the fiscal year ended December 31, 2018, and the independent auditor's report on those financial statements. Management represented to us that the Company's financial statements were prepared in accordance with generally accepted accounting principles. Deloitte & Touche LLP presented the matters required to be discussed with the Audit and Oversight Committee by PCAOB Auditing Standard No. 1301, Communications with Audit Committees. This review included a discussion with management and the independent auditors about the quality of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the disclosures in the Company's financial statements, as well as the disclosures relating to critical accounting policies.

In addition, we received the written disclosures and correspondence relative to the auditors' independence from Deloitte & Touche LLP, as required by applicable requirements of the PCAOB regarding Deloitte & Touche LLP's communications with the Audit and Oversight Committee concerning independence. The Audit and Oversight Committee discussed with Deloitte & Touche LLP its independence and also considered the compatibility of non-audit services provided by Deloitte & Touche LLP with maintaining its independence.

Based on these reviews and discussions, the Audit and Oversight Committee recommended to the Board that the audited financial statements be included in WEC Energy Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and filed with the Securities and Exchange Commission.

Respectfully submitted to WEC Energy Group stockholders by the Audit and Oversight Committee of the Board.

The Audit and Oversight Committee

Thomas J. Fischer, Committee Chair
John F. Bergstrom
Barbara L. Bowles
Patricia W. Chadwick
Danny L. Cunningham
Henry W. Knueppel

WEC ENERGY GROUP COMMON STOCK OWNERSHIP

Beneficial Ownership. The following table lists the beneficial ownership of WEC Energy Group common stock of each director, director nominee, NEO, and of all of the directors and executive officers as a group as of January 31, 2019. In general, "beneficial ownership" includes those shares as to which the indicated persons have voting power or investment power and stock options that are exercisable currently or within 60 days of January 31, 2019. Included are shares owned by each individual's spouse, minor children, or any other relative sharing the same residence, as well as shares held in a fiduciary capacity or held in WEC Energy Group's Stock Plus Investment Plan and WEC Energy Group's 401(k) plans. None of these persons beneficially owns more than 1% of the outstanding common stock.

	Shares Beneficially Owned [1]		
Name	Shares Owned [2] [3] [4]	Option Shares Exercisable Within 60 Days	Total
John F. Bergstrom	13,499	—	13,499
Barbara L. Bowles	22,301	—	22,301
William J. Brodsky	43,031	—	43,031
Albert J. Budney, Jr.	6,154	—	6,154
Patricia W. Chadwick	23,403	—	23,403
Curt S. Culver	1,981	—	1,981
Danny L. Cunningham	4,156	—	4,156
William M. Farrow III	4,095	—	4,095
Thomas J. Fischer	41,176	—	41,176
J. Kevin Fletcher	12,395	27,105	39,500
Margaret C. Kelsey	3,926	—	3,926
J. Patrick Keyes	18,998	—	18,998
Gale E. Klappa	204,870	849,685	1,054,555
Henry W. Knueppel	18,391	—	18,391
Frederick D. Kuester	62,599	—	62,599
Scott J. Lauber	19,759	31,620	51,379
Allen L. Leverett	82,502	604,075	686,577
Ulice Payne, Jr.	29,764	—	29,764
Mary Ellen Stanek	4,582	—	4,582
All directors and executive officers as a group (25 persons)	664,865 [5]	1,700,345	2,365,210 [6]

(1) Information on beneficially owned shares is based on data furnished by the specified persons and is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, as required for purposes of this proxy statement. It is not necessarily to be construed as an admission of beneficial ownership for other purposes.

(2) Certain directors, NEOs, and other executive officers also hold share units in the WEC Energy Group phantom common stock account under WEC Energy Group's deferred compensation plans as indicated: Mr. Bergstrom (72,527), Ms. Bowles (1,503), Mr. Budney (7,118), Mr. Culver (101,447), Mr. Cunningham (1,461), Mr. Fischer (7,593), Ms. Kelsey (3,083), Mr. Keyes (1,148), Mr. Lauber (1,223), Mr. Leverett (80), Mr. Payne (2,114), Ms. Stanek (25,665), and all directors and executive officers as a group (258,523). Share units are intended to reflect the performance of WEC Energy Group common stock and are payable in cash. While these units do not represent a right to acquire WEC Energy Group common stock, have no voting rights, and are not included in the number of shares reflected in the "Shares Owned" column in the table above, the Company listed

them in this footnote because they represent an additional economic interest of the directors, NEOs, and other executive officers that is tied to the performance of WEC Energy Group common stock.

