SHAREHOLDER PROPOSALS

Proposals 4 through 7 are proposals Duke Energy received from our shareholders. If the proponents of these proposals, or their representatives, present their respective proposal at our Annual Meeting and submit the proposal for a vote, then the proposal will be voted upon. The shareholder proposals and supporting statements are included exactly as submitted to us by the proponents. The Board recommends voting “AGAINST” proposals 4, 6, and 7, and makes no recommendation as to proposal 5.

PROPOSAL 4: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT BOARD CHAIR


RESOLVED: Shareholders of Duke Energy Corporation (“Duke”) ask the Board of Directors to adopt a policy, and amend the bylaws as necessary, to require the Chair of the Board to be an independent director. The policy should provide that (i) if the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the policy within 60 days of that determination; and (ii) compliance with this policy is waived if no independent director is available and willing to serve as Chair.

This policy shall apply prospectively so as not to violate any contractual obligation.

Supporting Statement

In our view, shareholder value is enhanced by an independent Board Chair who can provide a balance of power between the chief executive officer (“CEO”) and the Board and support strong Board oversight of management. According to proxy advisor Glass Lewis “shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exist when a CEO or other executive also serves as chairman.”

While separating the roles of Chair and CEO is the norm in Europe, 53% of S&P 500 boards have also implemented this leading practice. Directors on boards with a joint CEO-Chair report being more likely to have difficulty voicing a dissenting view (57% versus 41%) and to believe that one or more of their fellow directors should be replaced (61% versus 47%) according to a 2019 survey by PwC.

Except for two transition periods, Duke CEOs have also served as Chair of the Board since 1999. Duke’s lack of independent board leadership may be aggravated by the fact that its long-serving “Independent Lead Director,” Michael Browning, age 73, has served on the boards of Duke and predecessor companies since 1990. Duke’s corporate governance principles state that independent directors normally retire when they reach age 70 or 15 years of service.

According to ISS Governance QualityScore, “an excessive tenure is considered to potentially compromise a director’s independence.” Institutional Investor CalPERS classifies directors with a tenure exceeding 12 years as not independent.

We believe independent Board leadership would be particularly useful to oversee the strategic transformation necessary for Duke to capitalize on the opportunities available in the transition to a low carbon economy. While Duke has been applauded for its commitment to achieve net-zero emissions by 2050, its near term capital expenditures have been criticized for their continued reliance on fossil fuel expansion. An independent chair may help the Board recognize the risk that excessive investment in natural gas infrastructure could become a stranded asset. We urge shareholders to vote for this proposal.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote “AGAINST” this proposal for the following reasons:

The Board believes that it is in the best interests of shareholders for the Board to retain the flexibility to determine the appropriate leadership structure for Duke Energy at a particular time. The Board is best positioned to determine the leadership structure at any given time because of its in-depth knowledge of Duke Energy’s strategies, risks and opportunities and its oversight of such matters. Implementing this proposal would deprive the Board of its ability to make decisions in the best interests of our shareholders about the appropriate leadership structure of Duke Energy as the Company evolves. This is of particular importance as the utility industry undergoes rapid transformation.

The Board has a strong Independent Lead Director in order to independently oversee management, rendering a separate Chair unnecessary. Our Principles for Corporate Governance provide for the Board to regularly evaluate the optimal leadership for Duke Energy depending upon our particular needs and circumstances. The members of the Board elect the Chair and, as part of this election, review whether to combine or separate the positions of Chair and CEO. As the shareholder proponent referred, our Board has exercised this discretion on numerous occasions in the recent past, including electing an independent Chair twice in the past 14 years. This exercise of discretion further illustrates the engagement of our Board and reinforces the leadership structure is not a static structure. Prior to January 1, 2016, our Board was structured with an independent Chair. Beginning January 1, 2016, the Board determined that Ms. Good, the Vice Chair and CEO, was in the best position to lead the Board at that time because of her in-depth knowledge of the Company and industry expertise as we navigated the transformation in the industry and implemented an aggressive strategy to succeed during that transformation. The Board also determined at that time that Mr. Browning was in the best position to serve as the Board’s Independent Lead Director. The Board continues to believe that having Ms. Good serve as Chair fosters clear accountability, effective decision-making, and execution of corporate strategy during this time of rapid change in the utility industry.

At the time the Board elected Ms. Good as Chair in 2016, the Board also took the opportunity to review the responsibilities of Duke Energy’s Independent Lead Director role in accordance with the corporate governance standards set by the National Association of Corporate Directors in order to assure strong, independent oversight of the CEO and management. The responsibilities of Duke Energy’s Independent Lead Director include:

- Serving as liaison between the Chair and the CEO and the independent directors.
- Leading, in conjunction with the Corporate Governance Committee, the process for review of the CEO and Board.
- Presiding at all meetings of the Board at which the Chair is not present, including executive sessions of the independent members of the Board, and apprise the Chair of the issues considered, as appropriate.
- In the event of the death or incapacity of the Chair or in other situations where it is not possible or appropriate for the Chair to assume leadership of the Board, becoming the acting Chair until such time as a Chair shall have been selected.
- Assisting the Chair and the CEO in setting, reviewing, and approving agendas and schedules of Board meetings.
- Approving meeting schedules to assure there is sufficient time for discussion of all agenda items.
- Reviewing and approving information sent to the Board, including advising on quality, quantity, and timeliness of information.
- Developing topics for discussion during executive sessions of the Board.
- Calling meetings of the independent members of the Board when necessary and appropriate.
- Assisting the Chair and the CEO to promote the efficient and effective performance and functioning of the Board.
- Consulting with the Corporate Governance Committee on the Board’s annual self-assessment.
- Being available for consultation and direct communication with the Company’s major shareholders.

