WEC ENERGY GROUP, INC.
Form DEF 14A
March 22, 2018

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
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¨Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12
WEC Energy Group, Inc.
(Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:
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Notice of 2018 Annual Meeting of Stockholders

We are pleased to invite you to join our Board of Directors and senior leadership at WEC Energy Group's 2018 Annual Meeting of Stockholders.

When and Where

Thursday, May 3, 2018, 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 fourteen directors for terms expiring in 2019.
2. Ratify Deloitte & Touche LLP as independent auditors for 2018.
3. Provide advisory vote to approve compensation of the named executive officers.
4. Consider any other matters that may properly come before the meeting.

Record Date

The Board of Directors set February 22, 2018 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 vote at the meeting. On the record date, there were 315,538,808 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-72 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 2, 2018.

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-72.

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-73. By delivering our proxy materials electronically, we can provide our stockholders with the information they need in a more cost-effective manner.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 3, 2018 — The Proxy Statement and 2017 Annual Report are available at www.envisionreports.com/wec.

Margaret C. Kelsey
Executive Vice President,
General Counsel and Corporate Secretary
March 22, 2018

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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") 2017 performance can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Business of the Annual Meeting of Stockholders

Voting Matter	Board Vote Recommendation	Page
Proposal 1 Election of Directors for Terms Expiring in 2019	FOR each nominee	P-13
Proposal 2 Ratification of Deloitte & Touche LLP as Independent Auditors for 2018	FOR	P-26
Proposal 3 Advisory Vote to Approve Compensation of the Named Executive Officers	FOR	P-29

The next several pages highlight the Company's key governance processes and practices used to support Proposal 1 - Election of Directors, with detailed information beginning on page P-14. Also included in this summary is an overview of key performance and compensation program highlights that support Proposal 3 - Advisory Vote to Approve Compensation of the Named Executive Officers. More information on this "Say-on-Pay" proposal begins on page P-30.

Corporate Governance

Since 1996, the Company's Board of Directors (the "Board") has maintained formal corporate governance guidelines that provide a framework under which it conducts business. The Board's Corporate Governance Committee annually reviews its governance practices, and in 2017, this process took into consideration discussions with investors, feedback from our external governance advisor, as well as findings from industry surveys, benchmarking studies, and governance guidelines published by institutional investors and proxy advisors. Key governance practices are highlighted below; more detailed information begins on page P-66.

GOVERNANCE PRINCIPLES		WEC ENERGY GROUP PRACTICES
Board composition	ü	Annual election of directors since 2005 12 of 14 independent directors 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	Presiding independent director with defined duties Chairman active in stockholder engagement and communications
Board governance practices	ü	Directors expected to participate in annual meeting with stockholders Annual performance evaluations of CEO, Board, and Board Committees 100% independent Board Committees Board participation in critical activities, including agenda setting and strategic planning Board members have complete access to management and outside advisors Stock ownership requirements Regular executive sessions of independent directors at Board and Committee meetings
Stockholder voting rights	ü	Stockholders can 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

- Includes 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

2017 Board Governance Highlights

The Board is actively engaged in delivering strong governance oversight, keeping a pulse on practices that are of most concern to our stockholders. In 2017, specific governance-related areas of focus for the Board are highlighted below.

Strategic Planning

At each Board meeting held in 2017, time was allocated on the agenda for the Board to engage in substantive discussions with management on strategic matters, including areas of risk and opportunity. The Board provided critical input in several key strategic areas, including:

- capital investments;
- regulatory goals;
- legislative priorities; and
- upgrades to customer service and information technology systems.

Addressing climate change is an integral component of our strategic planning process. Throughout 2017, the Board routinely engaged in discussions with management on its plan to reshape the Company's generation fleet, which includes retiring older, fossil-fueled generating units, building state-of-the-art, natural gas generation, and investing in cost-effective, zero-carbon generation.

Board Evaluation Process

Spearheaded by the Corporate Governance Committee, a key priority for the Board in 2017 was to assess and enhance its annual self-evaluation process. Following the recommendation of the Committee, the Board has incorporated two changes into its process:

- the Board adopted a framework of questions developed by the National Association of Corporate Directors (NACD) that addresses the following areas: Board composition and leadership; Board committees; Board meetings; overall effectiveness of the Board; and overall effectiveness of the Board with regard to management; and
- the presiding director and/or Board chairman use of this framework to seek input from each Board member during one-on-one discussion sessions; at the conclusion of the individual feedback sessions, the Board receives a summary of the findings for its review and discussion as a group.

Board Succession Planning

Throughout 2017, the Board was 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 enterprise risks. As an outcome of this succession planning process, the Board elected two new Board members who began serving in January 2018. In addition, Director Paul W. Jones elected to retire at the end of 2017.

Management Succession Planning

In October 2017, the Company's then-CEO, Allen Leverett, suffered a stroke. The Board activated its succession plan, retaining the Company's former CEO, Gale Klappa, to serve as the CEO during Mr. Leverett's recovery. Despite Mr. Leverett's sudden and unexpected departure, this transition in management has been smooth and successful. Mr. Klappa's deep understanding of the Company and its operations, employees, and investors has enabled him to provide significant continuity as the Company carries out its strategic objectives during Mr. Leverett's absence.

While the Board separated the roles of chairman and CEO when Mr. Klappa retired from the Company in 2016, the Company's Corporate Governance Guidelines enable the Board to exercise its discretion in determining when separating or combining the roles is in the best interest of the Company. Given the circumstances, the Board determined that combining the roles under Mr. Klappa, who was already serving as Non-Executive Chairman, is the best governance structure for the Company and its stockholders at this time. The Board's independent Presiding Director, Barbara Bowles, who is the Chair of the Corporate Governance Committee, continues to carry out her specified duties, as defined on page P-66.

In keeping with its standard practice, in 2018, the Board will continue to actively participate in the Company's executive succession planning process, including for the CEO position, while concurrently monitoring and assessing Mr. Leverett's status and timeline to return to the position.

Stockholder Outreach and Engagement

Detailed information on our year-round stockholder outreach and engagement program can be found on page P-69. The investor outreach we conduct in the fall is specifically intended to focus on soliciting input from our stockholders on corporate governance matters. During the fall of 2017, we engaged with some of the Company's largest stockholders, for discussions centered around the following:

- Board governance matters, including the Board's diversity, tenure, and succession planning process;
- our executive compensation program, including discussion on the measures we use to link executive pay to performance; and
- steps we are taking to prioritize environmental and social matters within the Company's long-term strategic plan, including reshaping our generation fleet to reduce costs to customers, preserve fuel diversity, and reduce carbon emissions.

2018 Board Composition

Through its Board succession planning process, the Board seeks to maintain its independence and diversity - of knowledge, skills, experiences, thought, gender, ethnicity, tenure, and maturity - which we believe has been accomplished through the slate of nominees presented for election.

2018 Director Nominees

Name and Primary Occupation	Director Since	Age	Ind.	COMMITTEES A	C	G	E	F
John F. Bergstrom Chairman and Chief Executive Officer, Bergstrom Corporation	1987	71	a	l	«		l	
Barbara L. Bowles (Presiding Director) Retired Vice Chair, Profit Investment Management	1998	70	a	l		«	l	
William J. Brodsky Chairman, Cedar Street Asset Management LLC	2015	73	a					l
Albert J. Budney, Jr. Retired President, Niagara Mohawk Holdings, Inc.	2015	70	a			l		
Patricia W. Chadwick President, Ravengate Partners, LLC	2006	69	a	l				l
Curt S. Culver Non-Executive Chairman, MGIC Investment Corporation	2004	65	a			l		«
Danny L. Cunningham Retired Partner and Chief Risk Officer, Deloitte & Touche LLP	2018	62	a	l				
William M. Farrow III Chairman, Chief Executive Officer and owner, Winston and Wolfe LLC	2018	62	a					l
Thomas J. Fischer Principal, Fischer Financial Consulting LLC	2005	70	a	«	l		l	
Gale E. Klappa Chairman of the Board and Chief Executive Officer, WEC Energy Group, Inc.	2003	67					«	
Henry W. Knueppel Retired Chairman and Chief Executive Officer, Regal Beloit Corporation	2013	69	a	l		l		
Allen L. Leverett President, WEC Energy Group, Inc.	2016	51					l	
Ulice Payne, Jr. Managing Member, Addison-Clifton, LLC	2003	62	a		l		l	l
Mary Ellen Stanek Managing Director & Director of Asset Management, Baird Financial Group	2012	61	a					l

Ages as of January 18, 2018 nomination date

«Committee Chair Board Committees: A = Audit and Oversight; C = Compensation; G = Corporate Governance; E = Executive; F = Finance

2017 Performance Spotlight

WEC Energy Group achieved solid results and continued to create long-term value for our stockholders and customers by focusing on reliability, operating efficiency, financial discipline, customer care, and safety.