(3) Each individual has sole voting and investment power as to all shares listed for such individual, except the following individuals have shared voting and/or investment power (included in the table above) as indicated: Mr. Bergstrom (6,000), Mr. Brodsky (41,050), Mr. Budney (902), Mr. Fischer (37,195), Mr. Klappa (5,000), Mr. Knueppel (16,410), Mr. Leverett (66,511), Ms. Stanek (2,601), and all directors and executive officers as a group (175,669).

(4) The directors and executive officers hold shares of restricted stock (included in the table above) over which the holders have sole voting but no investment power: Mr. Bergstrom (1,981), Ms. Bowles (1,981), Mr. Brodsky (1,981), Mr. Budney (1,981), Ms. Chadwick (1,981), Mr. Culver (1,981), Mr. Cunningham (1,981), Mr. Farrow (1,981), Mr. Fischer (1,981), Mr. Fletcher (5,469), Ms. Kelsey (2,887), Mr. Klappa (18,565), Mr. Knueppel (1,981), Mr. Kuester (48,586), Mr. Lauber (4,864), Mr. Leverett (12,817), Mr. Payne (1,981), Ms. Stanek (1,981), and all directors and executive officers as a group (126,739).

(5) None of the shares beneficially owned by the directors, NEOs, or all directors and executive officers as a group are pledged as security.

(6) Represents approximately 0.75% of total WEC Energy Group common stock outstanding on January 31, 2019.

Owners of More than 5%. The following table shows stockholders who reported beneficial ownership of more than 5% of WEC Energy Group common stock, based on the information they have reported. This information is based upon Schedule 13G filed with the SEC and reflects stock holdings as of December 31, 2018. These holdings have not been otherwise adjusted for stock activity that may have occurred since December 31, 2018, if any.

Name and Address [1]	Voting Authority		Dispositive Authority		Total Shares Beneficially Owned	Percent of WEC Common Stock
	Sole	Shared	Sole	Shared		
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	423,111	217,737	35,123,405	579,385	35,702,790	11.31 %
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	26,244,500	—	29,050,912	—	29,050,912	9.20 %
State Street Corporation One Lincoln Street Boston, MA 02111	—	14,433,070	—	16,105,068	16,112,281	5.10 %

(1) Filed on behalf of itself and certain of its subsidiaries.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's executive officers, directors, and persons owning more than 10% of WEC Energy Group's common stock to file reports of ownership and changes in ownership of equity and derivative securities of WEC Energy Group with the SEC and the New York Stock Exchange. Specific due dates for those reports have been established by the SEC, and the Company is required to disclose in this proxy statement any failure to file by those dates during the 2018 fiscal year. To the Company's knowledge, based on information provided by the reporting persons, all applicable reporting requirements for fiscal year 2018 were complied with in a timely manner, except that (i) due to administrative error, one acquisition of phantom stock units by each of William Guc, Tom Metcalfe and James Schubilske was reported late; and (ii) due to broker error, one Form 5 was filed for Frederick Kuester to report additional shares of common stock not previously reported on his Form 3 filed January 29, 2018 and to disclose one purchase of shares of common stock that was not previously reported on a Form 4, as required.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Compensation Committee Interlocks and Insider Participation. None of the persons who served as members of the Compensation Committee during 2018 was an officer or employee of the Company during 2018 or at any time in the past nor had reportable transactions with the Company.

During 2018, none of our executive officers served as a member of the compensation committee or as a director of another entity, one of whose executive officers served on the Compensation Committee or as a director of the Company.

