PPG INDUSTRIES INC
Form PRE 14A
February 16, 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
Filed by a Party other than the Registrant
Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a 6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a 12

PPG Industries, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
No fee required.
Fee computed on table below per Exchange Act Rules 14a 6(i)(1) and 0 11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0 11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.
Check box if any part of the fee is offset as provided by Exchange Act Rule 0 11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS

WHEN	April 19, 2018 at 11:00 AM Eastern Time
WHERE	Fairmont Pittsburgh, Grand Ballroom 510 Market Street Pittsburgh, Pennsylvania 15222
WHAT	1. To elect as directors the three named nominees; 2. To vote on a nonbinding resolution to approve the compensation of the Company's named executive officers on an advisory basis; 3. To vote on an amendment of the Company's Articles of Incorporation to provide for the annual election of directors; 4. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018; and 5. To transact any other business that may properly come before the meeting.
RECORD DATE	February 16, 2018
ANNUAL MEETING	Admission to the Annual Meeting will be by Admission Card only. You must also present a photo ID for admission to the Meeting.

PLEASE VOTE

Please know that your vote is very important to us and we encourage you to vote promptly. Whether or not you expect to attend the Annual Meeting in person, please vote via the Internet or telephone, or by paper proxy card or vote instruction form, which you should complete, sign and return by mail, so that your shares may be voted.

Internet	Mobile App	Phone	Mail	In Person
Visit www.cesvote.com. You will need the 11 digit control number included in your proxy card, voter instruction form or notice.	You can scan this QR code to vote with your mobile phone. You will need the 11 digit control number included in your proxy card, voter instruction form or notice.	Call 1 888 693 8683. You will need the 11 digit control number included in your proxy card, voter instruction form or notice.	Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.	See below regarding Attendance at the Meeting.

Anne M. Foulkes
Vice President, Associate General Counsel and Secretary
March 8, 2018

TABLE OF CONTENTS

Table of Contents

PROXY SUMMARY

This summary highlights information contained in this Proxy Statement. It does not contain all of the information you should consider. You should read the entire Proxy Statement carefully before voting. Please see the General Matters section beginning on page 70 for important information about proxy materials, voting, the Annual Meeting, Company documents and communications.

TIME AND PLACE OF THE ANNUAL MEETING

Thursday, April 19, 2018

11:00 AM Eastern Time

Fairmont Pittsburgh, Grand Ballroom

510 Market Street

Pittsburgh, Pennsylvania 15222

MEETING AGENDA

Voting Matters	Board Recommendations	Page
Election of Three Director Nominees	FOR	√ 6
Advisory Vote on Approval of the Compensation of the Named Executive Officers	FOR	√ 59
Vote on an Amendment of the Company's Articles of Incorporation to Provide for the Annual Election of Directors	FOR	√ 62
Ratification of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for 2018	FOR	√ 65

DIRECTOR NOMINEES

Nominees to Serve in a Class Whose Term Expires in 2021

	AGE DIRECTOR SINCE PRINCIPAL OCCUPATION	QUALIFICATIONS	COMMITTEES	OTHER BOARDS
Victoria F. Haynes	70 Director since 2003 Retired President and CEO of RTI International		Audit Technology and Environment	Nucor Corporation Royal DSM N.V.
Michael W. Lamach	54 Director since 2015		Audit Officers Directors	Ingersoll-Rand plc

	Chairman, President & CEO of Ingersoll-Rand plc	Compensation	
Martin H. Richenhagen	65 Director since 2007 Chairman, President & CEO of AGCO Corporation	Audit Officers Directors Compensation	AGCO Corporation Praxair, Inc.

Director Experience

Legend:

Table of Contents

QUESTIONS AND ANSWERS

Please see General matters beginning on page 70 for important information about the proxy materials, voting, the 2018 Annual Meeting and the deadlines to submit shareholder proposals and director nominees for the 2019 Annual Meeting of Shareholders.

LEARN MORE ABOUT PPG

You can learn more about PPG by visiting our website at www.ppg.com. Please also visit our Sustainability website at learn more about PPG's sustainability initiatives and achievements and PPG's community and employee engagement programs.

- Reported net sales from continuing operations of approximately $14.8 billion, up more than 3 percent versus 2016
- Organic sales growth of 1.5 percent over 2016
- Reported net income from continuing operations of $1.4 billion, or $5.32 per diluted share
- Adjusted earnings per diluted share from continuing operations of $5.87 per diluted share, up nearly 4 percent year-over-year
- Divested North American fiber glass business completing the culmination of a multi-year strategic shift in the company’s business portfolio
- Completed four acquisitions in 2017 increasing geographic and product scope
- More than $1.2 billion returned to shareholders in 2017 through share repurchases and dividends
- Completed share repurchases of more than $800 million for the year
- Strong financial flexibility with approximately $1.5 billion of cash and short-term investments at year-end
- Commitment to deploy at least $2.4 billion on acquisitions and share repurchases in 2018

*From continuing operations.

More information on PPG’s financial results is available on PPG’s Investor Center website at investor.ppg.com

PPG has provided reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures in Annex A.

Table of Contents

PROPOSAL 1: Election of Directors

Three directors are nominated for election to a class that will serve until the 2021 annual meeting of shareholders and until their successors have been duly elected and qualified, or their earlier retirement or resignation. It is intended that the shares represented by each proxy will be voted, in the discretion of the proxies, FOR the nominees for directors set forth below, each of whom is an incumbent, or for any substitute nominee or nominees designated by our Board of Directors in the event any nominee or nominees become unavailable for election. In the event that an incumbent director receives a greater number of votes against his or her election than votes for such election, he or she is required to tender his or her resignation for consideration by the Nominating and Governance Committee of the Board of Directors in accordance with our Bylaws, as described on page 15 under “Director Resignation Policy.” The principal occupations of, and certain other information regarding, the nominees and our continuing directors are set forth below. In addition, information about each director’s specific experience, attributes and skills that led the Board to the conclusion that each of the directors is highly qualified to serve as a member of the Board is set forth below. Our Corporate Governance Guidelines require that any director who has attained the age of 72 retire at the next annual meeting following the director's 72nd birthday. In accordance with this policy, if elected, Dr. Haynes will retire at the 2020 Annual Meeting of Shareholders.

The Board believes that each of the Company’s directors is highly qualified to serve as a member of the Board. Each of the directors has contributed to the mix of skills, core competencies and qualifications of the Board. Our directors are highly educated and have diverse backgrounds and talents and extensive track records of success in what we believe are highly relevant positions with some of the most admired organizations in the world. Many of our directors also benefit from an intimate knowledge of our operations and corporate philosophy. The Board believes that each director’s service as the chairman, chief executive officer, chief operating officer, president or group president of a well respected company has provided the directors with skills that are important to serving on our Board. The Board has also considered the fact that all of our directors have worked for, or served on the boards of directors of, a variety of companies in a wide range of industries. Specifically, the Board has noted that our directors have skills that, among others, have made them particularly suited to serve as a director of PPG, a global manufacturer of high technology paints, coatings and specialty materials for industrial and consumer markets, with operations in more than 70 countries. The Board believes that through their varying backgrounds, our directors bring a wealth of experiences, new ideas and solutions to our Board.

Vote Required

Each director nominee who receives a majority of the votes cast (the number of shares voted “for” the director must exceed 50% of the votes cast with respect to that director) at the Annual Meeting will be elected as a director.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES.

Table of Contents

Nominees to Serve in a Class Whose Term Expires in 2021

Victoria F. Haynes

Age: 70 Retired President and Chief Executive Officer of RTI International	Professional Experience: Dr. Haynes has been a Director of PPG since 2003. She served as the President and Chief Executive Officer of RTI International, which performs scientific research and development in advanced technologies, public policy, environmental protection, and health and medicine, from 1999 until 2012. She was Vice President of the Advanced Technology Group and Chief Technical Officer of BF Goodrich Company from 1992 to 1999. She is also a director of Nucor Corporation and Royal

DSM N.V. Dr. Haynes served as a director of Archer Daniels Midland Company from 2007 through 2011 and as a director of Axiall Corporation from 2013 through August 2016.

Qualifications: Dr. Haynes is a leader in advanced technology and research. Her previous service as President and Chief Executive Officer of RTI International as well as her scientific leadership positions with BF Goodrich Company provide her with insight into the research and development issues currently faced by global companies. Dr. Haynes' science background, coupled with her experience leading a high technology institution, is a valuable resource for the Board when reviewing our technological innovations.

Michael W. Lamach

Age: 54 Chairman, President and Chief Executive Officer of Ingersoll-Rand plc	Professional Experience: Mr. Lamach has been a Director of PPG since 2015. He has been the Chairman, President and Chief Executive Officer of Ingersoll Rand plc, a diversified manufacturer and services provider of climate and refrigeration systems, industrial technologies and small electric vehicles, since June 2010 and a director since February 2010. Previously, Mr. Lamach served in several roles with Ingersoll Rand, including President and Chief Executive Officer from February 2010 to June 2010; President and Chief Operating Officer from February 2009 to February 2010; President of Trane Commercial Systems from June 2008 to February 2009; and President of the Security Technologies Sector from February 2004 to June 2008. Prior to joining Ingersoll Rand, Mr. Lamach spent 17 years in a variety of management positions with Johnson Controls. He served as a director of Iron Mountain, Inc. from 2007 to 2015.

Qualifications: During this 30 year career, Mr. Lamach has lead a number of businesses serving different end use markets, including automotive components, controls, security systems and HVAC systems. As Chairman, President and Chief Executive Officer of Ingersoll Rand plc, he brings to the Board experience leading a global company that sells a diverse range of products and services to both industrial and consumer customers. Mr. Lamach's service on the Executive Committee of the National Association of Manufacturers provides him with keen insight into the challenges facing manufacturers.

Director Experience
Legend:

Table of Contents

Martin H. Richenhagen

Age: 65	Professional Experience:
Chairman, President and Chief Executive Officer of AGCO Corporation	Mr. Richenhagen has been a Director of PPG since 2007. He has been Chairman, President and Chief Executive Officer of AGCO Corporation, an agricultural equipment manufacturer, since 2006. From 2004 to 2006, he served as President and Chief Executive Officer of AGCO. From 2003 to 2004, Mr. Richenhagen was Executive Vice President of Forbo International SA, a Swiss flooring materials company. From 1998 to 2003, he was with CLAAS KgaA MbH, a German based manufacturer of agricultural and forest machinery, serving as Group President from 2000 until 2003. Mr. Richenhagen is also a director of Praxair, Inc.

Qualifications: Mr. Richenhagen has been leading global manufacturing companies for many years. As Chairman, President and Chief Executive Officer of AGCO Corporation, he leads a global manufacturer of agricultural equipment with dealers and distributors in more than 140 countries worldwide. Mr. Richenhagen brings considerable international business experience to the Board, having served as a senior executive at multinational companies located in Europe and the United States.