(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, 2012. For information about the Custom Peer Index Group, see page F-92 in the Company's 2017 Annual Report.

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

Compensation Program Spotlight

Responsive to Stockholder Interests

While we maintain a largely consistent approach to our compensation program from year-to-year, we incorporate industry best practices based upon input from stockholders and our compensation consultant. Examples of changes we've made to our program over the last four years as a result of this input are summarized below.

• Adopted clawback policy • Adopted policy prohibiting tax gross-ups in any new executive arrangements	• Added cash flow as additional short-term incentive performance measure • Added "double trigger" for vesting of performance units upon change in control • Retained independent compensation consultant; annually assess and re-engage	• Revised executive compensation peer group methodology • Adjusted dividend equivalent payout to occur at end of three-year performance period	• Added authorized ROE as an additional long-term incentive performance measure • Increased CEO's required holdings of Company stock from 5x to 6x base salary

At-Risk Compensation

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 strong overall corporate performance.

• Approximately 88% of our CEO's TDC, and an average of 76% of the other NEOs' TDC, is tied to Company performance and is not guaranteed.

* Based upon metrics for Allen Leverett

Performance-Based Pay

At the Company's 2017 annual meeting of stockholders, approximately 95 percent of the votes cast on the "Say-on-Pay" proposal were voted in support of the non-binding advisory vote on the compensation of our named executive officers. The Company's 2017 compensation program was substantially similar to the 2016 program design and is summarized below.

	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	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 (new in 2017)	Formulaic; Market data

* Performance units are settled in cash.

A comprehensive discussion of our executive compensation program, "Compensation Discussion and Analysis," begins on page P-39 of this Proxy Statement.

PROXY STATEMENT

This proxy statement is being furnished to stockholders beginning on or about March 22, 2018, 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 3, 2018 (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 the 2018 Annual Meeting of Stockholders.

PROPOSAL 1: ELECTION OF DIRECTORS – TERMS EXPIRING IN 2019

WEC Energy Group's bylaws require each director to be elected annually to hold office for a one-year term. Because this is an uncontested election, 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 14 persons in the election of directors.

The Board requires its current and potential directors to have a broad range of skills, education, abilities, experience, and qualifications that will benefit WEC Energy Group and our stockholders. Information regarding the specific criteria and processes used to evaluate director nominees can be found on page P-14.

Factored into the Board's ongoing succession planning have been discussions related to the fact there will be a number of directors who will be retiring in the course of the next three years, which prompted the Board to actively search for director candidates with specific skills in mind. Effective December 31, 2017, Paul W. Jones retired from the Board. Two new directors were subsequently elected as part of our Board succession plan: William M. Farrow III effective January 1, 2018 and Danny L. Cunningham effective January 10, 2018. The Board elected Mr. Farrow, in part, to address the Board's desire to increase the level of experience in IT and cybersecurity and maintain the presence of an Illinois resident on our Board, given the Company's significant presence there. The Board also elected Mr. Cunningham due to, among other things, his strong background in accounting and risk oversight. Messrs. Cunningham and Farrow were initially recommended to the chair of the Corporate Governance Committee by certain non-management directors.

With respect to Mr. Leverett, at the time of his nomination by the Board in January and as of the issuance of this proxy statement, he continued to make steady progress in his recovery from a stroke that he suffered in October 2017.

The Board's nominees for election are:

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

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. Information regarding each nominee is included on the following pages.

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

DIRECTOR NOMINEES

Criteria and Processes Used to Evaluate Nominees

The Corporate Governance Committee evaluates director nominees in the context of the Board as a whole with the goal of recommending nominees with diverse backgrounds and experience that, together, can best perpetuate the success of WEC Energy Group's business and represent stockholder interests. In addition to evaluating director nominees on the basis of the director candidate criteria, Board diversity, and independence as described on page P-66, the Corporate Governance Committee has determined, through the Board succession planning process, that the Board should consist of candidates that collectively possess the following core competencies in order to effectively carry out its oversight function. By adhering to this philosophy, the Board avoids director candidates with a narrow focus or set of experiences. Core competencies, qualifications, and experience for each director are listed in their respective biographies under the heading "Nominees for Election to the Board of Directors." Just because a core competency is not associated with a director should not be taken as an indicator such director does not posses those particular skills.

Core Competencies

CEO/Senior Leadership

Directors who have significant senior leadership experience as a CEO or senior executive demonstrate a practical understanding of an organization and its operational processes, enterprise risks, and strategy, and are able to recognize leadership skills in others.

Financial Strategy/Investment Management/Investor Relations

It is important that our directors have expertise in evaluating financial plans, policies, and strategies, including capital structure, debt programs, and equity financings. Directors with an understanding of investments and investment-making policy add significant value in assessing investment approaches and performance.

Audit Oversight/Financial Reporting

Directors with expertise in financial reporting, internal controls, and audit functions are critical to effective oversight of the Company's accurate preparation of financial statements and disclosures, and of compliance with legal and regulatory requirements.

Regulated Industry Knowledge

Our businesses are heavily regulated and directly affected by multiple state and federal regulatory agencies. These regulations significantly influence the Company's operating environment and its financial condition. Directors with experience in highly regulated businesses bring relevant context to discussions on the strategic impact of these regulations.

Extensive Knowledge of the Company's
Business and/or Industry

Directors with leadership and operational experience in our industry bring a practical understanding of the technical nature of the Company's business, which allows for thoughtful deliberation in discussing the intricacies of achieving operational excellence.

Government/Public Policy

Directors who have experience working with government organizations and public policy provide valuable input as management considers the strategic impact of new and changing legislative acts and policies, as well as judicial decisions that affect the utility industry.

Innovation/Technology

The industry in which our Company conducts business is complex and experiencing ongoing transformation. Digital and other technological advances are changing energy policy and markets, as well as creating new sources of risk that challenge the protection of systems and assets against physical and cyber threats. The Company believes all stockholders are well served by the presence of directors with knowledge in these areas.

Risk Management and Oversight

Directors with expertise in risk management and oversight can provide keen insights that are critical to the Company as it manages comprehensive practices and policies used to effectively identify and mitigate risks that arise across

every area of the organization.
Talent Management/Executive Compensation
Our Company operates in a highly technical and complex industry, which necessitates a strong focus on talent management. Directors with experience in acquiring new talent, establishing a competitive compensation and benefit package, and succession planning are critical to the Company's ability to implement strategies aimed at attracting and retaining human capital.
Corporate Governance
The Company strives to maintain and promote a framework of practices and policies through which the Board can assure stakeholders of the Company's accountability and transparency. It is important to have directors with strong expertise in corporate governance practices who work alongside management to ensure the Board maintains its focus on stockholder interests.
Customer Service
Providing exceptional customer care is one of the Company's fundamental objectives. Insight from directors who have served in organizations with the same focus assists management as it seeks to continually enhance our processes in order to effectively and efficiently serve the needs of its broad customer base.
Environmental Issues/Corporate Social Responsibility
Our Company is focused on serving its customers and supporting our communities as a responsible corporate citizen, while also balancing the delivery of safe, reliable, and affordable energy with a commitment to protecting the environment and contributing positively to society at large. Directors who have experience assessing business risks and growth opportunities through the lens of ESG factors provide valuable input to strategic decision making.
Strategic Planning
Amid unprecedented business and technological innovation and transformation, the Company must continue to maximize its financial and operational performance. Directors with expertise in strategic planning can help management identify ways to adjust its strategy in response to the changing environment, while maintaining long-term value creation.