INFORMATION RELATED TO THE ANNUAL MEETING

BUSINESS OF THE ANNUAL MEETING

Proposal 1: Election of Thirteen Directors for Terms Expiring in 2020. The Board recommends a vote FOR each of the nominees. The thirteen individuals will be elected as directors if the number of votes cast in person or by proxy at the Meeting favoring such nominee's election exceeds the number of votes cast opposing that nominee's election. Presuming a quorum is present, shares not voted, whether by broker non-vote, abstention, or otherwise, have no effect on the outcome of this matter.

Proposal 2: Advisory Vote to Approve Compensation of the Named Executive Officers, Commonly Referred to as a "Say-on-Pay" Vote. The Board recommends a vote FOR this proposal. Approval, on a non-binding, advisory basis, of the compensation of the NEOs requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting. Presuming a quorum is present, shares not voted, whether by broker non-vote, abstention, or otherwise, have no effect on the outcome of this matter. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Compensation Committee will review the voting results and take them into consideration.

Proposal 3: Ratification of Deloitte & Touche LLP as Independent Auditors for 2019. The Board recommends a vote FOR this proposal. Ratification of the independent auditors requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting. Presuming a quorum is present, shares not voted, whether by abstention or otherwise, have no effect on the outcome of this matter.

The Company is not aware of any other matters that will be voted on. If a matter does properly come before the Meeting, the persons named as the proxies in the form of proxy will vote the proxy at their discretion.

VOTING INFORMATION

Who can vote?

Common stockholders as of the close of business on the Record Date, February 21, 2019, can vote. Each outstanding share of WEC Energy Group common stock is entitled to one vote upon each matter presented. A list of stockholders entitled to vote will be available for inspection by stockholders at WEC Energy Group's principal business office, 231 W. Michigan St., Milwaukee, Wisconsin 53203, prior to the Meeting. The list will also be available at the Meeting.

How do I vote?

There are several ways to vote:

- By Internet. The Company encourages you to vote this way.
- By toll-free, touch-tone telephone.
- By completing and mailing your proxy card.
- By written ballot at the Meeting.

If you wish to vote through the Internet or by telephone, please follow the instructions on your Notice Regarding the Availability of Proxy Materials, proxy card, or the information forwarded to you by your bank or broker, as applicable. The Internet and telephone voting facilities will close at 10:59 p.m., Central time, on Wednesday, May 1, 2019.

If you are a participant in WEC Energy Group's Stock Plus Investment Plan ("Stock Plus") or own shares through investments in the WEC Energy Group Common Stock ESOP Fund in any of WEC Energy Group's 401(k) plans, your proxy will serve as voting instructions for your shares held in those plans. The administrator for Stock Plus and the trustee for WEC Energy Group's 401(k) plans will vote your shares as you direct. If a proxy is not returned for shares held in Stock Plus, the administrator will not vote those shares. If a proxy is not returned for shares held in WEC Energy Group's 401(k) plans, the trustee will vote those shares in the same proportion that all shares in the WEC Energy Group Common Stock ESOP Fund in each respective 401(k) plan, for which voting instructions have been received, are voted.

If you are a beneficial owner and your bank or broker holds your shares in its name, they are permitted to vote your shares in the ratification of the independent auditors even if the broker does not receive voting instructions from you. However, for matters considered non-routine, which includes proposals 1 and 2, your broker or other record holder of your shares will not be permitted to vote your shares unless you provide voting instructions. If your shares are held in the name of a broker, bank or other holder of record, you are invited to attend the Meeting, but may not vote at the Meeting unless you bring a legal proxy from your broker, bank, or other holder of record.

What does it mean if I get more than one proxy?
It means your shares are held in more than one stock account. Please vote all proxies to ensure all of your shares are counted.

What constitutes a quorum?
As of the February 21, 2019 Record Date, there were 315,450,338 shares of WEC Energy Group common stock outstanding. In order to conduct the Meeting, a majority of the outstanding shares entitled to vote must be represented in person or by proxy. This is known as a "quorum." Abstentions and shares which are the subject of broker non-votes will count toward establishing a quorum.

Can I change my vote?
You may change your vote or revoke your proxy at any time prior to the closing of the polls by any of the following methods:
- Entering a new vote by Internet or phone;
- Returning a later-dated proxy card;
- Voting in person at the Meeting; or
- Notifying WEC Energy Group's Corporate Secretary by written revocation letter.