Director Experience Legend:

Table of Contents

Continuing Directors—Term Expires in 2019

James G. Berges

Age: 70	Professional Experience:
Partner, Clayton, Dubilier & Rice, LLC	Mr. Berges has been a Director of PPG since 2000. He became a partner in Clayton, Dubilier & Rice, LLC, a private equity investment firm, in 2006. Prior to that, he was President of Emerson Electric Co. from 1999 until his retirement in 2005. Emerson Electric Co. is a global manufacturer of products, systems and services for industrial automation, process control, HVAC, electronics and communications, and appliances and tools. Mr. Berges is also a director of NCI Building Systems, Inc. and Atkore International Group Inc. and serves as Chairman of Core & Main LP, a portfolio company of Clayton, Dubilier & Rice. Mr. Berges served as Chairman of Sally Beauty Holdings, Inc. from 2006 to 2012, as Chairman of HD Supply, Inc. from 2007 to 2015 and as Chairman of Hussmann International, Inc. from 2012 to 2016.

Qualifications: Mr. Berges is a partner with private equity investment firm Clayton, Dubilier & Rice, where he works with portfolio companies in a wide range of industries to improve their operations. Previously, he served as President of Emerson Electric Company, a diversified global technology company. As a result of Mr. Berges' experience advising and serving on the boards of directors of numerous companies, he can draw from a diverse set of leadership experiences and operational and governance perspectives.

John V. Faraci

Age: 68	Professional Experience:
Retired Chairman and Chief Executive Officer of International Paper Company	Mr. Faraci has been a Director of PPG since 2012. Mr. Faraci retired as Chairman and Chief Executive Officer of International Paper, a global manufacturer of paper and packaging products, in December 2014. Mr. Faraci was named Chairman and Chief Executive Officer of International Paper in November 2003. Earlier in 2003, Mr. Faraci was elected President and a director of International Paper. He previously served as Executive Vice President and Chief Financial Officer of International Paper from 2000 to 2003 and as Senior Vice President—Finance and Chief Financial Officer from 1999 to 2000. Mr. Faraci is also a director of United Technologies Corporation and ConocoPhillips.

Qualifications: Mr. Faraci has significant leadership and financial expertise gained from years of service at a large multinational manufacturing company. He has served as both the Chief Executive Officer and Chief Financial Officer of International Paper Company, where he led a transformation to refocus International Paper on its paper and packaging business. Mr. Faraci's experience repositioning International Paper provides useful guidance as PPG transforms its business to focus on coatings products. Mr. Faraci also has international operational expertise gained from years of experience leading a large multinational company and his experience leading one of International Paper's former international subsidiaries.

Director Experience Legend:

Table of Contents

Gary R. Heminger

Age: 64	Professional Experience:
Chairman, President and Chief Executive Officer of Marathon Petroleum Corporation	Mr. Heminger has been a Director of PPG since July 2017. Mr. Heminger, has been Chairman of Marathon Petroleum Corporation since 2016 and its Chief Executive Officer since 2011. Marathon Petroleum Corporation is one of the largest independent petroleum product refining, marketing, retail and pipeline transportation companies in the United States. Since 2012, Mr. Heminger has served as Chairman of the Board and Chief Executive Officer of MPLX GP LLC, a wholly owned, indirect subsidiary of Marathon Petroleum Corporation and the general partner of MPLX LP, a consolidated master limited partnership formed to own and operate midstream energy infrastructure assets. Mr. Heminger has spent over 40 years in a variety of leadership, financial and marketing positions with Marathon. From 2011 to 2017, he served as President of Marathon Petroleum Corporation (maintaining the Chief Executive Officer role in 2017) and from 2001 to 2011, Mr. Heminger served as both Executive Vice President – Downstream, Marathon Oil Corporation and as President of Marathon Petroleum Company LLC. Previously, he served as Executive Vice President, Supply, Transportation and Marketing for Marathon Ashland Petroleum from January to September 2001, as Senior Vice President, Business Development from 1999 to January 2001 and as Vice President, Business Development from 1998 to 1999. Mr. Heminger is also a director of MPLX LP and Fifth Third Bancorp.

Qualifications: Mr. Heminger has significant leadership and financial expertise gained from years of service at a large petroleum product refining, transport, marketing, and retail company. His over 40 years of experience leading a complex manufacturing and marketing business provides useful guidance in managing PPG’s complex organization with many of the same challenges and opportunities as faced by PPG. Mr. Heminger also brings to the Board marketing and retail expertise gained from overseeing Marathon Petroleum Corporation’s extensive network of gasoline retail locations and convenience stores.

Michael H. McGarry

Age: 60	Professional Experience:
Chairman and Chief Executive Officer of PPG Industries, Inc.	Mr. McGarry has been a director of PPG since 2015. Mr. McGarry has been Chairman and Chief Executive Officer of PPG since September 1, 2016. Previously, he served as President and Chief Executive Officer from September 1, 2015 to September 1, 2016, President and Chief Operating Officer from March 2015 until September 1, 2015 and Chief Operating Officer from August 2014 until March 2015. Mr. McGarry has also served as Executive Vice President from 2012 until 2014; Senior Vice President, Commodity Chemicals from 2008 until 2012; Vice President, Coatings, Europe, and Managing Director, PPG Europe from 2006 until 2008; and Vice President, Chlor-Alkali and Derivatives from 2004 to 2006. He joined PPG in 1981. Mr. McGarry served as a director of Axiall Corporation from 2013 through August 2016.

Qualifications: Mr. McGarry has been an employee of PPG for over 35 years and has served in executive level positions at PPG since 2004. He has served in a variety of key business and functional leadership roles in the United States, Europe and Asia. Mr. McGarry has been at the forefront of PPG’s portfolio transformation leading the acquisition of SigmaKalon; the separation of PPG’s former commodity chemicals business; the acquisition and integration of AkzoNobel’s North American architectural coatings business; the acquisition of Consorcio Comex, S.A. de C.V.; and the dispositions of PPG’s flat glass and fiber glass businesses. Mr. McGarry also has extensive product stewardship, manufacturing and logistics experience gained through years of working in PPG’s former commodity chemicals business.

Director Experience

Legend:

Table of Contents

Continuing Directors—Term Expires in 2020

Stephen F. Angel	
Age: 62 Chairman of the Board, President and Chief Executive Officer of Praxair, Inc.	Professional Experience: Mr. Angel has been a Director of PPG since 2010. He has been Chairman of the Board, President and Chief Executive Officer of Praxair, Inc., a global producer and distributor of atmospheric and process gases and high performance surface coatings, since 2007. Before being named to his current position, Mr. Angel served as President and Chief Operating Officer of Praxair, Inc. from March to December 2006 and as Executive Vice President of Praxair, Inc. from 2001 to 2006. Prior to joining Praxair, Inc., Mr. Angel spent 22 years in a variety of management positions with General Electric Company.

Qualifications: Mr. Angel has diverse managerial and operational experience within the manufacturing industry. As the Chairman, President and Chief Executive Officer of Praxair, Inc. and a former senior operating executive at General Electric, Mr. Angel understands the challenges faced by a global manufacturer of diversified products, and his experience provides the Board with insight into sales and marketing and operational matters.

Hugh Grant

Age: 59	Professional Experience:
Chairman of the Board and Chief Executive Officer of Monsanto Company	Mr. Grant has been a Director of PPG since 2005. He was named Executive Vice President and Chief Operating Officer of Monsanto Company, a global provider of technology-based solutions and agricultural products that improve farm productivity and food quality, at the time of an initial public offering in 2000 and remained in that position for the subsequent spin off of the company in 2002. Mr. Grant was named to his current position in 2003.

Qualifications: Mr. Grant has an extensive background in the global agricultural technology industry, having served in various positions at Monsanto Company, where he is currently the Chairman of the Board and Chief Executive Officer. Mr. Grant brings to the Board significant leadership, managerial and operational expertise gained from years of experience leading the operations of a large multinational company.

Director Experience Legend:

Table of Contents

Melanie L. Healey

Age: 56	Professional Experience:
Former Group President, North America of The Procter & Gamble Company	Ms. Healey has been a Director of PPG since 2016. She served as Group President at Procter & Gamble, one of the world's leading providers of branded consumer packaged goods, from 2007 to 2015, serving as President and Advisor to the Chairman and Chief Executive Officer from January to June 2015, as Group President, North America from 2009 to 2015 and as Group President, Global Feminine and Health Care from 2007 to 2009. She previously served as President, Global Feminine Care and Adult Care Business from 2005 to 2007 and as Vice President and General Manager, Feminine Care North America from 2001 to 2005. Ms. Healey joined Procter & Gamble in 1990. She has more than 30 years of experience in the consumer goods industry having previously held positions with S. C. Johnson & Son, Inc. and Johnson & Johnson. Ms. Healey is also a director of Hilton Worldwide Holdings Inc., Target Corporation and Verizon Communications Inc.

Qualifications: Ms. Healey has extensive experience in the consumer goods industry with three multinational companies. She has a thorough understanding of strategy, branding, consumer marketing and international operations, including 18 years working outside the United States. Ms. Healey brings to the Board significant marketing, brand building, managerial and international expertise gained from years of experience marketing consumer products to customers worldwide.

Michele J. Hooper

Age: 66	Professional Experience:
President and Chief Executive Officer of The Directors' Council	Ms. Hooper has been a Director of PPG since 1995. In 2003, she co founded, and became the Managing Partner of, The Directors' Council, a private company that works with corporate boards to increase their independence, effectiveness and diversity. She was named to her current position in 2009. Ms. Hooper was President and Chief Executive Officer of Voyager Expanded Learning, a developer and provider of learning programs and teacher training for public schools, from 1999 until 2000. Prior to that, she was President and Chief Executive Officer of Stadtlander Drug Company, Inc., a provider of disease specific pharmaceutical care from 1998 until Stadtlander was acquired in 1999. Ms. Hooper is also a director of UnitedHealth Group Incorporated. She served as a director of Warner Music Group from 2006 to 2011 and as a director of AstraZeneca plc from to 2003 to 2012.

Qualifications: Ms. Hooper is an expert in corporate governance and board diversity. As President and Chief Executive Officer of The Directors' Council, she works with major companies to enhance the effectiveness of their corporate governance. Ms. Hooper also has significant experience leading the audit committees of several major companies, including a 14-year tenure as chair of PPG's Audit Committee. In addition to having chaired PPG's Audit Committee, she serves on or has served on the audit committees of UnitedHealth Group, AstraZeneca (Chair), Warner Music Group (Chair), Seagram Company Ltd. and Target Corporation (Chair). In addition, Ms. Hooper has served as a Public Board Member and former Vice Chair of the Center for Audit Quality, Chair of the CAQ Initiative for Deterring and Detecting Financial Reporting Fraud, and co Chair of the National Association of Corporate Directors Blue Ribbon Commission on Audit Committee Responsibilities. Ms. Hooper's experience as a senior executive at a range of companies and her corporate governance and accounting expertise provides the Board with a unique set of skills that enhances the Board's leadership and oversight capabilities.