The Board believes that its governance practices provide effective independent oversight of management. In addition to its appointment of an Independent Lead Director, the Board has implemented a number of other practices to provide for independent oversight of management. For example:

- Independent directors comprise 93% of the Board.
- The Independent Lead Director is elected by the independent members of the Board.
- The Board meets in executive session at every regularly scheduled meeting.
- The Audit, Compensation, and Corporate Governance Committees are comprised exclusively of independent directors.
- The Compensation Committee annually reviews the CEO’s performance and establishes her compensation, the result of which is reviewed with the full Board, absent the CEO.
PROPOSAL 4: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT BOARD CHAIR

As a result of these practices, the oversight of critical issues such as the integrity of Duke Energy’s financial statements, executive compensation, and the development and implementation of our corporate governance policies and practices is entrusted to independent directors.

The Board’s Independent Lead Director qualifies as independent under the standards of the NYSE, the SEC, and ISS. The proponent raises Mr. Browning’s tenure to question his independence. Contrary to the proponent’s suggestion otherwise, our Independent Lead Director not only qualifies as independent under the requirements of our Standards for Assessing Director Independence, but also each of the NYSE, the rules of the SEC, and under the proxy voting guidelines of ISS. The Board believes that his tenure and the in-depth institutional knowledge gained during that tenure is an asset for an Independent Lead Director. The Board has appointed eight new directors in the last five years – over half of its Board – and is pleased with the contributions these new directors have made and the diverse perspectives they bring to the Board; however, the Board has felt it appropriate to keep Mr. Browning as Independent Lead Director during this time of transition for the Board to lend stability among the independent directors and to keep his long-term perspective as part of the mix of ideas. In addition, the proponent references a view from ISS Governance QualityScore regarding tenure, however fails to mention that ISS has rated Duke Energy its highest rating in its Governance QualityScore, recognizing Duke Energy in the top decile of all companies. Furthermore, the significant support that Mr. Browning received from shareholders at the 2019 Annual Meeting – over 95% of the votes cast – supports this view.

In conclusion, the Board believes that shareholder interests are best served if the Board retains the flexibility to select a leadership structure it believes to be in the best interests of Duke Energy and our shareholders at any given time. It has embraced the need for independent oversight by structuring its leadership in a way that balances independent and effective leadership while also maintaining a strong alignment with our long-term strategy. Given our strong independent Board oversight of the CEO and management, led by an effective Independent Lead Director, the Board does not believe that a fixed policy requiring an independent Chair is in the best interests of our shareholders.

For the Above Reasons the Board of Directors Recommends a Vote “AGAINST” This Proposal.
SHAREHOLDER PROPOSAL REGARDING ELIMINATION OF SUPERMAJORITY VOTING PROVISIONS IN DUKE ENERGY’S CERTIFICATE OF INCORPORATION

John Chevedden, 2215 Nelson Avenue #205, Redondo Beach, CA 90278, owner of 50 shares of Duke Energy stock, submitted the following proposal:

Proposal 5-Simple Majority Vote

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareholders are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. The proponents of these proposals included Ray T. Chevedden and William Steiner.

This same proposal topic won more than 97%-support at the 2018 Duke Energy annual meeting but it still needed more votes to be approved. Our management could have adjourned the annual meeting to obtain these votes but failed to do so.

Currently a 1%-minority can frustrate the will of our 79%-shareholder majority in an election with 80% of shares casting ballots. In other words a 1%-minority could have the power to prevent shareholders from improving the governance of our company. This can be particularly important during periods of management underperformance and/or an economic downturn. Currently the role of shareholders is downsized because management can simply say out-to-lunch in response to an overwhelming 79%-vote of shareholders.

The timing of this reform is right because it has taken 5-years for our stock to crawl from $83 to $88. Plus our Lead Director, Michael Browning, received the most negative votes of any director in 2019 and our Chairman/CEO Lynn Good received the second most negative votes. And Mr. Browning chaired our Corporate Governance Committee.

Please vote yes:

Simple Majority Vote-Proposal 5

The Board of Directors makes no recommendation on this proposal.

Your Board of Directors makes no recommendation on this proposal.