The Corporate Secretary is Margaret C. Kelsey. Any revocation should be filed with her at WEC Energy Group's principal business office, 231 W. Michigan St., PO Box 1331, Milwaukee, Wisconsin 53201.

Attendance at the Meeting will not, in itself, constitute revocation of a proxy. All shares entitled to vote and represented by properly completed proxies timely received and not revoked will be voted as you direct. If no direction is given in a properly completed proxy, the proxy will be voted as the Board recommends.

Who conducts the proxy solicitation?
The Board is soliciting these proxies. WEC Energy Group will bear the cost of the solicitation of proxies. The Company contemplates that proxies will be solicited principally through the use of the mail, but employees of WEC Energy Group or our subsidiaries may solicit proxies by telephone, personally, or by other communications, without compensation apart from their normal salaries. WEC Energy Group has retained Morrow Sodali LLC to assist in the solicitation of proxies for a fee of $23,000 plus reimbursement of expenses. WEC Energy Group will also reimburse brokers, banks, and other nominees for forwarding proxy materials to beneficial stockholders.

Who will count the votes?
Computershare, which will also serve as Inspector of Election, will tabulate the vote. Computershare is the Company's transfer agent.

Where can I find the voting results from the Meeting?
The Meeting voting results will be published in a Form 8-K, available no later than May 8, 2019, on the Company's website, wecenergygroup.com, under the "Investors" section.

ELECTRONIC ACCESS TO ANNUAL MEETING INFORMATION
Why did I receive a separate Notice Regarding the Availability of Proxy Materials (Notice) instead of printed proxy materials?
Pursuant to rules adopted by the SEC, we are providing access to our proxy materials over the Internet. Accordingly, we began mailing a separate Notice to stockholders on or about March 21, 2019, instead of a full set of our printed proxy materials. The Notice is not a proxy card and cannot be used to vote your shares. However, the Notice includes instructions on how to access our proxy materials online and vote your shares.

You may request a printed set of proxy materials by (1) logging on to www.envisionreports.com/wec and following the applicable instructions, (2) calling 866-641-4276, or (3) sending an email requesting a paper copy of current meeting materials to investorvote@computershare.com with "Proxy Materials WEC Energy Group" in the subject line and your full name and address plus the number located in the shaded bar on the Notice.

If your shares are held by a broker, trustee, bank, or other nominee, please refer to the instructions provided by such record holder on how to access our proxy materials and vote.

What practices may stockholders follow that are friendly to the environment and help reduce printing and postage costs?

Stockholders may wish to participate in the following:

- View the following documents online at www.envisionreports.com/wec:
  - Notice of Annual Meeting
  - Proxy Statement
  - 2018 Annual Report
  - Form of Proxy

- Vote your proxy online or by telephone. Page P-8

- Choose to receive future proxy materials and annual reports electronically instead of receiving paper copies.

If you are a registered stockholder and received a paper copy of our proxy materials or a paper notice this year, you may elect to receive access to future copies of these documents and other stockholder communications (e.g., investment plan statements, tax documents, and more) electronically by (1) following the instructions when voting by Internet or by telephone, or (2) registering for our eDelivery paperless communication program.

If your shares are held by a broker, trustee, bank or other nominee, please refer to the instructions provided by such record holder on how to elect to receive access to our future proxy materials and annual reports online.

By delivering our proxy materials electronically, we can provide you with the information you need quickly, efficiently, and in a more cost-effective manner.

- Choose our eDelivery paperless communication program for all your stockholder needs.

Electronic distribution gives stockholders faster delivery of account documents and saves the Company and our stockholders the cost of printing and mailing these materials. eDelivery also provides you with fast and secure 24/7 online access to proxy materials, investment plan statements, tax documents, and more. You may access your registered stockholder account and sign up for eDelivery at www.computershare.com/investor.

- Sign up for Householding.

"Householding" is a delivery method that allows for only one paper copy of the Annual Report and Proxy Statement to be delivered to stockholders who reside at the same address.