Director Experience Legend:

Table of Contents

CORPORATE GOVERNANCE

Board Composition, Refreshment and Diversity

PPG's business, property and affairs are managed under the direction of the Board of Directors. The Board is currently comprised of 11 members, divided into three classes. Terms of the classes are staggered, with one class standing for election each year. The Board has placed on the ballot for the Annual Meeting a proposal to amend PPG's Articles of Incorporation to provide for the annual election of all directors. Please see Proposal 3 for more information. The Board is elected by our shareholders to oversee management of the Company in the long term interests of all shareholders. The Board also considers the interests of other constituencies, which include customers, employees, retirees, suppliers, the communities we serve and the environment. The Board strives to ensure that PPG conducts business in accordance with the highest standards of ethics and integrity.

The Board of Directors strives to maintain an appropriate balance of directors with varying tenure, diversity and skills. The Nominating and Governance Committee regularly reviews the skills of our directors and new director candidates. Our Corporate Governance Guidelines require that any director who has attained the age of 72 retire at the next annual meeting following the director's 72nd birthday. Four new directors have joined the Board since 2015. Since the end of 2012, the average age of our directors has decreased from 64 to 63 and our average director tenure has decreased from 10 years to 8.5 years.

The Nominating and Governance Committee does not a have formal policy with regard to the consideration of diversity in identifying director candidates. However, we endeavor to have a Board representing diverse experience at policy making levels in business, government, education and technology, and in areas that are relevant to the Company's global activities. The Nominating and Governance Committee seeks to find director candidates who have demonstrated executive leadership ability and who are representative of the broad scope of shareholder interests by identifying candidates from diverse industries having diverse cultural backgrounds, ethnic backgrounds, viewpoints and ages. The Nominating and Governance Committee believes that the current members of the Board provide this diversity as five of our 11 directors are diverse based on gender, ethnicity and cultural background.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines. These guidelines are revised from time to time to better address particular needs as they change over time. In 2014, the Board revised the Corporate Governance Guidelines to include additional responsibilities for the Company's Lead Director. In 2015, the Board revised the Corporate Governance Guidelines to better delineate the responsibilities of the Chairman of the Board and those of the Chief Executive Officer. The Corporate Governance Guidelines may be accessed from the Corporate Governance section of our website at www.ppg.com/investor.

The Board has a program for orienting new directors and for providing continuing education for all directors, including the reimbursement of expenses for continuing education. The Board annually evaluates its own performance and that of the individual committees. The evaluation process is coordinated by the Nominating and Governance Committee and has three parts: committee self assessments, full Board evaluations and evaluations of the individual directors in the class whose term is expiring at the next annual meeting. The committee self assessments consider whether and how well each committee has performed the responsibilities listed in its charter. The full Board evaluations consider the committee self assessments, as well as the quality of the Board's meeting agendas, materials and discussions. All assessments and evaluations focus on both strengths and opportunities for improvement.

Director Independence

In accordance with the rules of the New York Stock Exchange, the Board affirmatively determines the independence of each director and nominee for election as a director in accordance with the categorical guidelines it has adopted, which include all objective standards of independence set forth in the exchange listing standards. Based on these standards, at its meeting held on February 15, 2018, the Board determined that each of the following non employee directors is independent and has no material relationship with PPG, except as a director and shareholder:

Stephen F. Angel	Gary R. Heminger
James G. Berges	Melanie L. Healey
John V. Faraci	Michele J. Hooper

	Michael W. Lamach
Hugh Grant	
Victoria F. Haynes	Martin H. Richenhagen

In addition, based on such standards, the Board affirmatively determined that Michael H. McGarry is not independent because he is an officer of PPG. The categorical independence standards adopted by the Board are contained in the Corporate Governance Guidelines, which may be accessed from the Corporate Governance section of our website at www.ppg.com/investor.

Board Leadership Structure and Risk Oversight

We have a traditional board leadership structure under which Mr. McGarry serves as our Chief Executive Officer and Chairman of the Board. We currently have ten other directors, each of whom is independent. Our Board has four standing committees, each of which is comprised solely of independent directors with a committee chair. The Board believes that Mr. McGarry is the best person to serve as Chairman because he is the director most familiar with our business and industry and the director most capable of identifying strategic priorities and executing our business strategy. The Board believes the combined role of Chairman and Chief Executive Officer serves as a highly effective bridge between the Board and management and provides the leadership to execute our business strategy and create shareholder value. We believe our Board leadership structure provides the appropriate balance of independent directors and management directors to work together to represent the interests of our entire shareholder base.

In addition, having one person serve as both Chairman and Chief Executive Officer demonstrates to our employees, suppliers, customers, shareholders and other stakeholders that PPG has strong leadership setting the tone and having the responsibility for managing our operations. Having a single leader eliminates the potential for confusion and provides clear leadership for PPG. We believe that our Board consists of directors with significant leadership skills, as discussed above. All of our independent directors have served as the chairman, chief executive officer, president or group president of other companies. Accordingly, we believe that our independent directors have demonstrated leadership in large enterprises and are well versed in board processes and that having directors with significant leadership skills benefits our Company and our shareholders.

In accordance with our Bylaws and our Corporate Governance Guidelines, the Chairman is responsible for chairing Board meetings and setting the agenda for these meetings. Each director also may suggest items for inclusion on the agenda and may raise at any Board meeting subjects that are not on the agenda for that meeting. As required by our Corporate Governance Guidelines, our independent directors meet separately, without management present, at each meeting of the Board. In addition, each of the Board's standing committees regularly meets without members of management present.

The Board has designated the chair of the Nominating and Governance Committee to serve as the Lead Director. In their discretion, the independent directors may select another independent director to serve as the Lead Director. Aside from chairing meetings of the independent directors, the Lead Director presides at all meetings where the Chairman is not present, serves as a liaison between the independent directors and the Chairman and Chief Executive Officer, has the power to call meetings of the independent directors, consults with the Chairman and Chief Executive Officer about the concerns of the Board, approves Board meeting agendas and other types of information sent to the Board, approves meeting schedules to assure that there is sufficient time for discussion of all agenda items, and is available for consultation and direct communication with major shareholders as appropriate.

As part of its annual self evaluation process, the Board evaluates our leadership structure to ensure that it provides the optimal structure for PPG. We believe that having a director with day to day oversight of Company operations, coupled with experienced independent directors who have appointed a Lead Director and four committee chairs, is the appropriate leadership structure for PPG.

In accordance with New York Stock Exchange requirements, our Audit Committee charter provides that the Audit Committee is responsible for overseeing our risk management process. The Audit Committee is updated on a regular basis on relevant and significant risk areas. This includes periodic updates from certain officers of the Company and a formal annual update by the Director of Corporate Audit Services. The annual update provides a comprehensive review of PPG’s enterprise risks and includes the feedback of most of the Company’s officers. The Audit Committee, in turn, reports to the full Board. While the Audit Committee has primary responsibility for overseeing risk management, our entire Board is actively involved in overseeing risk management for the Company by engaging in periodic discussions with Company officers and other employees as the Board may deem appropriate. In addition, each of our Board committees considers the risks within its areas of responsibility. For example, our Technology and Environment

Table of Contents

Committee considers risks related to our environment, health, safety, product stewardship and other sustainability policies, programs and practices. Our Audit Committee focuses on risks inherent in our accounting, financial reporting, cybersecurity and internal controls. Our Officers—Directors Compensation Committee considers the risks that may be implicated by our executive compensation program. We believe that the leadership structure of our Board supports the Board's effective oversight of the Company's risk management.

Director Resignation Policy

Our Bylaws provide that if an incumbent director is not elected by majority vote in an "uncontested election" (where the number of nominees does not exceed the number of directors to be elected), the director must offer to tender his or her resignation to our Board of Directors. The Nominating and Governance Committee would then make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. The director who tenders his or her resignation will not participate in the Board's decision with respect to their resignation. The election of directors that will be held at the 2018 Annual Meeting is an uncontested election.

Review and Approval or Ratification of Transactions with Related Persons

The Board and its Nominating and Governance Committee have adopted written policies and procedures relating to approval or ratification of "Related Person Transactions." Under these policies and procedures, the Nominating and Governance Committee (or its chair, under some circumstances) reviews the relevant facts of all proposed Related Person Transactions and either approves or disapproves of the entry into the Related Person Transaction, by taking into account, among other factors it deems appropriate:

- The benefits to PPG of the transaction;
- The impact on a director's independence, in the event the "Related Person" is a director or an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer;
- The availability of other sources for comparable products or services;
- The terms of the transaction; and
- The terms available to unrelated third parties or to employees generally.

No director may participate in any consideration or approval of a Related Person Transaction with respect to which he or she or any of his or her immediate family members is the Related Person. Related Person Transactions are approved only if they are determined to be in, or not inconsistent with, the best interests of PPG and its shareholders.

If a Related Person Transaction that has not been previously approved or previously ratified is discovered, the Nominating and Governance Committee, or its chair, will promptly consider all of the relevant facts. In addition, the committee generally reviews all ongoing Related Person Transactions on an annual basis to determine whether to continue, modify or terminate the Related Person Transaction.

Under our policies and procedures, a "Related Person Transaction" is generally a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which PPG was, is or will be a participant and the amount involved exceeds $120,000, and in which any Related Person had, has or will have a direct or indirect material interest. A "Related Person" is generally any person who is, or at any time since the beginning of PPG's last fiscal year was, (i) a director or executive officer of PPG or a nominee to become a director of PPG; (ii) any person who is known to be the beneficial owner of more than 5% of any class of PPG's voting securities; or (iii) any immediate family member of any of the foregoing persons.

Certain Relationships and Related Transactions

As discussed above, the Nominating and Governance Committee is charged with reviewing potential conflicts of interest and all Related Person Transactions. PPG and its subsidiaries purchase products and services from and/or sell products and services to companies of which certain of the directors and/or executive officers of PPG are directors and/or executive officers. During 2017, PPG entered into the following transactions with Related Persons that are required to be reported under the rules of the Securities and Exchange Commission:

Table of Contents

Martin H. Richenhagen, a director of PPG, is the Chairman, President and Chief Executive Officer of AGCO Corporation. During 2017, PPG and its subsidiaries sold approximately $4.3 million of coatings products to AGCO Corporation.

Michael W. Lamach, a director of PPG, is Chairman, President and Chief Executive Officer of Ingersoll Rand plc. During 2017, PPG and its subsidiaries sold approximately $4.1 million of coatings products to Ingersoll Rand.

Stephen F. Angel, a director of PPG, is the Chairman, President and Chief Executive Officer of Praxair, Inc. During 2017, PPG and its subsidiaries purchased approximately $2.4 million of industrial gases from Praxair.