Director Candidate Criteria

The Corporate Governance Committee has established criteria for evaluating director candidates, as set forth in the Company's Corporate Governance Guidelines, which include: proven integrity; mature and independent judgment; vision and imagination; ability to objectively appraise problems; ability to evaluate strategic options and risks; sound business experience and acumen; relevant technological, political, economic, or social/cultural expertise; social consciousness; achievement of prominence in career; familiarity with national and international issues affecting the Company's businesses; contribution to the Board's desired diversity and balance; and, in the case of new directors, availability to serve for five years before reaching the directors' retirement age of 72.

As stated in its charter, the Corporate Governance Committee reviews these criteria annually; in mid-2017, the Committee completed its review and had no recommended changes. In selecting the 2018 nominees for director, the Corporate Governance Committee determined that the candidates fulfill these criteria.

Director Brodsky. During 2016, Director Brodsky reached retirement age. The Corporate Governance Committee discussed this matter in January 2017 and again in January 2018 and agreed that Director Brodsky's long history living and working in, and deep knowledge of, the metro-Chicago area, as well as his strong strategic relationships, continue to provide special expertise to the Board that is helpful to the successful operations of the Company's Illinois utilities. As a result, upon the recommendation of the Corporate Governance Committee, the Board of Directors approved Director Brodsky's continued service beyond age 72 and nominated him to continue serving as a director for a term expiring in 2019.

Board Diversity

The Corporate Governance Committee does not have a specific policy with regard to the consideration of diversity in identifying director nominees. However, the Corporate Governance Committee strives to cast a wide net and recommend candidates who each bring a unique perspective to the Board in order to contribute to the collective diversity of the Board. As part of its process, in connection with the nomination of directors to the Board, the Corporate Governance Committee considers several factors to ensure the entire Board collectively embraces a wide variety of characteristics, including professional background, experience, skills, and knowledge, as well as the criteria listed above. Each candidate will generally exhibit different and varying degrees of these characteristics. With respect to the Company's current slate of director nominees, the Company also benefits from the diversity inherent from differences in Board member gender, ethnicity, tenure, and maturity as depicted on the infographic on page P-9.

Director Independence

Prior to nomination, both new and returning directors are evaluated to ensure compliance with the Board's standards of independence, as described in detail on page P-66. Additionally, the Corporate Governance Committee reviews potential conflicts of interest, including 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 has affirmatively determined that Directors Bergstrom, Bowles, Brodsky, Budney, Chadwick, Culver, Cunningham, Farrow, Fischer, Knueppel, Payne, and Stanek have no relationships described in the Board's standards of independence noted above and otherwise have no material relationships with WEC Energy Group, and are, therefore, independent. The Board had also determined that Paul W. Jones, who retired as a director effective December 31, 2017, was independent. Directors Klappa and Leverett are not independent due to their employment with WEC Energy Group.

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 $648,750 in fees paid to Baird in 2017 (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.

Director Nominee Evaluation Process

Once a person has been identified by the Corporate Governance Committee 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's accomplishments.

The Corporate Governance Committee evaluates director candidates, including those proposed by stockholders, using this criteria and process. The process is designed to provide the Board with a diversity of experience and stability to allow it to effectively meet the many challenges WEC Energy Group faces in today's challenging economic environment.

Nominees for Election to the Board of Directors

The following 14 individuals have been nominated for election to the Board of Directors at the Annual Meeting. Biographical information for each director nominee is set forth below. Ages are as of January 18, 2018, the date each person was designated as a nominee of the Board for election at the Meeting.

John F. Bergstrom
Age: 71
Director Since: 1987
Board Committees: Audit and Oversight; Compensation (Chair); Executive
Core Competencies: Senior Leadership/CEO Experience; Talent Management/Executive Compensation; Strategic Planning; Customer Service.

- Bergstrom Corporation - Chairman and CEO since 1982. Bergstrom Corporation owns and operates numerous automobile sales and leasing companies.
- Director of Advance Auto Parts Inc. since 2008; Director of Associated Banc-Corp since 2010; Director of Kimberly-Clark Corporation since 1987.
- Director of WEC Energy Group since 1987; Director of Wisconsin Electric Power Company from 1985 to June 2015.

Specific qualifications and experience

Mr. Bergstrom brings to our Board of Directors 35 years of leadership experience as CEO of Bergstrom Corporation, one of the top 50 automotive dealership groups in America. With significant business operations in WEC Energy Group utilities' service territories and customer service perspective, Mr. Bergstrom brings strong insight with respect to the needs and concerns of WEC Energy Group's large retail customers, as well as perspective on the business environment in the State of Wisconsin, home to WEC Energy Group's corporate headquarters and our largest utility subsidiaries. His deep governance knowledge, which includes over 50 years of combined experience as a director on the boards of other publicly traded U.S. corporations and regional nonprofit entities, including the Green Bay Packers, Inc., is particularly valuable to board and committee discussions focused on executive compensation and succession planning matters, as well as strategic planning initiatives. With a focus on excellence, Mr. Bergstrom has attained the National Association of Corporate Directors (“NACD”) top designation of Board Leadership Fellow, and, in 2017, he was named to the NACD Directorship 100, which recognizes the top one hundred most influential people who effect the work in our nation’s boardrooms.

Barbara L. Bowles
Age: 70
Director Since: 1998
Board Committees: Audit and Oversight; Corporate Governance (Chair); Executive
WEC Board: Presiding Director
Core Competencies: Corporate Governance; Financial Strategy/Investment Management/Investor Relations; Audit Oversight/Financial Reporting; Extensive Knowledge of Company's Business and/or Industry.

- Profit Investment Management - 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 from 1998 to June 2015.

Specific 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 are important 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.

William J. Brodsky
Age: 73
Director Since: 2015
Board Committee: Finance
Core Competencies: Senior Leadership/CEO Experience; Corporate Governance; Financial Strategy/Investment Management/Investor Relations; Government/Public Policy.

- Cedar Street Asset Management LLC - Chairman since 2016. Cedar Street Asset Management LLC is a Chicago-based portfolio management firm that specializes in investments in international equities.
- The Chicago Board Options Exchange - Chairman of the Board from May 2014 to February 2017. Served as Executive Chairman from 2013 to May 2014 and Chairman and CEO from 1997 to 2013.
- CBOE Holdings, Inc. - Chairman of the Board from May 2014 to February 2017. Served as Executive Chairman from 2013 to May 2014 and Chairman and CEO from 2010 to 2013. CBOE Holdings, Inc. is the holding company for The Chicago Board Options Exchange, an exchange that focuses on options contracts for individual equities, indexes, and volatility (VIX), and the CBOE Futures Exchange which offers volatility futures.
- Director of WEC Energy Group since June 2015; Director of Integrys Energy Group from February 2007 to June 2015.

Specific qualifications and experience
Mr. Brodsky brings to our Board of Directors extensive finance, regulatory, and business management experience gained from nearly 35 years of combined service as CEO of The Chicago Board Options Exchange, CBOE Holdings, Inc., and the Chicago Mercantile Exchange. His over 40 years of experience in the financial markets industry, and recognition as a leading industry advocate in securities, commodities and futures markets policy and regulation, is particularly valuable in his service on the WEC Energy Group Finance Committee where he can apply his keen insights to the Company's financial strategy and investment management matters. Mr. Brodsky's extensive knowledge of the economic and governmental challenges as well as policy issues facing a public company doing business in Illinois is of great value to the Board, as is his extensive past and present experience serving on the boards of numerous highly-visible not-for-profit organizations in the metro Chicago area.

Albert J. Budney, Jr.
Age: 70
Director Since: 2015
Board Committee: Corporate Governance
Core Competencies: Senior Leadership/CEO Experience; Extensive Knowledge of Company's Business and/or Industry; Regulated Industry Knowledge; Environmental Issues/Corporate Social Responsibility.

- Niagara Mohawk Holdings, Inc. - Retired President and Director. Niagara Mohawk Holdings, Inc. is a holding company that distributes electricity in areas of New York through its utility subsidiaries.
- Director of WEC Energy Group since June 2015; Director of Integrys Energy Group from February 2007 to June 2015.

Specific 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. Further, he was serving as a director of WPS Resources Corporation when it purchased Peoples Energy Corporation, subsequently changing its name to Integrys Energy Group, and has since been acquired by WEC Energy Group. With respect to environmental issues, Mr. Budney brings to the Board insights he gained while President of Niagara Mohawk Holdings, where the Vice President of Environmental Affairs was among his direct reports. This provided

Mr. Budney with experience he applied as a founding member of the Environmental Committee of the Board at Integrys 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, customer service, and corporate management matters are very valuable to the Board in carrying out its oversight in these areas.