If you are a registered stockholder and received multiple paper copies of the Annual Report and Proxy Statement, you may wish to contact the Company's transfer agent, Computershare, at 800-558-9663, to request householding, or you may provide written instructions to WEC Energy Group, c/o Computershare, PO 505000, Louisville, KY 40233-5000. If you wish to receive separate copies of the Annual Report and Proxy Statement now or in the future, or to discontinue householding entirely, you may contact the Company's transfer agent using the contact information provided above. Upon request, the Company will promptly send a separate copy of the document. Whether or not a stockholder is householding, each stockholder will continue to receive a proxy card. If your shares are held through a bank, broker, or other holder of record, you may request householding by contacting the holder of record.

ANNUAL MEETING ATTENDANCE

How do I pre-register to attend the Annual Meeting?

The Meeting is open to all stockholders of WEC Energy Group. You must pre-register to reserve an admission ticket and then present your government-issued photo identification at the door in order to attend.

If you would like to attend, please contact Stockholder Services by email at wec.stockholder-services.contact@wecenergygroup.com or by telephone at 800-881-5882 to reserve an admission ticket. If you hold your shares in "street name" through an intermediary, such as a bank, brokerage firm, or other nominee, and you would like to attend the Meeting, please send us a written request for an admission ticket either by regular mail, fax, or email, along with proof of share ownership, such as a bank, or brokerage firm account statement, a copy of the voting instruction card provided by your broker, or a letter from the broker, trustee, bank or nominee holding your shares to: Stockholder Services, 231 W. Michigan Street, PO Box 1331, Milwaukee, Wisconsin 53201; fax: 414-221-3888; or email: wec.stockholder-services.contact@wecenergygroup.com.

Requests to reserve admission tickets will be processed in the order in which they are received and must be received no later than five business days before the Meeting, or Thursday, April 25, 2019. If we cannot confirm you are a registered stockholder or beneficial owner, we will contact you for further information.

Admission tickets will be available for pick-up at the Meeting. All Meeting attendees will be asked to present a government-issued photo identification card before receiving a ticket. We will then verify your name against our stockholder list. If you own shares in the name of your broker, bank, or other nominee ("street name"), you should bring your proof of share ownership with you to the Meeting. If we cannot verify that you are a stockholder, you may not be admitted to the Meeting.

The Meeting will begin promptly at 10:00 a.m., Central time. Check-in will begin at 9:00 a.m. Please allow ample time for check-in procedures.

What attendance guidelines apply to the Annual Meeting?
If you plan to attend the Meeting, please review the following attendance guidelines:

- You must pre-register and reserve an admission ticket in order to attend.
- You will be asked to check in upon entry into the R. John Buuck Field House and present government-issued photo identification, such as a driver's license, state identification card, or passport. We will verify your name against our stockholder list and will then provide you with an admission ticket.
- The Company reserves the right to inspect all items, including handbags and briefcases, prior to admittance.
- The business of the Meeting will follow as set forth in the agenda, which you will receive upon check-in.
- Stockholder questions and comments related to the business of the Company will be addressed only during the question and answer portion of the agenda. If you wish to speak, please go to the nearest microphone and wait to be recognized by the Chairman. State your name before asking your question. Questions from the floor are limited to three minutes to provide an opportunity for as many stockholders as possible.
- The use of cameras, recording devices, and other electronic devices will not be permitted during the Meeting except by those employed by the Company to provide a record of the proceedings. Please silence all cell phones and other electronic devices.
- No firearms or weapons will be allowed in the Meeting facilities.
- No signs, banners, placards, handouts, and similar materials will be allowed on Meeting premises.

Attendees who fail to comply with these guidelines risk expulsion from the Meeting. In the event of a disruption, the Chairman may immediately adjourn the Meeting and declare the polls open for such period of time as he may determine to receive votes by proxy or ballot on items of business properly brought before the Meeting.

Who do I contact if I have questions about the Annual Meeting?
If you need more information about the Meeting, call us at 800-881-5882, or write to Stockholder Services, 231 W. Michigan Street, PO Box 1331, Milwaukee, Wisconsin 53201.

MAP TO ANNUAL MEETING

* There is no parking at the Annual Meeting site. Please park at the North Shore Cinema only (11700 N. Port Washington Road, Mequon, WI 53092). Shuttle buses will run from the parking site to the Annual Meeting site.