The Nominating and Governance Committee does not consider the amounts involved in such transactions material. Such purchases from and sales to each company involved less than 1% of the consolidated gross revenues for 2017 of each of the purchaser and the seller and all of such transactions were in the ordinary course of business.

Board Meetings and Committees

The Board currently has four standing committees: Audit Committee, Nominating and Governance Committee, Officers—Directors Compensation Committee and Technology and Environment Committee. The current composition of each Board committee is indicated below. The charter of each Board committee is available on the Corporate Governance section of our website at www.ppg.com/investor.

AUDIT COMMITTEE	NOMINATING AND GOVERNANCE COMMITTEE	OFFICERS—DIRECTORS COMPENSATION COMMITTEE	TECHNOLOGY AND ENVIRONMENT COMMITTEE
Victoria F. Haynes	James G. Berges	Stephen F. Angel	Stephen F. Angel
Melanie L. Healey	John V. Faraci	James G. Berges*	John V. Faraci
Gary R. Heminger	Hugh Grant*	Hugh Grant	Victoria F. Haynes*
Michael W. Lamach	Gary R. Heminger	Michael W. Lamach	Melanie L. Healey
Martin H. Richenhagen*	Michele J. Hooper	Martin H. Richenhagen	Michele J. Hooper

* Committee Chair.

During 2017, the Board of Directors held eight regular and four special meetings, the Audit Committee held five meetings, the Nominating and Governance Committee held seven meetings, the Officers—Directors Compensation Committee held four meetings, and the Technology and Environment Committee held two meetings. The average attendance at meetings of the Board and committees during 2017 was 99%, and no incumbent director attended less than 75% of the total number of meetings of the Board and committees on which such director served. PPG does not have a formal policy requiring attendance at the annual meeting of shareholders; however, all directors serving at the time of the 2017 annual meeting of shareholders attended the meeting.

Our independent directors meet separately, without any management present, at each meeting of the Board. The Board has designated the chair of the Nominating and Governance Committee to serve as the Lead Director and to preside over the independent director sessions. In their discretion, the independent directors may select another independent director to serve as the Lead Director.

Audit Committee

The Audit Committee is comprised of five directors, each of whom is independent under the standards adopted by the Board, the listing standards of the New York Stock Exchange and the applicable rules of the Securities and Exchange Commission. The committee's charter, which may be accessed on the Corporate Governance section of our website at www.ppg.com/investor, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee will be comprised of independent, non employee directors. The functions of the committee are primarily to review with our independent auditors and our internal auditors their respective reports and recommendations concerning audit findings and the scope of and plans for their future audit programs and to review audits, annual and quarterly financial statements and accounting and financial controls. The committee also appoints our independent registered public accounting firm, oversees our internal audit department, assists the Board in oversight of our compliance with legal and regulatory requirements related to financial reporting matters and oversees the risk management process. The Board has determined that each member of the committee is "financially literate" in accordance with the applicable rules of the New York Stock Exchange. In addition, the Board has determined that all of the members of the committee, including Mr. Richenhagen, the chair of the committee, are "audit committee financial experts" in accordance with the applicable rules of the Securities and Exchange Commission.

Table of Contents

Audit Committee Report to Shareholders

The primary role of the Audit Committee is to oversee and review on behalf of the Board of Directors PPG's processes to provide for the reliability and integrity of the Company's financial reporting, including the Company's disclosure practices, risk management processes and internal controls. The Audit Committee operates under a written charter adopted by the Board of Directors.

The Audit Committee is responsible for the appointment of both the independent registered public accounting firm and PPG's lead internal auditor, the Director of Corporate Audit Services. In 2016, the Audit Committee approved the appointment of a new Director of Corporate Audit Services. In addition, the Audit Committee led the appointment and retention of PricewaterhouseCoopers LLP as PPG's independent registered public accounting firm for 2017 and participated in the selection process for a new lead audit partner due to the required rotation of PPG's current lead audit partner after completion of the 2017 audit. For the work performed on the 2017 audit, the Audit Committee discussed and evaluated PricewaterhouseCoopers' performance, which included an evaluation by the Company's management of PricewaterhouseCoopers' performance. The Audit Committee is responsible for the compensation of the independent registered public accounting firm and has reviewed and approved in advance all services performed by PricewaterhouseCoopers.

The Audit Committee discussed with, and received regular status reports from, the Director of Corporate Audit Services and PricewaterhouseCoopers on the overall scope and plans for their audits, their plans for evaluating the effectiveness of PPG's internal control over financial reporting and the coordination of efforts between them. The Audit Committee reviewed and discussed the key risk factors used in developing PPG's internal audit and PricewaterhouseCoopers' audit plans. The Audit Committee also reviewed with the Company's management PPG's risk management practices and an assessment of significant risks.

The Audit Committee met separately with both the Director of Corporate Audit Services and PricewaterhouseCoopers, with and without management present, to discuss the results of their examinations, their audits of PPG's financial statements and internal control over financial reporting and the overall quality of PPG's financial reporting. The Audit Committee also met separately with the Company's Senior Vice President and Chief Financial Officer and with the Company's Senior Vice President and General Counsel. The Audit Committee annually reviews its performance and received feedback on its performance from the Company's management and PricewaterhouseCoopers.

The Company's management is responsible for the preparation and accuracy of PPG's financial statements. The Company is also responsible for establishing and maintaining adequate internal control over financial reporting. In 2017, PPG's independent registered public accounting firm, PricewaterhouseCoopers, was responsible for auditing the consolidated financial statements and expressing an opinion as to their conformity with generally accepted accounting principles, as well as expressing an opinion on the effectiveness of PPG's internal control over financial reporting.

In carrying out its responsibilities, the Audit Committee discussed and reviewed with the Company's management the process to assemble the financial statements, including the Company's internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

The Audit Committee reviewed and discussed the audited consolidated financial statements as of and for the year ended December 31, 2017 and management's report on internal control over financial reporting with management and with PricewaterhouseCoopers. The Audit Committee also discussed with PricewaterhouseCoopers the matters required by the applicable requirements of the Public Company Accounting Oversight Board, including Auditing Standard No. 16, Communications with Audit Committees.

The Audit Committee has received the written independence disclosures and letter from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and discussed with PricewaterhouseCoopers its independence. In addition, the Audit Committee considered whether PricewaterhouseCoopers' provision of non audit services to PPG is compatible with maintaining its independence.

Table of Contents

Based upon these reviews and discussions, the Audit Committee recommended to the Board that the audited financial statements be included in the Annual Report on Form 10 K for the year ended December 31, 2017 for filing with the Securities and Exchange Commission.

The Audit Committee:

Victoria F. Haynes

Melanie L. Healey

Gary R. Heminger

Michael W. Lamach

Martin H. Richenhagen (Chair)

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that incorporate future filings, including this Proxy Statement, in whole or in part, the foregoing Audit Committee Report to Shareholders shall not be incorporated by reference into any such filings.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of five directors, each of whom is independent under the standards adopted by the Board and the listing standards of the New York Stock Exchange. The committee's charter, which may be accessed on the Corporate Governance section of our website at www.ppg.com/investor, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee will be comprised of independent, non employee directors. The charter also provides that the committee is responsible for identifying and recommending to the Board of Directors persons to be nominated by the Board to stand for election as directors at each annual meeting of shareholders, the persons to be elected by the Board to fill any vacancy or vacancies on the Board, and the persons to be elected by the Board to be Chairman of the Board, Vice Chairman of the Board, if any, President, if any, and the other executive officers of PPG. The committee also recommends to the Board actions to be taken regarding the structure, organization and functioning of the Board, and the persons to serve as members of the standing committees of, and other committees appointed by, the Board. The charter gives the committee the responsibility to develop and recommend corporate governance guidelines to the Board, to recommend to the Board the process and criteria to be used in evaluating the performance of the Board and to oversee the evaluation of the Board.

The Nominating and Governance Committee is responsible for identifying and screening potential director candidates and for recommending to the Board qualified candidates for nomination. The committee considers recommendations of potential candidates from current directors, management and shareholders. The committee also has authority to retain and terminate search firms to assist in identifying director candidates. From time to time, search firms have been paid a fee to identify candidates. In July 2017, the Board of Directors elected Mr. Heminger as a director of PPG. He was initially identified as a potential nominee by Thomas J. Usher, a retired PPG director and Charles E. Bunch, our retired Chairman and Chief Executive Officer. Mr. McGarry interviewed Mr. Heminger and invited him to meet with members of the Board. Following a meeting with the members of the Nominating and Governance Committee and a number of other directors, the Nominating and Governance Committee reviewed Mr. Heminger's candidacy and recommended him as a nominee for election to the Board.

Qualifications. In evaluating director candidates, the committee uses a skills matrix to aid in identifying the qualifications and skills of the candidates, including the qualifications set forth below:

- age shall be considered only in terms of experience of the candidate, seeking candidates who have broad experience in business, finance, the sciences, administration, government affairs or law;
- candidates for director should have knowledge of the global operations of industrial businesses such as those of PPG;
- candidates for director should be cognizant of PPG’s societal responsibilities in conducting its operations;
- each candidate should have sufficient time available to be a meaningful participant in Board affairs. Candidates should not be considered if there is either a legal impediment to service or a foreseeable conflict of interest which might materially hamper full and objective participation in all matters considered by the Board of Directors;

Table of Contents

- absent unforeseen health problems, each candidate should be able to serve as director for a sufficient period of time to make a meaningful contribution to the Board's guidance of PPG's affairs; and
- the Board will be comprised of a majority of independent directors.

In applying these criteria, the committee seeks to establish a Board that, when taken as a whole, should:

- be representative of the broad scope of shareholder interests, without orientation to any particular constituencies;
- challenge management, in a constructive way, to reach PPG's goals and objectives;
- be sensitive to the cultural and geographical diversity of shareholders, associates, operations and interests;
- be comprised principally of active or retired senior executives of publicly held corporations or financial institutions, with consideration given to those individuals who are scientifically oriented, educators and government officials having corporate experience, whenever the needs of PPG indicate such membership would be appropriate;
- include directors of varying ages, but whose overriding credentials reflect maturity, experience, insight and prominence in the community; and
- be small enough to promote open and meaningful boardroom discussion, but large enough to staff the necessary Board committees.

Shareholder Recommendations or Nominations for Director and Proxy Access

The Nominating and Governance Committee considers recommendations of potential candidates from shareholders. Candidates recommended by shareholders are evaluated against the same criteria used to evaluate all candidates. Shareholders wishing to recommend or nominate a nominee for director should send their recommendation or nomination to the chairman of the Nominating and Governance Committee of the Board of Directors, in care of our corporate secretary at PPG Industries, Inc., One PPG Place, Pittsburgh, Pennsylvania 15272. PPG's Bylaws provide for "proxy access."