Patricia W. Chadwick
Age: 69
Director Since: 2006
Board Committees: Audit and Oversight; Finance
Core Competencies: Financial Strategy/Investment Management/Investor Relations; Audit Oversight/Financial Reporting; Strategic Planning; Extensive Knowledge of Company's Business and/or Industry.

- 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 from 2006 to June 2015.

Specific qualifications and experience

Ms. Chadwick, who is a Chartered Financial Analyst, brings to our Board of Directors extensive investment management expertise gained from 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, independent research, and global economic activity since 1999, Ms. Chadwick's insights into what the investment industry is thinking and discussing is of great value to the Board as it contemplates its financial plan and strategy. Her knowledge on capital markets is particularly helpful to WEC Energy Group and its subsidiaries which operate in a capital intensive industry and must consistently access the capital markets. Ms. Chadwick serves as a director on the boards of two registered investment companies, VOYA Mutual Funds and The Royce Funds, which afford her a perspective on current issues and concerns of today's investors, and she is a board director and Finance Committee member of AMICA Mutual Insurance Company, where she has gained a deep understanding of insurance risk management matters; she applies these to her role on the WEC Energy Group Finance Committee.

Curt S. Culver
Age: 65
Director Since: 2004
Board Committees: Corporate Governance; Finance (Chair)
Core Competencies: Senior Leadership/CEO Experience; Risk Management/Oversight; Corporate Governance; Financial Strategy/ Investment Management/Investor Relations.

- 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 from 2004 to June 2015.

Specific 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 compliance issues facing a large publicly-traded company headquartered in Milwaukee, Wisconsin. As chair of the Finance Committee, he provides expertise in the financial markets and risk assessment and management; his experience in the insurance industry also puts him in a position to advise on the Company's insurance program and its effect on overall risk management. Mr. Culver's broad corporate governance experience from his extensive past and present service on the boards of several highly-visible Milwaukee-area non-profit entities and two private for-profit organizations is of great value to the Board.

Danny L. Cunningham
Age: 62
Director Since: 2018
Board Committees: Audit and Oversight
Core Competencies: Audit Oversight/Financial Reporting; Risk Management/Oversight; Talent Management/Executive Compensation; Strategic Planning.

- 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.

Specific 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: 62
Director Since: 2018
Board Committees: Finance
Core Competencies: Senior Leadership/CEO Experience; Innovation/Technology; Audit Oversight/Financial Reporting; Risk Management/Oversight .

- Winston and Wolfe, LLC - Chairman and Chief Executive Officer. Winston and Wolfe LLC is a privately held technology development and advisory company.
- Urban Partnership Bank - Retired President and CEO. 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.

Specific qualifications and experience
Mr. Farrow brings to our Board of Directors more than 39 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 the City, 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: 70
Director Since: 2005
Board Committees: Audit and Oversight (Chair); Compensation; Executive
Core Competencies: Audit Oversight/Financial Reporting; Risk Management/Oversight; Strategic Planning; Extensive Knowledge of Company's Business and/or Industry.

- 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 from 2005 to June 2015.

Specific 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.

Gale E. Klappa
Age: 67
Director Since: 2003
Board Committee: Executive (Chair)
Core Competencies: Senior Leadership/CEO Experience; Financial Strategy/Investment Management/Investor Relations; Extensive Knowledge of Company's Business and/or Industry; Strategic Planning.

- WEC Energy Group, Inc. – Chairman of the Board and Chief Executive Officer from 2004 to May 2016 and October 2017 to present; Non-Executive Chairman of the Board from May 2016 to October 2017; President from 2003 to August 2013.
- Wisconsin Electric Power Company – Chairman of the Board from 2004 to May 2016 and January 2018 to present; Chief Executive Officer from 2003 to May 2016 and January 2018 to present; President from 2003 to June 2015.
- Director of Associated Banc-Corp since 2016; Director of Badger Meter, Inc. since 2010; 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 as an executive officer and/or director of several other major subsidiaries of WEC Energy Group.

Specific qualifications and experience

Mr. Klappa has more than 40 years of experience working in the public utility industry, including 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 the utility sector. In October 2017, the Company's then-CEO, Allen Leverett, suffered a stroke. In response, the Board appointed Mr. Klappa to serve in the role of CEO, while also having him retain his role of Board Chairman. Mr. Klappa's deep knowledge of the Company's industry, customers, stockholders, and management team has allowed for strong continuity during Mr. Leverett's absence.

Henry W. Knueppel
Age: 69
Director Since: 2013
Board Committees: Audit and Oversight; Corporate Governance
Core Competencies: Senior Leadership/CEO Experience; Strategic Planning; Financial Strategy/Investment Management/Investor Relations; Innovation/Technology.

- 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. 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 from 2013 to June 2015.

Specific 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. 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 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 and customer service matters the Company faces with our large commercial and industrial customers. Mr. Knueppel also brings to the Board a wide range of knowledge and experience in board governance, having served for more than 30 years as a director for several publicly-traded companies, including his role as the independent, nonexecutive chairman of the board of Harsco Corporation.

Allen L. Leverett
Age: 51
Director Since: 2016
Board Committee: Executive
Core Competencies: Regulated Industry Knowledge; Financial Strategy/Investment Management/Investor Relations; Senior Leadership/CEO Experience; Risk Management/Oversight.

- WEC Energy Group, Inc. - CEO from May 2016 to October 2017; President since August 2013; Executive Vice President from 2004 through July 2013; Chief Financial Officer ("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 - 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.

Specific qualifications and experience
Having worked in the public utility industry for nearly 25 years, Mr. Leverett has developed a deep understanding of the complexities of the Company’s industry, operations, and regulatory environment, while having built extensive leadership experience. Prior to joining the Company, 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 the Company in 2003 as Chief Financial Officer and has 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 Chief Executive Officer of WEC Energy Group, Inc. and served in that role until October 2017 when he suffered a stroke and took a leave of absence to recover. Mr. Leverett's experience and insights in running a regulated public company are critical to the Board as it carries out its oversight responsibilities.

Ulice Payne, Jr.
Age: 62
Director Since: 2003
Board Committees: Compensation; Executive; Finance
Core Competencies: Risk Management/Oversight; Corporate Governance; Financial Strategy/Investment Management/Investor Relations.

- 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 from 2003 to June 2015.

Specific qualifications and experience

Mr. Payne brings to our Board of Directors strong business leadership experience within the local Milwaukee community and State of Wisconsin, previously serving in roles that included the Securities Commissioner for the state of Wisconsin, managing partner of the Milwaukee law office of Foley & Lardner, and president and CEO of the Milwaukee Brewers Baseball Club, Inc. In addition, Mr. Payne is and has been 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.

Mary Ellen Stanek
Age: 61
Director Since: 2012
Board Committee: Finance
Core Competencies: Financial Strategy/Investment Management/Investor Relations; Senior Leadership/CEO Experience; Risk Management/Oversight; Talent Management/Executive Compensation.

- 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 from 2012 to June 2015.

Specific qualifications and experience

Ms. Stanek, who is a Chartered Financial Analyst, brings to our Board of Directors her extensive financial and investment strategy expertise, resulting from over 35 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 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 the workforce, as well as customer concerns.

COMMITTEES OF THE BOARD OF DIRECTORS

Members	Principal Responsibilities; Meetings
Audit and Oversight Thomas J. Fischer, Chair John F. Bergstrom Barbara L. Bowles Patricia W. Chadwick Danny L. Cunningham Henry W. Knueppel	• 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. • Prepare the report required by the SEC for inclusion in the proxy statement. • Establish procedures for the submission of complaints and concerns regarding WEC Energy Group's accounting or auditing matters. • The Audit and Oversight Committee conducted six meetings in 2017.
Compensation John F. Bergstrom, Chair Thomas J. Fischer Ulice Payne, Jr.	• Identify through succession planning potential executive officers. • Provide competitive, performance-based executive and director compensation programs. • Set performance goals for the CEO, annually evaluate the CEO's performance against such goals, and determine compensation adjustments based on whether these goals have been achieved. • Prepare the report required by the SEC for inclusion in the proxy statement. • The Compensation Committee conducted six meetings in 2017 and executed two written unanimous consents.
Corporate Governance Barbara L. Bowles, Chair Albert J. Budney, Jr. Curt S. Culver Henry W. Knueppel	• 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 conducted four meetings in 2017 and executed one written unanimous consent.
Finance 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 with respect to risk assessment and risk management. • Approve the Company's financial plan, including the capital budget. • The Finance Committee conducted five meetings in 2017 and executed one written unanimous consent.