STOCKHOLDER NOMINEES AND PROPOSALS

Stockholders wishing to propose director candidates for consideration and recommendation by the Corporate Governance Committee for election at the 2020 Annual Meeting of Stockholders must submit the candidates' names and qualifications to the Corporate Governance Committee no later than November 1, 2019 via the Corporate Secretary, Margaret C. Kelsey. Stockholders may also propose director candidates for consideration and recommendation by the Board by following the guidelines outlined in the Company's bylaws and summarized below.

Stockholders who intend to have a proposal considered for inclusion in the Company’s proxy materials for presentation at the 2020 Annual Meeting of Stockholders must submit the proposal to the Company no later than November 22, 2019.

Under our proxy access bylaw, if a stockholder (or a group of up to 20 stockholders) who has owned at least 3% of our shares of common stock for at least three years and has complied with the other requirements set forth in the Company’s bylaws wants us to include director nominees (up to the greater of two nominees or 20% of the Board) in our proxy statement for the 2020 Annual Meeting of Stockholders, the nominations must be received by our Corporate Secretary and must arrive at the Company in a timely manner, between 120 and 150 days prior to the anniversary of the date our proxy statement was first sent to stockholders in connection with our last annual meeting, which would be no earlier than October 23, 2019 and no later than November 22, 2019.

Stockholders who intend to present a proposal or director nominee at the 2020 Annual Meeting of Stockholders without inclusion of such proposal or nominee in the Company’s proxy materials, are required to provide notice of such proposal or nomination, containing the information required by the Company’s bylaws, to the Company at least 70 days and not more than 100 days prior to the scheduled date of the 2020 Annual Meeting of Stockholders. The 2020 Annual Meeting of Stockholders is tentatively scheduled for May 7, 2020.

Correspondence regarding the above should be directed to the Corporate Secretary, Margaret C. Kelsey, at the Company’s principal business office, 231 W. Michigan Street, PO Box 1331, Milwaukee, Wisconsin 53201.

AVAILABILITY OF FORM 10-K

A copy (without exhibits) of WEC Energy Group’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the SEC, is available without charge to any stockholder of record or beneficial owner of WEC Energy Group common stock by writing to the Corporate Secretary, Margaret C. Kelsey, at the Company’s principal business office, 231 W. Michigan Street, PO Box 1331, Milwaukee, Wisconsin 53201. The WEC Energy Group consolidated financial statements and certain other information found in the Form 10-K are provided in our 2018 Annual Financial Statements and Review of Operations. The Form 10-K, along with this proxy statement and all of WEC Energy Group’s other filings with the SEC, is also available in the “Investors” section of the Company’s Website at wecenergygroup.com.

APPENDIX A – EARNINGS AND EARNINGS PER SHARE GAAP RECONCILIATION

Net Income - Common Stockholders (in millions)	2017
WEC Energy Group GAAP	$1,203.7
Tax benefit related to Tax Cuts and Jobs Act of 2017	(206.7)
WEC Energy Group adjusted net income	$997.0

Diluted Earnings Per Share	2017	2016	2015	2014
WEC Energy Group GAAP EPS	$3.79	$2.96	$2.34	$2.59
Tax benefit related to Tax Cuts and Jobs Act of 2017	(0.65)	—	—	—
Acquisition costs	—	0.01	0.30	0.06
WEC Energy Group adjusted EPS	$3.14	$2.97	$2.64	$2.65

We have provided adjusted earnings (non-GAAP earnings) as a complement to, and not as an alternative to, reported earnings presented in accordance with GAAP. For 2017, adjusted earnings exclude a one-time reduction in income tax expense related to a revaluation of our deferred taxes as a result of the Tax Legislation. For 2014 through 2016, adjusted earnings exclude costs related to the acquisition of Integrys. Neither of these items is indicative of the Company's operating performance. Therefore, we believe that the presentation of adjusted earnings is relevant and useful to investors to understand WEC Energy Group's operating performance. Management uses such measures internally to evaluate the Company's performance and manage its operations.

This Page Intentionally Left Blank