Proxy access is a process that allows an eligible shareholder or a group of eligible shareholders to nominate director candidates to appear in PPG's proxy materials. Proxy access is available to shareholders or groups consisting of no more than 20 shareholders that have held at least 3% of PPG's outstanding stock for at least three years and who have met the other requirements set forth in Article I of PPG's Bylaws. A shareholder recommendation or nomination of a director candidate must be submitted by the deadlines and with the information and written representations that are described in Article I of our Bylaws. Director nominations submitted pursuant to PPG's proxy access Bylaw for consideration at the 2019 annual meeting of shareholders must be received by PPG no earlier than October 9, 2018 and no later than November 8, 2018. A copy of PPG's Bylaws may be accessed on the Corporate Governance section of our website at www.ppg.com/investor.

Officers—Directors Compensation Committee

The Officers—Directors Compensation Committee is comprised of five directors, each of whom is independent under the standards adopted by the Board and the listing standards of the New York Stock Exchange. The committee's charter, which may be accessed on the Corporate Governance section of our website at www.ppg.com/investor, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee will be comprised of independent, non employee directors.

Committee meetings are regularly attended by our Chairman and Chief Executive Officer and our Vice President of Human Resources, as well as a representative of the outside compensation consulting firm retained by the committee, FW Cook. At each meeting, the committee meets in executive session. The committee's chair reports the committee's recommendations on executive compensation to the Board. The human resources department supports the committee in its duties and, along with the Compensation and Employee Benefits Committee, a committee comprised of members of senior management, may be delegated authority to fulfill certain administrative duties regarding our compensation programs. The committee has authority under its charter to retain, approve fees for and terminate advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities.

The committee approves, adopts, administers, interprets, amends, suspends and terminates our compensation plans applicable to, and fixes the compensation and benefits of, all of our directors and executive officers. Recommendations

Table of Contents

regarding compensation of other officers are made by our Chairman and Chief Executive Officer. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the committee. The committee can exercise its discretion in modifying any recommended adjustments or awards to executives. The committee regularly reviews tally sheets that set forth the Company's total compensation obligations to our senior executives under various scenarios, including retirement, voluntary and involuntary termination and termination in connection with a change in control of PPG.

The committee engaged FW Cook to advise the committee on all matters related to executive officer and director compensation. Specifically, FW Cook provides relevant market data, current updates regarding trends in executive and director compensation, and advice on program design, specific compensation recommendations for the Chairman and Chief Executive Officer and on the recommendations being made by management for executives other than the Chairman and Chief Executive Officer. The committee meets independently with its consultant at each regularly scheduled meeting. All of the services that the compensation consultant performs for PPG are performed at the request of the committee, are related to executive and director compensation and are in support of decision making by the committee.

In 2017, the committee considered the independence of FW Cook in light of Securities and Exchange Commission rules and New York Stock Exchange listing standards. The committee requested and received a letter from FW Cook addressing FW Cook's and the senior advisor involved in the engagement's independence, including the following factors: (1) other services provided to us FW Cook; (2) fees paid by us as a percentage of FW Cook's total revenue; (3) policies or procedures maintained by FW Cook that are designed to prevent a conflict of interest; (4) any business or personal relationships between the senior advisor and a member of the committee; (5) any company stock owned by FW Cook or the senior advisor; and (6) any business or personal relationships between our executive officers and FW Cook or the senior advisor. The committee discussed these considerations and concluded that the work performed by FW Cook and FW Cook's senior advisor involved in the engagement did not raise any conflict of interest.

Officers—Directors Compensation Committee Report to Shareholders

We have reviewed and discussed the Compensation Discussion and Analysis section of this Proxy Statement with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated in the Annual Report on Form 10 K for the year ended December 31, 2017.

The Officers—Directors Compensation Committee:

Stephen F. Angel

James G. Berges (Chair)

Hugh Grant

Michael W. Lamach

Martin H. Richenhagen

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that incorporate future filings, including this Proxy Statement, in whole or in part, the foregoing Officers—Directors Compensation Committee Report to Shareholders shall not be incorporated by reference into any such filings.

Compensation Program Design Mitigates Risk

Annually, PPG management undertakes a review of all of PPG's compensation programs to identify any inherent material risks to PPG created by these programs. Certain of these compensation programs are also periodically reviewed by the Company's internal auditors. The framework used to identify any potential risks that could be incentivized by our compensation programs was developed with input from members of our human resources, finance, and legal functions and our independent executive compensation consultant, FW Cook. Based on the results of the 2017 review, we concluded that the design of our compensation programs does not encourage our employees to take unnecessary or excessive risks that could harm the long term value of PPG. Features of our compensation programs and practices that mitigate risk include, among other things: (i) incentive plans that are appropriately weighted between short term and long term performance and cash and equity; (ii) long term incentives that consist of a mix of stock options, performance based restricted stock units and total shareholder return contingent shares, which provides for a balanced mix of performance measures; (iii) ranges of performance and multiple performance targets are utilized to

Table of Contents

determine incentive compensation payouts, rather than a single performance target that provides an “all or nothing” basis for compensation; (iv) maximum payouts are in place in our incentive compensation programs to limit excessive payments; (v) determination of incentive compensation payouts is subject to managerial approval and/or Officers—Directors Compensation Committee discretion; and (vi) our executive officers are subject to a recoupment policy in the event of a financial restatement affecting their incentive compensation payout.

Compensation Committee Interlocks and Insider Participation

No member of the Officers—Directors Compensation Committee was at any time during 2017 an officer or employee of PPG or any of our subsidiaries nor is any such person a former officer of PPG or any of our subsidiaries. In addition, no “compensation committee interlocks” existed during 2017. For information concerning Related Person Transactions involving members of the Officers—Directors Compensation Committee, see “Corporate Governance—Certain Relationships and Related Transactions” on pages 15 through 16.

Technology and Environment Committee

The Technology and Environment Committee is comprised of five directors, each of whom is independent under the standards adopted by the Board. The committee’s charter, which may be accessed on the Corporate Governance section of our website at www.ppg.com/investor, describes the composition, purposes and responsibilities of the committee. The primary purpose of the committee is to discharge certain of the Board’s responsibilities relating to the oversight of programs, initiatives and activities of PPG in the areas of science, technology and sustainability. The functions of the committee are primarily to assess the science and technology capabilities of PPG in all phases of its activities in relation to its corporate strategies and plans; review with management the existing and emerging technologies, and environment, health, safety, product stewardship and other sustainability issues, that can have a material impact on PPG; and review the status of our environment, health, safety, product stewardship and other sustainability policies, programs and practices. More information about PPG’s sustainability goals, metrics, initiatives and achievements and PPG’s community and employee engagement programs can be found in PPG’s sustainability website located at www.sustainability.ppg.com.

Codes of Ethics

Our Global Code of Ethics, which was updated in 2017, is applicable to all directors and employees worldwide, embodies our global principles and practices relating to the ethical conduct of our business and our long standing commitment to honesty, fair dealing and compliance with all laws affecting our business. We also have a Code of Ethics for Senior Financial Officers that is applicable to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions. The Global Code of Ethics and Code of Ethics for Senior Financial Officers are available on the Corporate Governance section of our website at www.ppg.com/investor. In addition, we intend to post on our website all disclosures that are required by law, the Form 8 K rules or the New York Stock Exchange listing standards concerning any amendments to, or waivers from, any provision of our codes.

The Board has established a means for employees, customers, suppliers, shareholders or other interested parties to submit confidential and anonymous reports of suspected or actual violations of our Global Code of Ethics. Any employee, shareholder or other interested party can call the PPG Ethics HELPLINE toll free to submit a report. In North America, this number is (800) 461-9330. This number is operational 24 hours a day, seven days a week. PPG Ethics HELPLINE numbers for other regions may be found on the Ethics page of our website at www.ppg.com/ethics.

Communications with the Board

Shareholders and other interested parties may send communications to the Board, the independent directors (individually or as a group) or the Lead Director in writing by sending them in care of our corporate secretary at PPG Industries, Inc., One PPG Place, Pittsburgh, Pennsylvania 15272. All communications received will be opened by the corporate secretary for the sole purpose of determining whether the contents represent a message to directors. Communications deemed by the corporate secretary to be frivolous or otherwise inappropriate for the Board's consideration will not be forwarded. The corporate secretary will maintain a log of all such communications. Communications of an urgent nature are promptly reported to the Board. Communications to directors may also be forwarded within PPG for review by a subject matter expert.

Table of Contents

COMPENSATION OF DIRECTORS

Overview

The compensation program for the directors who are not also officers of PPG, to whom we refer as non employee directors, is reviewed annually by the Officers—Directors Compensation Committee to ensure that the program remains competitive. As a part of the committee's review, the types and levels of compensation offered to our non employee directors are compared with those provided by a select group of comparable companies. Target total annual compensation for our directors is set at or near the market median using a comparator group of companies. The companies comprising this comparator group are used for review of the executive officer compensation program as well and are:

3M Company	Eastman Chemical Company	Honeywell International Inc.	Parker Hannifin Corporation
Air Products and Chemicals, Inc.	Eaton Corporation	Illinois Tool Works Inc.	Praxair, Inc.
Arconic Inc.	Ecolab Inc.	International Paper Company	The Sherwin Williams Company
The Dow Chemical Company	Emerson Electric Co.	Johnson Controls, Inc.	Stanley Black & Decker, Inc.
E.I. du Pont de Nemours and Company	Goodyear Tire & Rubber Company	Monsanto Company	Textron Inc.

Taking into consideration the size of PPG relative to this comparator group and advice from FW Cook, the committee reports its recommendations to the Board for approval. The committee does not determine director compensation, but only makes recommendations to the Board. Changes to the non employee directors' compensation program generally become effective as of the year following adoption.

Directors Compensation Table (2017)

NAME	FEES EARNED OR PAID IN CASH ($)(1) ANNUAL RETAINER	COMMITTEE CHAIRPERSON FEES	STOCK AWARDS ($)(2)	ALL OTHER COMPENSATION ($)(3)	TOTAL ($)
S. F. Angel	$ 135,000	$ 15,000	$ 135,103	$ 10,000	$ 295,103
J. G. Berges	$ 135,000	$ 20,000	$ 135,103	$ —	$ 290,103
J. V. Faraci	$ 135,000	$ —	$ 135,103	$ 10,000	$ 280,103
H. Grant	$ 135,000	$ 20,000	$ 135,103	$ —	$ 290,103
V. F. Haynes	$ 135,000	$ —	$ 135,103	$ —	$ 270,103
M. L. Healey	$ 135,000	$ —	$ 135,103	$ 9,764	$ 279,867
G. R. Heminger	$ 94,280	$ —	$ 101,307	$ —	$ 195,587
M. J. Hooper	$ 135,000	$ —	$ 135,103	$ 18,220	$ 288,323
M. W. Lamach	$ 135,000	$ —	$ 135,103	$ —	$ 270,103
M. H. Richenhagen	$ 135,000	$ 20,000	$ 135,103	$ —	$ 290,103

(1) Fees include an annual cash retainer of $135,000, plus an additional committee chair retainer. For 2017, the annual retainer for service as a committee chair is as follows: $20,000 for the chair of each of the Audit Committee, the Nominating and Governance Committee, and the Officers-Directors Compensation Committee;

and $15,000 for the chair of the Technology and Environment Committee.