Executive Committee. 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, Allen L. Leverett, and Ulice Payne, Jr. The Executive Committee met twice in 2017.

In addition to the number of committee meetings listed in the preceding table, the Board met nine times in 2017 and executed three written unanimous consents. With the exception of Mr. Leverett, all directors attended more than 75% of the total number of meetings of the Board and Board committees on which he or she served. Leading up to October when Mr. Leverett suffered a stroke and took a leave of absence to recover, his attendance rate was 100%; at year-end, it was 55.6%. The average Board meeting attendance during the year, which reflects Mr. Leverett's attendance to October, is over 92%.

Generally, all directors are expected to attend the Company's Annual Meetings of Stockholders. All directors attended the Annual Meeting of Stockholders held on May 4, 2017.

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 achieve the Company's 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 Frederic W. Cook & Co., Inc. ("FW Cook") during 2017 for this purpose. Directors who also serve as executives of the Company do not receive additional compensation for service as a director.

2017 Compensation of the Board of Directors

The following table describes the components of the non-management director compensation program during 2017. 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	2017 Non-Management Director Compensation Program
Annual Cash Retainer	
Non-Management Director	$100,000, which may be deferred at the director's option
Additional if Non-Executive Chair	$125,000, which may be deferred at the director's option
Annual Equity Retainer	
Non-Management Director	$125,000 in restricted stock which vests one year from grant date
Additional if Non-Executive Chair	$125,000 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	$10,000 paid in $2,500 quarterly increments
Finance	$10,000 paid in $2,500 quarterly increments
Board and Committee Meeting Fees	None
Stock Ownership Guideline	Ownership of common stock or deferred stock units that have a value equivalent to five times the annual cash retainer 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. Effective January 1, 2017, 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 following termination of the director's service to WEC Energy Group. 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 mitigates 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 2017. Messrs. Cunningham and Farrow were elected to the Board in January 2018, and did not receive any compensation during 2017.

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	125,000	—	—	—	20,608	260,608
Barbara L. Bowles	110,000	125,000	—	—	—	26,639	261,639
William J. Brodsky	100,000	125,000	—	—	—	—	225,000
Albert J. Budney, Jr.	100,000	125,000	—	—	—	—	225,000
Patricia W. Chadwick	100,000	125,000	—	—	—	28,924	253,924
Curt S. Culver	110,000	125,000	—	—	—	20,711	255,711
Thomas J. Fischer	120,000	125,000	—	—	—	20,608	265,608
Paul W. Jones (2)	100,000	430,512(3)	—	—	—	—	530,512
Gale E. Klappa (4)	—	—	—	—	—	—	—
Henry W. Knueppel	100,000	125,000	—	—	—	—	225,000
Ulice Payne, Jr.	100,000	125,000	—	—	—	15,141	240,141
Mary Ellen Stanek	100,000	125,000	—	—	—	—	225,000

(1) Other than Mr. Brodsky (4,837 shares), Mr. Budney (4,837 shares), Mr. Jones (0 shares), and Mr. Klappa (7,456 shares), each director held 6,932 shares of restricted stock as of the close of business on December 31, 2017.

(2) Mr. Jones retired effective December 31, 2017, and is not standing for re-election at the Annual Meeting of Stockholders on May 3, 2018.

(3) In connection with Mr. Jones' retirement from the Board, and in consideration of his exemplary service and contributions helping the Company exceed its goals for cost savings and integration following the acquisition of Integrys Energy Group, effective December 31, 2017, the Compensation Committee accelerated the vesting of 4,837 shares of restricted stock previously awarded to Mr. Jones. The incremental fair value associated with the acceleration was $305,512, which is included in the reported amount.

(4) On October 12, 2017, the Board appointed Mr. Klappa as CEO of WEC Energy Group until Mr. Leverett is able to resume his duties. All compensation that Mr. Klappa received as a non-management director during 2017 is reported in the "Summary Compensation Table" on

page P-46. While serving as Chairman of the Board and CEO, Mr. Klappa will not recieve any non-management director compensation.

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 2017 regardless of whether such retainers and fees were paid in cash or deferred.

Stock Awards. On January 3, 2017, each non-management director received his or her 2017 annual equity retainer in the form of restricted stock equal to a value of $125,000.

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.

2018 Compensation of the Board of Directors

In December 2017, 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 below market median. As a result, the Compensation Committee recommended and the Board approved an increase of $10,000 in total non-management director compensation to be delivered entirely in equity. As a result, the annual restricted stock equity award was increased from $125,000 to $135,000 effective January 1, 2018. In addition, the Compensation Committee recommended and the Board approved increasing the annual chair fees for the Corporate Governance and Finance Committees from $10,000 to $15,000 each, effective January 1, 2018. The Compensation Committee concluded that it was appropriate for all other fees to remain unchanged from the approved 2017 levels.

PROPOSAL 2: RATIFICATION OF DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITORS FOR 2018

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, 2018. 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 16 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 2018.

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 pre-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 2017 and 2016, 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.

	2017	2016
Audit Fees (1)	$5,064,125	$4,886,950
Audit-Related Fees (2)	—	—
Tax Fees (3)	20,000	—
All Other Fees (4)	7,095	7,946
Total	$5,091,220	$4,894,896

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

reporting, and (3) with 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."

(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. No such services were received from Deloitte & Touche LLP in 2016.

(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 2018, 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 2017. 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, 2017, 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 the letter 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, 2017 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

PROPOSAL 3: 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-30 through P-45 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 2017 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 above, which describe in greater detail WEC Energy Group's compensation philosophy and programs, as well as the 2017 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 2018 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 2017.

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.

2017 Business Highlights

We completed our second full year of combined utility operations as WEC Energy Group in 2017 following our acquisition of Integrys Energy Group in June 2015. During 2017, we made excellent progress in our continued efforts to integrate our employees, merge and improve business processes, and consolidate our IT infrastructure. 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

Commitment to Stockholder Value Creation. Financially, WEC Energy Group again delivered solid earnings growth, generated strong cash flow, and increased the dividend for the 14th consecutive year. In January 2017, the Board raised the quarterly dividend 5.1% to $0.5200 per share, equivalent to an annual rate of $2.08 per share. In January 2018, the Board increased the quarterly dividend to $0.5525 per share, which is equivalent to an annual rate of $2.21 per share, in line with our plan to maintain a dividend payout ratio of 65% to 70% of earnings. The Company also turned in aggregate above target performances in customer satisfaction and network reliability during 2017.

Specific Company achievements during 2017 include:

2017 Financial Highlights

- WEC Energy Group delivered solid earnings growth again, generated strong cash flow, and increased the dividend for the 14th consecutive year.
- We achieved fully diluted earnings per share and adjusted earnings per share of $3.79 and $3.14, respectively. [2]
- Each of our regulated utility subsidiaries earned its allowed rate of return.
- We returned approximately $656.5 million to WEC Energy Group stockholders through dividends.
- Our common stock traded at an all-time high of $70.09 on November 15, 2017.
- In January 2018, the Board raised the quarterly dividend to $0.5525 per share, which is equivalent to an annual dividend rate of $2.21 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-76 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.

2017 Performance Highlights

- WEC Energy Group was recognized in 2017 by Corporate Responsibility Magazine as one of the 50 best corporate citizens in America.
- PA Consulting Group named We Energies the most reliable utility in the United States in 2017, and in the Midwest for the seventh year in a row.
- Our utilities continued to balance the delivery of safe, reliable, and affordable energy with a commitment to protecting the environment.
- At the Company's request, the Public Service Commission of Wisconsin approved a base rate freeze for our Wisconsin utilities, keeping base rates flat through 2019 for our Wisconsin customers.
- Wisconsin Public Service Corporation was named as the best midsize utility in the Midwest for business customer satisfaction.[2]
- All major utility subsidiaries either met or exceeded our overall customer satisfaction targets.[2]
- Minnesota Energy Resources Corporation received the Governor’s Safety Award, which recognizes companies with incident rates that are 51% to 90% better than the industry average.[2]
- Announced an advanced metering infrastructure program, which consists of an integrated system of smart meters, communication networks, and data management systems that enable two-way communication between utilities and customers.[2]
- Announced a plan to reshape our generation fleet to provide a clean, reliable future. Our plan includes retiring approximately 1,800 MWs of coal generation by 2020 and adding additional natural gas-fired generating units and renewable generation, including utility-scale solar projects.
- Completed the acquisition of Bluewater Natural Gas Holding, LLC, which owns underground natural gas storage facilities in Michigan.