(2) In April 2017, each director except Mr. Heminger received 1,274 time-based restricted stock units, or RSUs. The RSUs will vest on April 18, 2018 and the grant date fair value of each RSU grant was $106.05. In July 2017, Mr. Heminger received 947 RSUs, which will vest on April 18, 2018, and the grant date fair value was $106.98. Dollar values represent the grant date fair value calculated in accordance with FASB ASC Topic 718. The assumptions made in calculating the grant date fair values are set forth in Note 17 to our Financial Statements for the year ended December 31, 2017, which is

Table of Contents

located on pages 79 through 81 of our Annual Report on Form 10-K. As of December 31, 2017, each director, other than Mr. Heminger, had 1,274 unvested RSUs. As of December 31, 2017, Mr. Heminger had 947 unvested RSUs.

(3) Amounts in this column reflect donations made by the PPG Industries Foundation under our charitable awards program. The PPG Industries Foundation matches up to $10,000 of donations made by a director in any one year. However, matching payments by the PPG Industries Foundation may be paid in a year subsequent to the donation depending on the timing of the director's donation during the year and the timing of the PPG Industries Foundation's verification process. This may result in matching payments that exceed $10,000 in one year. For additional information regarding charitable awards, see "Charitable Awards Program" on page 24.

Annual Retainer

For 2017, each of our non employee directors received an annual retainer with a value equal to $270,000, of which $135,000 was paid in cash and $135,000 in equity in the form of time based restricted stock units, or TBRSUs. The cash portion of the retainer was payable in quarterly installments, with the first quarterly installment paid after the annual shareholders meeting. The number of TBRSUs a director received was determined by dividing $135,000 by the weighted average closing price of our stock on the grant date, which was the date of the 2017 annual meeting of shareholders. A TBRSU represents the right to receive a share of PPG common stock upon vesting and earns dividend equivalents during the vesting period when dividends are declared on PPG common stock, but does not carry voting rights or other rights afforded to a holder of PPG common stock. TBRSUs granted in 2017 vest on the day prior to the 2018 Annual Meeting of Shareholders.

Additional Retainers for Committee Chairs

In addition to the annual retainer for each non employee director, each non employee director who chairs a Board standing committee is entitled to an additional annual cash retainer, which is payable at the same time as the regular annual retainer. For 2017, the additional annual retainer for service as a committee chair was:

COMMITTEE	RETAINER AMOUNT
Audit	$ 20,000
Nominating and Governance	$ 20,000
Officers—Directors Compensation	$ 20,000
Technology and Environment	$ 15,000

For 2018, the annual retainer for the chair of the Audit Committee will increase to $25,000. The Officers—Directors Compensation Committee has also established an annual retainer for the Lead Director in the amount of $25,000, beginning in 2018.

Insurance Coverage

We pay the premiums to provide each of our non employee directors with the following insurance coverage:

- Accidental death and dismemberment insurance coverage, which provides $250,000 for accidental loss of life, and up to 100% of the death benefit for loss of limb. The aggregate cost to PPG of providing this coverage to non employee directors for 2017 was $1,665; and
- PPG aircraft travel insurance coverage, which provides up to a $1,000,000 per seat voluntary settlement allowance, for travel on a PPG owned aircraft, and a reduced amount for travel on a PPG leased or chartered aircraft. The aggregate cost to PPG of providing this coverage to non employee directors for 2017 was $17,105.

Deferred Compensation

A non employee director may elect to have all or a portion of his or her retainer fees (including fees payable in TBRSUs) credited to the PPG Industries, Inc. Deferred Compensation Plan for Directors, thus deferring receipt of such fees until after the director leaves the Board. All amounts held in a director's account under the Deferred Compensation Plan are credited as hypothetical shares of our stock, or what we refer to as common stock equivalents, the number of which is determined by dividing the dollar amount of the deferral by the closing stock price of PPG common stock on the New York Stock Exchange on the date of the deferral. Common stock equivalents earn dividend equivalents (that are converted into additional common stock equivalents) when dividends are declared on PPG common stock, but do not

Table of Contents

carry voting rights or other rights afforded to a holder of PPG common stock. Each non employee director will generally be paid his or her deferred compensation account balance no earlier than six months and ten days after leaving the Board of Directors, except in circumstances of death or disability, in which case payment shall be made as soon as administratively possible. Each non employee director's account balance related to compensation deferred on or after January 1, 2005 will be paid in a lump sum; however, a non employee director may elect to receive payment of his or her account balance related to compensation deferred prior to January 1, 2005 in one to fifteen annual installments. All distributions are made in the form of one share of PPG common stock for each common stock equivalent credited to the director's deferred account (and cash as to any fractional common stock equivalents).

Charitable Awards Program

As part of our overall program to promote charitable giving, we established a directors' charitable award program funded by insurance policies on the lives of directors who were initially elected before July 17, 2003. Upon the death of any of these directors, PPG will donate an amount up to and including a total of $1 million to one or more qualifying charitable organizations designated by any such director and approved by PPG. We will be reimbursed subsequently from the proceeds of the life insurance policies. Directors derive no financial benefit from this program since all charitable deductions accrue solely to PPG. This program is not applicable to any director initially elected on or after July 17, 2003. The aggregate cost of this program to PPG for 2017 was $59,627.

In addition to the above program, all of our current directors are eligible to participate in the PPG Industries Foundation Matching Gifts Program, which encourages charitable donations by our directors by matching his or her contributions to eligible institutions. Contributions of up to a total of $10,000 per year may be matched under the program. Most charitable organizations are eligible for the Matching Gifts Program, with a few exceptions.

Stock Ownership

We established stock ownership guidelines for all non employee directors effective January 1, 2005. Under the guidelines, each non employee director is required to own shares of our stock with a value equal to five times the portion of the annual retainer that is paid in cash. For non employee directors, unvested TBRSUs and common stock equivalent shares credited to the director under the Deferred Compensation Plan are counted toward meeting this requirement. Ms. Healey and Messrs. Lamach and Heminger are within their five year compliance period and should meet the ownership requirement by the end of such period. All other non employee directors have met or exceeded the ownership requirement.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS ROADMAP

HOW DID WE PERFORM?

- Delivered solid adjusted earnings per diluted share growth through strong execution by the Company's businesses
- Increased sales over 3%
- Increased annual per share dividend payout and repurchased approximately $815 million of stock
- Returned about 80% of cash from operating activities
- Completed several acquisitions, increasing both geographic and product scope
- While our financial performance was strong, we did not achieve our adjusted earnings-per-diluted share and sales volume/mix growth targets resulting in reduced incentive compensation awards

HOW DO WE DETERMINE COMPENSATION?

- Based on our pay for performance philosophy
- Executive Compensation is approved by our independent Officers Directors Compensation Committee
- We utilize general industry and comparator group data that is intended to be representative of the market in which we compete most directly for executive talent and pay is set at or near the market median

HOW DO WE ADDRESS RISK?

- Our officers are subject to stock ownership requirements
- Our officers may not engage in transactions that are contrary to the interests of shareholders
- Executive officers are subject to a "clawback" policy
- Incentive plans that are appropriately weighted between short term and long term performance and cash and equity using multiple award types and performance measures

HOW DO WE PAY OUR EXECUTIVES?

- Our annual compensation policies reflect our pay for performance philosophy with over 75% of pay tied to performance
- Our executive officers receive two forms of annual compensation—base salary and annual incentive awards—which together constitute an executive's total annual compensation
- Our executive officers receive three forms of long term incentive compensation—stock options, performance based RSUs and total shareholder return contingent shares—which together constitute an executive's total long term incentive compensation

WHY YOU SHOULD APPROVE OUR SAY ON PAY?

- Base salary and annual incentive targets for our executive officers are established annually to maintain parity with the competitive market for executives in comparable positions and are set at or near the market median
- Our compensation program is heavily weighted toward pay for meeting performance objectives and increasing PPG's stock price
- Our shareholders overwhelmingly approved the compensation of our named executive officers, with approximately 95% of shareholder votes cast in favor of our 2017 say on pay resolution

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

PPG's vision is to be the world's leading coatings company by consistently delivering high quality, innovative and sustainable solutions that customers trust to protect and beautify their products and surroundings. This vision is enabled by a strategy of accelerated profitable growth and enhanced operational excellence. Our executive compensation program is a key factor in promoting this strategy and a crucial tool in aligning the interests of our senior leadership with those of our shareholders.

The Company's strong performance and focus on shareholder value is evident in our continuing legacy of outstanding cash generation and rewarding shareholders. PPG has paid uninterrupted annual dividends since 1899 and has increased its annual dividend payout for 46 consecutive years. Continuing with that legacy, in 2017 PPG returned about 80% of cash from operating activities - continuing operations to shareholders in the form of an increased annual per share dividend payout and share repurchases.

Executive compensation is based on our pay for performance philosophy, which emphasizes executive performance measures that correlate closely with the achievement of both shorter term performance objectives and longer term shareholder value creation. To this end, a substantial portion of our executives' annual and long term compensation is performance based, with the payment being contingent on the achievement of performance goals. We believe the program strikes the appropriate balance between effectively incentivizing our executives based on performance and utilizing responsible, market competitive pay practices in order that our executives dedicate themselves fully to value creation for our shareholders. This balance is evidenced by the following:

- In 2017, the Company delivered strong financial performance through a sharp focus on cost management and sales volume growth despite repeated disruptions to the coatings industry supply chain that resulted in significant coatings raw material inflation. Total net sales from continuing operations for 2017 were approximately $14.8 billion, up more than 3% compared to 2016, including favorable foreign currency translation of less than 1%. The Company's 2017 full-year reported net income from continuing operations was $1.4 billion, or $5.32 per diluted share, versus $547 million, or $2.05 per diluted share, in 2016. Adjusted net income from continuing operations for 2017 was $1.51 billion, which was consistent with 2016. Full-year adjusted earnings-per-diluted share from continuing operations was $5.87, up nearly 4% year-over-year.
- In July, the Company raised the per share dividend by 13%—paying approximately $435 million in dividends in 2017. The Company also repurchased approximately $815 million of stock in 2017.
- In 2017, the Company completed several acquisitions, increasing both geographic and product scope. In addition, the Company divested its North American fiber glass business.

Table of Contents

The following charts contain adjusted earnings per diluted share from continuing operations, net sales from continuing operations and adjusted net income from continuing operations as used for determining the compensation of our executive officers for each of the last five fiscal years:

Adjusted earnings per diluted share from continuing operations and adjusted net income from continuing operations are not recognized financial measures determined in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and should not be considered a substitute for earnings per diluted share or net income or other financial measures as computed in accordance with U.S. GAAP. PPG's management considers this information useful in providing insight into the company's ongoing operating performance because it excludes the impact of items that cannot reasonably be expected to recur on a quarterly basis or that are not attributable to our primary operations. A Regulation G reconciliation of adjusted earnings per share from continuing operations and adjusted net income from continuing operations to reported adjusted earnings per diluted share from continuing operations and net income from continuing operations is included in Annex A to this Proxy Statement.

- Although we had strong performance in 2017, we did not achieve our adjusted earnings-per-diluted share target or our sales volume/mix growth target. As a result, annual incentive awards were paid to executive officers ranged from 84% to 111% of target. Our total shareholder return over the past three years when measured against the S&P 500 was in the 31st percentile resulting in the payment of long term TSR share awards at 33.8% of target.
- Between 61% and 88% of the named executive officers' target total direct compensation opportunity for 2017 was in the form of performance based variable compensation and long term incentives motivating them to deliver strong business performance and create shareholder value.
- Base salary and annual incentive targets for our executive officers are established annually to maintain parity with the competitive market for executives in comparable positions. Target total annual compensation for each position is set at or near the market median.
- PPG's compensation programs are reviewed annually to identify any inherent material risks to PPG created by these programs. Based on the results of the 2017 review, we concluded that the design of our compensation programs does not encourage our employees to take unnecessary or excessive risks that could harm the long term value of PPG.
- At the 2017 annual meeting, we held a shareholder advisory vote on the compensation of our named executive officers, commonly referred to as a say on pay vote. Our shareholders overwhelmingly approved the compensation of our named executive officers, with approximately 95% of shareholder votes cast in favor of our 2017 say on pay resolution. Following its review of this vote, the Officers—Directors Compensation Committee recommended to the full Board that we retain our general approach to executive compensation, with an emphasis on short and long term incentive compensation that rewards our executive officers when they deliver value for our shareholders. Consistent with this philosophy:
- Our performance metrics are focused on increasing shareholder value and are tied to measures impacting both shorter term and longer term performance. Shorter term performance metrics include adjusted earnings per diluted share from continuing operations, cash flow from operating activities-continuing operations, pre tax, pre interest

Table of Contents

income, working capital reduction, and sales volume/mix growth. Longer term performance metrics include total shareholder return, adjusted earnings per diluted share growth, cash flow return on capital and stock price appreciation.

- Payment of long term incentive awards is based solely on Company performance. We have three year award and payout cycles for both performance based restricted stock units, or PBRSUs, and total shareholder return shares, or TSR shares. We also have three year vesting for stock options.
- We provide very limited perquisites to our executive officers.

Our officers are subject to stock ownership requirements. Our Chief Executive Officer must own shares of PPG common stock with a value of six times his base salary, and the other executive officers must own shares of PPG common stock with a value of three times his or her salary. Officers are expected to meet these ownership requirements within five years of election. Those officers who have not yet met this requirement are paid 20% of their annual incentive in PPG stock, which is restricted from sale for a period of two to five years. In addition, for officers who have been subject to the policy for more than five years at their current requirement level and have not met the ownership requirement, 100% of the vested shares delivered from the PBRSU award and TSR share award must be held by the officer for a minimum of one year and until the requirement is met. All executive officers named in the Summary Compensation Table have met their ownership requirement, except for Mr. Morales, who was promoted to his new role during 2017 and is within his five-year compliance period and Mr. Sklarsky, who joined the Company in April 2013 and was within his five year compliance period at the time of his retirement.

- Our officers may not engage in transactions that are contrary to the interests of shareholders, such as “short sales,” “short sales against the box,” “put” and “call” options and hedging transactions designed to minimize an executive’s risk inherent in owning PPG stock. In addition, officers may not hold PPG stock in a margin account and may not pledge PPG stock as collateral for a loan.
- Executive officers are subject to a “clawback” policy that is designed to recoup incentive compensation when a financial restatement occurs and certain other conditions exist.
- We do not provide tax gross ups on perquisites to our named executive officers.

Compensation Philosophy and Objectives

PPG’s philosophy in establishing compensation policies for our executive officers is to align compensation with our strategic objectives, while concurrently providing competitive compensation that enables us to attract and retain top quality executive talent. The primary objectives of our compensation policies for executive officers are to:

- Attract and retain executive officers by offering total compensation that is competitive with that offered by similarly situated companies and rewarding outstanding personal performance;
- Promote and reward the achievement of short term objectives that our Board of Directors and management believe will lead to long term growth in shareholder value; and
- Closely align the interests of executive officers with those of our shareholders by making long term incentive compensation dependent upon the Company’s financial performance and total shareholder return.

Table of Contents

Principal Components of Executive Compensation

The principal components of our executive compensation program are:

COMPENSATION COMPONENT	OVERVIEW	OBJECTIVES
Base Salary	Fixed compensation that is established annually.	Maintain parity with the competitive market for executives in comparable positions.
Annual Incentive Awards	Variable compensation that is based on Company, business, and individual performance.	Incentivize executive officers to achieve our short term performance objectives.
Long Term, Equity Based Incentives	Variable compensation that is based solely on Company performance.	Retain our executive officers, align their financial interests with the interests of shareholders, and incentivize achievement of our long term strategic goals.

Mix of Compensation Components

Executive compensation is based on our pay for performance philosophy, which emphasizes executive performance measures that correlate closely with the achievement of both shorter term performance objectives and longer term shareholder value creation. To this end, a substantial portion of our executives' annual and long term compensation is performance based, with the payment being contingent on the achievement of performance goals. The portion of compensation that is performance based increases with the executive's level of responsibility. We use performance based compensation for more senior positions because these roles have greater leadership responsibility and influence on the performance of the Company as a whole.

Compensation Program Design Mitigates Risk

In 2017, the Company's management undertook a review of all of PPG's compensation programs to identify any inherent material risks to PPG created by these programs. Based on the results of this review, we concluded that the design of our compensation programs does not encourage our employees to take unnecessary or excessive risks that could harm the long term value of PPG. For more information about this review and the features of our compensation program that mitigate risk, see "Corporate Governance—Compensation Program Design Mitigates Risk" on pages 20 through 21.

Annual Compensation Programs

Our executive officers receive two forms of annual compensation—base salary and annual incentive awards—which together constitute an executive's total annual compensation. Please note that "total annual compensation," as discussed in this Compensation Discussion and Analysis, differs from the "Total" compensation column of the Summary Compensation Table on page 43, which includes long term incentive and other forms of compensation. The levels of base salary and annual incentive targets for our executive officers are established annually under a program intended to maintain parity with the competitive market for executives in comparable positions. Target total annual compensation for each position is set at or near the "market value" for that position.

To determine market value, the compensation committee considers compensation data based on a comparator group, as well as the most recently available data from nationally recognized independent executive compensation surveys representing a cross section of manufacturing companies.

For purposes of establishing the 2017 executive compensation program, the compensation committee considered a competitive analysis of total direct compensation levels and compensation mixes for our executive officers, using information from:

- two general industry surveys as provided by management: the Aon Hewitt Associates 2016 TCM Executive Total Compensation Survey and the Willis Towers Watson 2016 U.S. General Industry Executive Database. The competitive consensus for top five named executive officers consists of an equally weighted average of median data from both general industry surveys; and

Table of Contents

- comparison company median data from a comparator group consisting of the following 20 companies:

3M Company	Eastman Chemical Company	Honeywell International Inc.	Parker Hannifin Corporation
Air Products and Chemicals, Inc.	Eaton Corporation	Illinois Tool Works Inc.	Praxair, Inc.
Arconic Inc.	Ecolab Inc.	International Paper Company	The Sherwin Williams Company
The Dow Chemical Company	Emerson Electric Co.	Johnson Controls, Inc.	Stanley Black & Decker, Inc.
E.I. du Pont de Nemours and Company	Goodyear Tire & Rubber Company	Monsanto Company	Textron Inc.

Our comparator group is intended to be representative of the market in which we compete most directly for executive talent. The selection of companies comprising our comparator group is based on similarity in revenue size, lines of business, participation in global markets and market capitalization. The peer group is constructed to target PPG near the median of the composite ranking of the financial and operating metrics of the companies in the comparator group.

The compensation committee annually reviews this group of companies with our independent executive compensation consultant, FW Cook, to ensure that it remains an appropriate benchmark for us.

We target the median levels of compensation to derive our market value by adjusting this compensation data to reflect differences in company revenues using regression analysis. The general industry data and the comparator group data are blended when composing the competitive analysis, when possible, such that the combined general industry data and the comparator group are each weighted 50%. The competitive analysis showed that the Company’s named executive officers’ 2017 target total direct compensation was positioned in a range around the median of the compensation of the executives comprising the competitive analysis, and none of our named executive officers’ target total direct compensation was above the range around the median for their peers in the competitive analysis.

In addition, the compensation committee annually reviews a tally sheet of each executive officer’s compensation. Each tally sheet includes detailed data for each of the following compensation elements:

- Annual compensation: Information regarding base salary and annual incentive targets for the current year;
- Long term incentive awards: Information regarding all equity based awards, whether vested or unvested, including total pre tax value to the executive and holdings relative to our stock ownership requirements;
- Benefits and perquisites: Line item summary showing the annualized cost to the Company of health and welfare benefits, life insurance and perquisites;
- Pension and deferred compensation: Annualized cost to the Company of pension plan benefits (qualified plan and non qualified plan) and defined contribution plans (401(k) and deferred compensation); and
- Description and quantification of all compensation and benefits payable upon retirement, termination of employment or change in control.

The compensation committee reviews the information presented in the tally sheet to ensure that it is informed of the compensation and benefits each executive is receiving annually.

Table of Contents

The charts below illustrate the allocation of the principal compensation components for our named executive officers for 2017.

Annual Compensation Policies

Our annual compensation policies reflect our pay for performance philosophy. We set target total annual compensation for our executive officers to be competitive with the market value for comparable positions, taking into account each executive's experience in the position and performance. Annual incentive awards are targeted at a level that, when combined with base salaries, is intended to yield total annual compensation that approximates market value. As a result, total annual compensation for a position generally should exceed its market value when our financial performance exceeds our applicable annual targets and individual performance contributes to meeting our objectives. Total annual compensation generally should be below market value when our financial performance does not meet targets and/or individual performance does not have a favorable impact on our objectives.

Base Salary. Based on the compensation committee's review of the applicable compensation data as discussed above, in February 2017 the committee set base salaries effective March 1, 2017 for all executive officers in relation to the market value for comparable positions. Mr. McGarry received a base salary increase of $75,000; Messrs. Sekmakas and Bost each received a base salary increase of $15,000; and Mr. Knavish received a base salary increase of $25,000. On January 1, 2017, the annual base salary for Mr. Greindl was 520,000 Swiss francs (which equated to U.S. $532,600 at December 31, 2017). Effective March 1, 2017, Mr. Greindl's annual base salary was increased to 535,000 Swiss francs (which equated to U.S. $547,963 at December 31, 2017).