- Received approval from the Michigan Public Service Commission to construct and operate approximately 180 MWs of natural gas-fired generation located in the Upper Peninsula of Michigan.
- Announced that Wisconsin Public Service Corporation, along with two other unaffiliated utilities, agreed to purchase the Forward Wind Energy Center, which consists of 86 wind turbines located in Wisconsin with a total capacity of 129 MWs. The aggregate purchase price is $174 million, of which Wisconsin Public Services' proportionate share is 44.6%, or approximately $78 million.

(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 2017.

[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, 2012. For information about the Custom Peer Index Group, see page F-92 in the Company's 2017 Annual Report.

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

Key Compensation Program Changes

We continually look for ways to refine our executive compensation program to more effectively align executive pay with performance and reflect best compensation practices. For 2017, based upon feedback we received from stockholders during our investor outreach efforts, the Compensation Committee amended and restated the Performance Unit Plan to provide for an Additional Performance Measure in addition to the performance measure of total stockholder return. Performance units will continue to 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 the Company's performance against the Additional Performance Measure(s). 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 for the 2017 performance unit awards. In order to achieve our financial goals, it is important that the Company’s utilities earn at or close to their authorized return on equity.

For additional information about the performance units and Additional Performance Measures, see “Long-Term Incentive Compensation” starting on page P-39.

Consideration of 2017 Stockholder Advisory Vote and Stockholder Outreach

At the 2017 Annual Meeting of Stockholders, the Company’s stockholders approved the compensation of our named executive officers with almost 95% of the votes cast. The Compensation Committee considered this outcome as well as the feedback received during meetings we held with a number of our institutional stockholders. During 2017, we talked with 30 stockholders representing approximately 45% of the Company’s outstanding common stock about our governance and compensation practices. In light of the significant stockholder support our executive compensation program received in 2017, the payout levels under our performance-based program for 2017, and the changes previously made to the program in 2016, the Compensation Committee continues to believe that the 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 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 2017 program.

On January 27, 2016, the Board appointed Allen Leverett to serve as our CEO effective upon Gale Klappa's retirement on
May 1, 2016. Mr. Klappa continued to serve as the Non-Executive Chairman of the Company's Board. As we first reported in a Current Report on Form 8-K filed on October 12, 2017, Mr. Leverett suffered a stroke. The Board, acting pursuant to the Company's Bylaws, appointed Mr. Klappa to act as CEO while Mr. Leverett recovers from the stroke and until such time as he is able to re-assume those responsibilities. For the remainder of 2017, we continued to compensate Mr. Leverett pursuant to the Company's standard medical leave policy.

For information about Mr. Klappa's 2017 compensation, see page P-42.

As shown in the charts below, 88% of Mr. Leverett's 2017 total direct compensation and an average of 76% of the other NEO's (other than Mr. Klappa) 2017 total direct compensation is tied to Company performance and is not guaranteed.

The other NEO's total direct compensation mix does not include Mr. Klappa's compensation as his compensation was based upon his service as CEO for less than a quarter of the year and under very unusual circumstances, and would significantly change the reported NEO mix in a way we believe would not be representative of the Company's executive compensation program. If Mr. Klappa is included in the calculation of the other NEOs total compensation mix, the amounts reported in the chart above would change as follows: Annual Base Salary (38%); Annual Cash Incentive (29%); and Long-Term Equity Incentive (33%).

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.

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

This Compensation Discussion and Analysis contains a more detailed discussion of each of the above components for 2017, 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-43)
- Annual incentive-based compensation contains multiple, pre-established performance metrics aligned with stockholder and customer interests. (page P-36)
- 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-39)
- The Performance Unit Plan requires a separation from service following a change in control for award vesting to occur. (page P-41)
- 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-43)
- 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-43)
- 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-44)
- 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 2017 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 $2.45 billion and $22 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 $8.7 billion and $15.2 billion, respectively.

The comparison group utilized for purposes of 2017 compensation includes the same companies as the previous year's comparison group, except that Dominion Resources was removed based upon FW Cook's recommendation that it no longer meets the applicable criteria. The comparison group consisted of the 18 companies listed below.

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

The Compensation Committee approved this revised 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 drives the allocation of cash versus non-cash compensation and short-term versus long-term incentive compensation.

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 within (plus or minus) 15% of the market median for each NEO. However, the Compensation Committee may, in its discretion, adjust base salaries outside of this 15% band 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.

The Compensation Committee increased Mr. Leverett's annual base salary to $1,161,000 for 2017, which was within our targeted range of the market median.

With respect to each other NEO (other than Mr. Klappa), in December 2016, Mr. Leverett 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. Keyes and Fletcher, and Ms. Martin, and an increase in annual base salary of approximately 16% for Mr. Lauber.

Upon his appointment as Executive Vice President and Chief Financial Officer, Mr. Lauber's base salary was previously increased effective April 1, 2016, but was set below the target range because of how significant such an increase would have been in order to bring his salary within the range. As we previously reported, the Compensation Committee's intent was to continue increasing Mr. Lauber's salary in multiple steps to move it within the target range. As a result, effective July 1, 2017, the Compensation Committee increased Mr. Lauber's annual base salary by an additional 16% to provide an aggregate base salary of $496,165 in 2017. The annual base salary of each NEO was within our targeted range of the market median as discussed above.

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.

2017 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.

The year-end 2017 target awards for each NEO (other than Mr. Klappa) are set forth in the chart below.

Executive Officer	Target STPP Award as a Percentage of Base Salary
Mr. Leverett	125%
Mr. Lauber	80%
Mr. Keyes	75%
Ms. Martin	70%
Mr. Fletcher	70%

The target award levels of each officer named in the table above reflect median incentive compensation practices as indicated by the market data. The Compensation Committee increased Mr. Leverett's and Mr. Lauber's targets to move them into the median target range for their positions. Mr. Klappa did not participate in the STPP in 2017.

For 2017, the possible payout for any NEO ranged from 0% of the target award to 210% of the target award, based upon performance.

2017 Financial Goals under the STPP. The Compensation Committee adopted the 2017 STPP with a continued principal focus on financial results. In December 2016, 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 2017. For those officers whose positions primarily relate to utility operations in Wisconsin, including Mr. Fletcher, 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 2017. 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 January 2017, 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
$2.96	4.3%	25%
$2.98	4.7%	50%
$3.00	5.0%	100%
$3.06	6.1%	135%
$3.12	7.1%	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.

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% off of a 2015 base of $2.72 per share. At the time the Compensation Committee was establishing targets for 2017, we believed that this CAGR, plus our continued growth in dividends would support 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 the mid-point of the target range (6.1%). The Compensation Committee tied the maximum payout level (200%) to achievement of a 7.1% CAGR. The Compensation Committee determined that the Company's CAGR should exceed the high end of the target range to achieve the maximum payout level.

In January 2017, the Compensation Committee approved the performance goals under the STPP for WEC Energy Group's cash flow as set forth in the chart below ($ in millions).

Cash Flow	Payout Level
$1,750	25%
$1,800	50%
$1,850	100%
$1,900	135%
$2,000	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 used a different process to establish the cash flow targets for 2017, basing the 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. Generally accepted accounting principles (GAAP) require 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 2017, 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
$550	9.81%	25%
$556	9.91%	50%
$562	10.01%	100%
$570	10.15%	135%
$580	10.32%	200%

2017 Financial Performance under the STPP. In January 2018, the Compensation Committee reviewed our actual performance for 2017 against the financial and operational performance goals established under the STPP, subject to final audit.

WEC Energy Group's 2017 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 GAAP earnings per share and adjusted earnings per share were $3.79 and $3.14, respectively, for 2017. Our adjusted earnings exclude 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. WEC Energy Group's cash flow, based on FFO, was $2,113.0 million, and the Wisconsin utilities' net income was $582.6 million for 2017. Net income is measured against the net income from WEC Energy Group's Wisconsin segment excluding contributions to the Wisconsin utilities' charitable foundations and net costs related to the coal plant closings we announced in 2017. Our adjusted earnings per share, cash flow, and net income are not measures 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.