With his promotion to Senior Vice President and Chief Financial Officer on March 1, 2017, Mr. Morales' annual base salary increased $100,000 to $500,000.

Mr. Sklarsky retired as Executive Vice President, Finance and Chief Financial Officer on March 1, 2017. His base salary, paid for two months of active employment, remained unchanged from 2016.

With his appointment to Senior Vice President, Industrial Coatings on October 1, 2017, Mr. Knavish's annual base salary increased $25,000 to $500,000.

Annual Incentive Awards. In February 2017, the compensation committee determined that the incentive goal for 2017 annual incentive awards to executive officers would be based upon adjusted consolidated income from continuing operations on a pre tax basis, excluding noncontrolling interests, for the year ended December 31, 2017. Consolidated

Table of Contents

income is determined in accordance with generally accepted accounting principles, as reflected in our audited consolidated statement of income, and includes any non operating adjustments approved by the committee. The committee has established guidelines for certain types of non operating adjustments used by the committee in determining adjusted consolidated earnings for these purposes. These adjustments generally relate to legacy litigation or legacy environmental remediation, accounting rule changes and major portfolio changes, including planned restructuring initiatives. The committee also established that the maximum annual incentive award that could be paid to our Chairman and Chief Executive Officer would be equal to 0.75% of adjusted consolidated income and the maximum annual incentive award that could be paid to each of the other executive officers named in Summary Compensation Table would be equal to 0.5% of adjusted consolidated income. In no case may an executive officer named in the Summary Compensation Table be granted an annual incentive award that exceeds $10 million. Final awards for the executive officers named in the Summary Compensation Table are subject to the negative discretion of the compensation committee.

Although the percentage of adjusted consolidated income allocated to each executive officer determines the maximum amount that can be paid individually, the compensation committee’s practice has been to approve annual incentive awards based primarily on target levels set for each executive officer and pre established, short term performance objectives. Thus, on an annual basis, the committee establishes a target annual incentive award for each executive officer based on the executive’s position and the market value of comparable positions in our comparator group. For 2017, this target, when expressed as a percentage of base salary, was as follows for each of the executive officers named in the Summary Compensation Table: Mr. McGarry, 140%; Mr. Morales, 90%; Mr. Sekmakas, 90%; Mr. Bost, 85%; Mr. Knavish, 70%; and Mr. Greindl, 60%.

The amount of an executive’s actual annual incentive award, in relation to the executive’s target opportunity, is determined on the basis of achievement of short term performance objectives. The performance objectives for our Chairman and Chief Executive Officer, our Chief Financial Officer and our Senior Vice President and General Counsel include specific financial targets for Company performance (weighted 70%) and personal performance (weighted 30%). The performance objectives for our other executive officers include specific financial targets for Company performance (weighted 20%), business performance (weighted 50%) and personal performance (weighted 30%).

For many years, PPG has been committed to sustainability. Recognizing the importance of sustainability and its ability to drive innovation in our business, PPG includes sustainability goals in the performance goals of its Chairman and Chief Executive Officer. Performance against these goals is reviewed by the Officers—Directors Compensation Committee of the Board of Directors. Safety, waste costs, energy usage and costs, and sustainable product sales are part of these executives’ annual performance review.

Annual incentive compensation of PPG’s executives and senior managers is partially (30 percent) based on personal goals that tie to overall corporate business goals, with the remainder based on company and business financial performance. PPG does not require that its executives have personal goals linked to social or environmental performance, although some executives, by virtue of their responsibilities, may have goals related to those issues. In addition, executive business unit leaders receive sustainability scorecards for their business unit, and they are responsible for driving improvement in their business unit’s sustainability metrics.

The potential payout of the Company performance component of the annual incentive is based on a pre determined schedule recommended by management and approved by the compensation committee. The schedule corresponds to various levels of potential Company financial performance measured by adjusted earnings per diluted share from continuing operations (weighted 70%), adjusted cash flow from operating activities (weighted 20%) and sales volume/mix growth (weighted 10%), assuming the minimum adjusted earnings per diluted share from continuing operations threshold is met. The maximum payout of this component under the schedule is 220% of target.

In assessing Company performance against objectives, the compensation committee considers actual results against the approved target objectives, considering whether significant unforeseen obstacles or favorable circumstances altered the expected difficulty of achieving the desired results and the extent to which economic assumptions underlying the performance targets materialized. The overall assessment for Company performance then determines the percentage of the target award that will be paid to each executive for the Company performance component of the annual incentive award. For 2017, as described below, the committee exercised discretion in applying certain non operating adjustments to the actual earnings per diluted share from continuing operations and cash flow from operating activities – continuing operations results, consistent with guidelines established previously by the committee.

Table of Contents

In February 2017, the compensation committee approved a financial performance standard for the Company component of the award of $6.30 adjusted earnings per diluted share from continuing operations, adjusted cash flow from operating activities of $1,868 million and sales volume/mix growth of 3.1%. If achieved, this standard would generate 100% of the target bonus for the Company component of the award. The approved performance standard for 2017 included a threshold adjusted earnings per diluted share from continuing operations of $4.73, below which no bonus would be paid, regardless of either the adjusted cash flow from operating activities or the sales volume/mix growth performance, and a minimum cash flow from continuing operations performance of $1,443 million and a minimum sales growth/mix growth performance of 0.0% for payment on those two components. In addition, the approved performance standard for 2017 included a maximum bonus opportunity of 220% if adjusted earnings per diluted share from continuing operations of $6.93, adjusted cash flow from operating activities of $2,596 million and sales volume/mix growth of 4.7% were achieved.

In December 2017, and as a result of the divesture of the North American fiber glass business in August 2017 as its financial results were no longer included in the Company’s continuing operations, the compensation committee revised the predetermined Company financial performance standard to adjusted earnings-per-diluted share from continuing operations of $6.26 (from $6.30) and adjusted cash flow from operating activities of $1,853 million (from $1,868 million). If achieved, this standard would generate 100% of the target bonus for the Company component of the award. The revised performance standard included a threshold adjusted earnings-per-diluted share from continuing operations of $4.70, below which no bonus would be paid, regardless of the cash flow from operating activities or the sales volume/mix growth performance, and a minimum cash flow from continuing operations of $1,153 million for payment on that component.

In February 2018, the compensation committee approved the Company performance component for incentive awards based on adjusted earnings per diluted share from continuing operations of $6.01, adjusted cash flow from operating activities of $1,903 million and sales volume/mix growth of 1.2%. The earnings per diluted share performance component included adjustments of $0.52 for the tax charge related to the U.S. Tax Cuts and Jobs Act, $0.14 for pension settlement charges, $0.08 for the impact on raw material costs and our Puerto Rican business resulting from 2017 natural disasters, $0.06 for eight months of the North American fiber glass business results, $0.03 for asset write-downs, $0.02 for transaction related costs, offset by a $0.09 gain from the sale of the Mexican Plaka wallboard business, a $0.04 benefit from a legal settlement and a $0.03 gain from the sale of a non-operating asset. Adjustments to the cash flow from operating activities performance component included adding back $184 million for the cash taxes from the North American fiber glass business divestiture, $87 million for cash contributions to pension plans, $49 million for restructuring cash spending and $15 million related to the impact on raw material costs and Puerto Rican business resulting from the natural disasters.

Adjusted earnings per diluted share from continuing operations of $6.01, adjusted cash flow from operating activities of $1,903 million and sales volume/mix growth of 1.2% resulted in a payout of 86% of target for the Company performance component, based on the schedule discussed above. For the adjusted earnings per diluted share component, this schedule yielded a payout of 81% for the result of $6.01 per share. For the adjusted cash flow component, this schedule yielded a payout of 127% for the above target result of $1,903 million. For the sales volume/mix growth component, this schedule yielded a payout of 39% for the result of 1.2%. Combining these three results using the 70%, 20% and 10% weightings, respectively, yielded an overall result of 86%, which was approved by the compensation committee.

Table of Contents

Approved 2017 Performance Components

The personal performance component of the annual incentive is based on measures of individual performance relevant to the particular individual's job responsibilities. The personal performance assessment of our Chairman and Chief Executive Officer is determined by the compensation committee, with input from the other non management members of the Board. The personal performance of each other executive officer is determined by our Chairman and Chief Executive Officer. The following factors were considered in assessing the personal performance of the executive officers named in the Summary Compensation Table for 2017 against individual objectives:

Under Mr. McGarry's leadership, the Company delivered strong financial performance through a sharp focus on cost management and sales volume growth despite repeated disruptions to the coatings industry supply chain that resulted in significant coatings raw material inflation. Total net sales from continuing operations for 2017 were approximately $14.8 billion, up more than 3% compared to 2016, including favorable foreign currency translation of less than 1%. The Company's 2017 full-year reported net income from continuing operations was $1.4 billion, or $5.32 per diluted share, versus $547 million, or $2.05 per diluted share, in 2016. Adjusted net income from continuing operations for 2017 was $1.51 billion, which was consistent with 2016. Full-year adjusted earnings-per-diluted share from continuing operations was $5.87, up nearly 4% year-over-year. Mr. McGarry also led the completion of the Company's multi-year portfolio transformation with the sale of the North American fiber glass business, our last remaining non-core business, and the acquisition of several companies to bolster our core coatings businesses. These results met expectations for Mr. McGarry.

Mr. Morales made an effective transition to the role of Chief Financial Officer in March 2017. He managed the company's strong cash position, with cash and short-term investment totaling approximately $1.5 billion at the end of 2017, and the deployment in 2017 of over $1.1 billion in cash. In addition, he provided guidance over the completion of several acquisitions during the year as well as the disposition of the Company's North American fiber glass business. Mr. Morales effectively performed as a member of the Executive Committee, positively influencing the results of the Company. These results exceeded expectations.

Mr. Sekmakas' incentive award was determined based on achieving target levels of performance on a pro-rata basis for performance through September 30, 2017 in accordance with his Separation Agreement.

Mr. Bost led the legal organization and was instrumental in successfully completing a number of acquisitions during the year as well as the disposition of the Company's North American fiber glass business. Mr. Bost effectively performed as a member of the Executive Committee, positively influencing the results of the Company. These results met expectations.

Mr. Knavish primarily led the automotive original equipment manufacturer (OEM) business and the Latin America region. Under Mr. Knavish's leadership, the automotive OEM business achieved increased sales volumes, aided by the continued strength in Asia Pacific and Latin America. He also provided leadership to his staff responsibilities for environmental, health and safety (EHS) and the global supply management organizations. These results met expectations.

Table of Contents

Mr. Greindl led the global architectural coatings businesses. Architectural EMEA results were mixed by country as sales volume growth in Northern Europe offset lower demand in Southern and Eastern Europe. U.S. and Canada company-owned architectural stores grew sales volumes, while the national retail (DIY) accounts and independent dealer networks experienced lower sales volumes as bo