2017 WEC Energy Group Operational Goals and Performance under the STPP. Similar to prior years, in December 2016 and January 2017, 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.

For 2017, Near Miss/Unsafe Condition ("NMUC") Reports have been added to the measures used to determine the Company's safety performance. 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. 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 2017, 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	<68.6%	68.6% - 74.7%	>74.7%	78.0%
Transaction	<76.0%	76.0% - 81.4%	>81.4%	80.7%
Safety:	-2.50%	0.00%	+2.50%	
Lost Time Injury - Incidents	>67	39 - 67	<39	63
OSHA Recordable - Incidents	>206	135 - 206	<135	225
Near Miss / Unsafe Condition Reports	<14,590	14,590 - 18,910	>18,910	22,927
Diversity:	-2.50%	0.00%	+2.50%	
Supplier ($ in Millions)	<155.4	155.4 - 180.2	>180.2	248.9
Workforce - Assessment	Not Met	Met	Exceeded	Met

WEC Energy Group’s performance with respect to operational goals generated a 3.75% increase to the compensation awarded under the STPP for 2017. The Compensation Committee measured customer satisfaction levels based upon the results of surveys that an independent third party conducted of customers who had direct contact with our utilities during the year, which measured (1) customers’ satisfaction with the respective utility overall, and (2) customers’ satisfaction with respect to the particular transactions with the applicable utility. Overall, our utilities exceeded target-level performance with respect to the first customer satisfaction measure; and WEC Energy Group exceeded the supplier diversity goal.

2017 Wisconsin Utilities Operational Goals and Performance under the STPP. For those officers whose positions primarily relate 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 following table provides the operational goals approved by the Compensation Committee for 2017 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	<72.0%	72.0% - 78.0%	>78.0%	80.8%
Transaction	<79.1%	79.1% - 85.1%	>85.1%	82.9%
Safety:	-2.50%	0.00%	+2.50%	
Lost Time Injury - Incidents	>25	13 - 25	<13	23
OSHA Recordable - Incidents	>105	65 - 105	<65	118
Near Miss / Unsafe Condition Reports	<13,100	13,100 - 15,750	>15,750	22,927
Diversity:	-2.50%	0.00%	+2.50%	
Supplier ($ in Millions)	<90.0	90.0 - 104.0	>104.0	132.8
Workforce - Assessment	Not Met	Met	Exceeded	Met

The Wisconsin utilities' performance with respect to operational goals generated a 3.75% increase to the compensation awarded under the STPP for 2017. The Compensation Committee measured customer satisfaction levels based upon the results of surveys that an independent third party conducted of customers who had direct contact with our Wisconsin utilities during the year, which measured (1) customers’ satisfaction with the specific Wisconsin utility overall, and (2) customers’ satisfaction with respect to their particular transactions with their specific utility. Our Wisconsin utilities exceeded target-level performance with respect to the first customer satisfaction measure; those utilities also exceeded target-level performance with respect to supplier diversity.

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 2017. Because the Company's performance against the financial and operational goals resulted in significant STPP awards in 2017, 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. Leverett received annual incentive cash compensation under the STPP of $2,956,922 for 2017. This represented 255% of his annual base salary. Messrs. Lauber, Keyes, and Fletcher, and Ms. Martin, received annual cash incentive compensation for 2017 under the STPP equal to 163%, 153%, 143%, and 143% of their respective annual base salaries, representing 203.75% of the target award for each officer.

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 beginning with the 2017 grants may be adjusted based upon the Company’s performance against an Additional Performance Measure(s). 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 will continue to 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 2017 Long-Term Incentive Awards. In establishing the target value of long-term incentive awards and the appropriate mix of performance units, stock options, and restricted stock for each NEO in 2017 (other than Mr. Klappa, who did not receive long-term incentive awards in 2017), the Compensation Committee reviewed the market compensation data and analysis provided by FW Cook. Based upon FW Cook's analysis, the Compensation Committee determined that the long-term incentive awards would be weighted 65% performance units, 20% stock options, and 15% restricted stock. These target values were presented to and approved by the Compensation Committee in December 2016.

Based upon the market data provided by FW Cook, we target the long-term incentive award to be within (plus or minus) 20% of the market median value of long-term incentive compensation. All of the NEO's long-term incentive awards were within this target range for 2017.

2017 Stock Option Grants. In December 2016, the Compensation Committee approved the grant of stock options to each of our NEOs (other than Mr. Klappa) and established an overall pool of options that were granted to approximately 200 other employees. The option grants to the NEOs were made effective January 3, 2017, the first trading day of 2017. 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.

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-57 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 2017:

Executive Officer	Options Granted
Mr. Leverett	130,640
Mr. Lauber	17,320
Mr. Keyes	29,800
Ms. Martin	21,065
Mr. Fletcher	17,345

For financial reporting purposes, the stock options granted on January 3, 2017 had a grant date fair value of $7.91 per option for Messrs. Leverett, Lauber, Keyes, and Fletcher, and a grant date fair value of $6.40 for Ms. Martin. Ms. Martin is considered to be "retirement eligible." Therefore, her options are presumed to have a shorter expected life, which results in a lower option value.

2017 Restricted Stock Awards. In December 2016, the Compensation Committee also approved the grant of restricted stock to each of our NEOs (other than Mr. Klappa) 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 3, 2017. The restricted stock vests in three equal annual installments beginning on January 3, 2018.

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. See "Potential Payments upon Termination or Change in Control" beginning on page P-57 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 $57.043 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 5, 2016, and ending on December 16, 2016. 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 early- to mid-December for annual awards 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 January 2017:

Executive Officer	Restricted Stock Granted
Mr. Leverett	12,975
Mr. Lauber	1,719
Mr. Keyes	2,958
Ms. Martin	2,091
Mr. Fletcher	1,722

2017 Performance Units. In 2017, the Compensation Committee granted performance units to each of our NEOs (other than Mr. Klappa) and approved a pool of performance units that were granted to approximately 200 other employees. With respect to the 2017 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, 2019, 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 2017 performance unit awards, the Compensation Committee selected performance against the weighted average authorized return on equity of all WEC Energy Group's utility subsidiaries.

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 2017 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
- FirstEnergy Corp.
- Great Plains Energy, Inc.
- 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 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.

For the 2017 performance unit awards, the Additional Performance Measure is the weighted average authorized return on equity ("ROE") of all WEC Energy Group's utility subsidiaries. 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 2017, the ROE targets and potential adjustments were set as follows:

If Actual Annual Authorized 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%

WEC Energy Group's utility subsidiaries achieved a weighted average authorized ROE of 10.25% for 2017. This resulted in a 3.33% increase in the vesting percentage of the performance units awarded in 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 $57.043 per unit, the same value used for the restricted stock granted in January 2017.

The following table provides the number of performance units granted to each NEO effective January 3, 2017, at the 100% target level:

Executive Officer	Performance Units Granted
Mr. Leverett	56,225
Mr. Lauber	7,455
Mr. Keyes	12,825
Ms. Martin	9,065
Mr. Fletcher	7,465

2017 Payouts under Previously Granted Long-Term Incentive Awards. In 2015, the Compensation Committee granted performance unit awards to participants in the Performance Unit Plan, including the NEOs. The terms of the performance units granted in 2015 were substantially similar to those of the performance units granted in 2017 described above, except that the 2015 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 2017 performance units.

Payouts under the 2015 performance units were based upon our total stockholder return for the three-year performance period ended December 31, 2017 against the same group of peer companies used for the 2017 performance unit awards, except that the 2015 peer group included Avista, but did not include Edison International. However, in December 2017, the Compensation Committee determined that Avista Corporation should be removed from the custom peer group for the 2015 performance unit award. On July 19, 2017, Hydro One Limited and Avista announced that they had entered into an agreement whereby Hydro One will purchase Avista. Upon this announcement, there was a significant increase in Avista's stock price, which we believe was not the result of ongoing operating performance. This action is consistent with the Compensation Committee's past decisions to adjust the peer group to account for the impact of mergers and acquisitions.

Accounting for this change, our total stockholder return was at the 56th percentile of the peer group for the three-year performance period ended December 31, 2017, resulting in the performance units vesting at a level of 105.6%. The actual payouts were determined by multiplying the number of vested performance units by the closing price of our common stock ($66.43) on December 29, 2017, the last trading day of the performance period. The actual payout to each NEO (other than Mr. Klappa, who did not have any 2015 performance units outstanding) is reflected in the "Option Exercises and Stock Vested for Fiscal Year 2017" table.

Mr. Klappa’s 2017 Compensation

In recognition of his service and leadership while Mr. Leverett recovers from his stroke, the Compensation Committee approved a payment of $2,000,000 for Mr. Klappa’s service as CEO in 2017. The Compensation Committee based this determination on input from FW Cook regarding the appropriate pay level for Mr. Klappa under the circumstances. Mr. Klappa also received compensation for his service as a non-management director in 2017, including service as Non-Executive Chairman of the Board. He did not, however, participate in management incentive compensation programs. See the "Summary Compensation Table" for additional information on Mr. Klappa’s director compensation.

For information about Mr. Klappa’s 2018 compensation, see "Other Information" on page P-48.

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 the 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.

Effective January 1, 2017, 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 2017. The Compensation Committee determined that Mr. Leverett is in compliance with the ownership guidelines, and all of the other NEOs, including Mr. Klappa who is again subject to the ownership guidelines, are in 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 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 executive retirement 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 2017" and "Retirement Plans."

Mr. Klappa had previously retired as Chairman of the Board and CEO of WEC Energy Group effective May 1, 2016. For information regarding certain payments made to Mr. Klappa in connection with such retirement, see “Pension Benefits at Fiscal Year-End 2017.”

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, and annual contributions to a qualified savings plan) are generally the same programs offered to substantially all of the Company's salaried 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 our current package of perquisites. For 2017, 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 utilized by 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 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 formalizes the Compensation Committee's policy 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. Leverett and Lauber, and Ms. Martin, were receiving gross-ups from the Company prior to July 2011.

In light of Mr. Klappa's retirement as executive Chairman of the Board and CEO of WEC Energy Group effective May 1, 2016, and his subsequent re-appointment as CEO in 2017, Mr. Klappa is deemed a new employee for benefits purposes and is not eligible to receive gross-ups as CEO.

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. Lauber and Keyes, and Ms. Martin, 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. Leverett and Fletcher 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, each NEO (other than Mr. Klappa) 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

Section 162(m) of the Internal Revenue Code limits the deductibility of certain executives' compensation that exceeds $1 million per year. For tax years prior to 2018, compensation over $1 million per year could be deducted if such compensation was performance-based under Section 162(m) and issued through a plan that had been approved by stockholders. Although the Compensation Committee historically took into consideration the provisions of Section 162(m), it believes that maintaining tax deductibility is only one consideration among many in the design of an effective executive compensation program. With respect to 2017 compensation for the NEOs, the stock option grants under the 1993 Omnibus Stock Incentive Plan have been structured to qualify as performance-based compensation under Section 162(m). The remaining components of the 2017 compensation program do not qualify for tax deductibility under Section 162(m).

The recently enacted tax reform legislation has raised some questions as to whether performance-based compensation granted in 2018 and thereafter may continue to be deducted. The Compensation Committee does not anticipate that the tax law changes, if applicable, will have a significant impact on the Company's executive compensation program as the Committee continues to believe that a significant portion of the executives' compensation should be at risk and based upon performance against Company goals.

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
		($)	($)	($)	($)	($)	($)	($)	($)	($)
Allen L. Leverett[1] President	2017	1,161,000	—	4,034,706	1,033,362	3,018,251	4,224,896	170,022	13,642,237	9,437,265
	2016	941,667	—	2,939,251	769,144	2,162,593	4,549,812	140,512	11,502,979	6,963,294
	2015	799,155	—	2,762,955	481,762	1,680,500	925,639	132,014	6,782,025	5,858,590
Gale E. Klappa[1] Chairman of the Board and Chief Executive Officer	2017	2,225,000[2]	—	250,012	—	—	2,529,057	27,102	5,031,171	2,593,579
	2016	589,043	—	7,427,755	816,752	1,179,632	925,719	210,435	11,149,336	10,250,269
	2015	1,324,739	—	5,388,193	809,646	3,454,116	2,573,492	276,582	13,826,768	11,260,113
Scott J. Lauber[3] Executive Vice President and Chief Financial Officer	2017	467,321	—	534,890	137,001	764,441	93,343	66,124	2,063,120	1,977,525
	2016	351,784	—	158,886	38,371	513,010	65,818	38,116	1,165,985	1,103,685
J. Patrick Keyes Executive Vice President, Strategy	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
	2015	531,002	—	1,121,231	201,993	911,839	90,080	71,410	2,927,555	2,837,539
Susan H. Martin[4] Executive Vice President	2017	530,450	—	650,451	134,816	771,436	108,918	64,827	2,260,898	2,156,824
	2016	515,000	—	587,165	106,358	779,035	102,117	113,108	2,202,783	2,103,032
	2015	475,000	—	824,278	87,032	741,831	86,748	58,343	2,273,232	2,186,678
J. Kevin Fletcher[3] President - WE, WG and WPS	2017	436,800	—	535,648	137,199	633,095	1,198,310	44,062	2,985,114	1,800,225
	2016	411,345	—	336,818	81,425	606,866	671,274	39,869	2,147,597	1,482,133

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) On January 27, 2016, the Board appointed Allen Leverett to serve as our CEO effective upon Gale Klappa's retirement on May 1, 2016

Mr. Klappa continued to serve as the Non-Executive Chairman of the Company's Board. As we first reported in a Current Report on Form 8-K filed on October 12, 2017, Mr. Leverett suffered a stroke. The Board appointed Mr. Klappa to act as CEO while Mr. Leverett recovers from the stroke and until such time as Mr. Leverett is able to re-assume those responsibilities.

(2) Includes 2017 Board of Director fees earned by Mr. Klappa in his role as a non-management director and Non-Executive Chairman of the Board in the amount of $225,000.

(3) Mr. Lauber, who was named Executive Vice President and CFO effective April 1, 2016, and Mr. Fletcher, who was named President of the Wisconsin utilities effective May 1, 2016, became named executive officers in 2016. Therefore, no information has been provided for 2015 for either officer.

(4) Ms. Martin held the title of Executive Vice President, General Counsel and Corporate Secretary through December 31, 2017. As we previously reported, Ms. Martin intends to retire in early 2018. As part of this transition, effective January 1, 2018, Ms. Martin holds the title of Executive Vice President.

(5) The amounts reported for Mr. Klappa in 2017 relate to the grant of restricted stock he received on January 3, 2017 for his service as a non-management director and Non-Executive Chairman of the Board. 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. Leverett, Lauber, Keyes, and Fletcher, and Ms. Martin, is $5,736,862, $760,647, $1,308,597, $761,697, and $924,951, respectively, for the 2017 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, for each of Messrs. Leverett, Lauber, Keyes, and Fletcher, and Ms. Martin, is $4,179,276, $225,903, $1,265,486, $479,001, and $835,068, respectively, for the 2016 awards. See "Option Exercises and Stock Vested For Fiscal Year 2017" for the amount of the actual payout with respect to the 2015 award of performance units. Mr. Klappa's 2015 and 2016 grants 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(l) -- Stock-Based Compensation, in the Notes to Consolidated Financial Statements in our 2017 Annual Report on Form 10-K for a description of these assumptions. For 2017, the assumptions made in connection with the valuation of the stock options are the same as described in Note 1(l), except that the expected life of the options is 7.6 years for Messrs. Leverett, Lauber, Keyes, and Fletcher, and 4.9 years for Ms. Martin. The change in the expected life of the options as set forth in Note 1(l) resulted from the fact that Ms. Martin is "retirement eligible" as of the grant date, and Messrs. Leverett, Lauber, Keyes, and Fletcher were not, whereas the assumption described in Note 1(l) is a weighted average of all option holders.

(7) Consists of the annual incentive compensation and short-term dividend equivalents earned under WEC Energy Group's STPP. The amounts earned for each award for 2017 are shown below.

Name	Annual Incentive Award ($)	Short-Term Dividend Equivalents ($)	Total ($)
Allen L. Leverett	2,956,922		