The proposal asks that we eliminate any provisions in our charter and bylaws which require more than a simple majority vote. There is only one supermajority provision in our governing documents and that is in Article Seventh of Duke Energy’s Certificate of Incorporation. This provision currently requires the affirmative vote of the combined voting power of 80% of the outstanding shares of all classes of Duke Energy to approve the following actions:

• change the method by which vacancies resulting from death, resignation, disqualification, removal, or other cause can be filled on the Board (Article Fifth, section (d)); and
• change the method by which directors shall be elected and hold office until the next Annual Meeting (Article Fifth, section (d)).

The Board recognizes that supermajority requirements are viewed by many corporate governance experts as not in line with the best principles in corporate governance. As a result, at both the 2017 and 2018 Annual Meetings, the Board recommended that shareholders vote for an amendment to our Certificate of Incorporation to revise the voting requirements for the actions described above from 80% of the outstanding shares of all classes of Duke Energy stock to a simple majority of the outstanding shares of all classes of Duke Energy stock. Despite the Board’s support for this amendment, the proposal...
received the support of only approximately 59% of the outstanding shares of Duke Energy common stock in 2017 and fell far short of the 80% support of the outstanding shares that was required for the amendment to pass. At the 2018 Annual Meeting, despite a significant solicitation campaign by Duke Energy, the proposal still failed to obtain the necessary support, receiving the support of only approximately 62% of the outstanding shares, an increase of only approximately 3% from the prior year.

Although the Board has recommended the amendment in the past, the Board does not support this particular proposal because of the numerous misleading statements that the shareholder proponent makes. One such statement is that “a 1%-minority can frustrate the will of our 79%-shareholder majority . . . .” This statement is untrue. Obviously, where the outcome of any vote falls short of the vote required for passage by less than 1%, a shareholder holding 1% of shares could have pushed the vote over the threshold. This applies regardless of whether the voting standard is 33.33%, 50%, or any other number. However, a 1% minority is not frustrating the will of the other shareholders in those cases; rather, those votes simply failed to garner the required support as required under the law or otherwise.

The proponent also mischaracterizes the support of Mr. Browning and Ms. Good among shareholders at the 2019 Annual Meeting. The proposal states that Mr. Browning and Ms. Good received the highest number of negative votes among the Board members. Although this statement is technically true, the proponent fails to state that all of our directors, including Mr. Browning and Ms. Good, received the support of over 95% of the shareholders voting. This overwhelming support of our directors, including Mr. Browning and Ms. Good, is indicative of the high regard that our shareholders have in our Board as a result of its responsiveness to shareholder concerns and exceptional oversight of the Company’s issues and strategy.

Accordingly, the Board is not making a recommendation for this proposal and instead encourages shareholders to consider the proposal and express their viewpoint to the Board through their votes.

For the Above Reasons the Board of Directors Makes No Recommendation on this Proposal.
SHAREHOLDER PROPOSAL REGARDING PROVIDING A SEMIANNUAL REPORT ON DUKE ENERGY’S POLITICAL CONTRIBUTIONS AND EXPENDITURES

State of New York, Office of The State Comptroller, 59 Maiden Lane – 30th Floor, New York, NY 10038, submitted the following proposal on behalf of the New York State Common Retirement Fund, owner of 1,512,000 shares of Duke Energy stock:

Duke Energy Corporation Political Disclosure Shareholder Resolution

Resolved, that the shareholders of Duke Energy Corporation (“Duke” or “Company”) hereby request the Company to prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company’s website, that discloses the Company’s:

(a) Policies and procedures for making electoral contributions and expenditures (direct and indirect) with corporate funds, including the board’s role (if any) in that process; and

(b) Monetary and non-monetary contributions or expenditures that could not be deducted as an “ordinary and necessary” business expense under section 162(e)(1)(B) of the Internal Revenue Code, including (but not limited to) contributions or expenditures on behalf of candidates, parties, and committees and entities organized and operating under section 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments made to any tax-exempt organization (such as a trade association) used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code.

The report shall be made available within 12 months of the annual meeting and identify all recipients and the amount paid to each recipient from Company funds. This proposal does not encompass lobbying spending.

Supporting Statement

As long-term Duke shareholders, we support transparency and accountability in corporate electoral spending. Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

Publicly available records show Duke has contributed at least $17,000,000 in corporate funds since the 2010 election cycle. (CQMoneyline.cq.com; National Institute on Money in State Politics: http://www.followthemoney.org)

We acknowledge that Duke publicly discloses a policy on corporate political spending, its direct contributions to entities organized and operating under §527 of the Internal Revenue Code, and the federal lobbying portion of trade association dues for dues in excess of $50,000. We believe this is deficient because Duke does not disclose, for example, payments to organizations, including those organized under section 501(c)(4) of the Internal Revenue Code, that are used for election-related purposes.

The Company’s Board and shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections. This would bring our company in line with a growing number of leading companies, including Dominion Energy Inc., Consolidated Edison Inc., Edison International, and Exelon Corp., which present this information on their websites.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote “AGAINST” this proposal for the following reasons:

Duke Energy is committed to adhering to the highest standards of ethics in all of our activities, including our political activities. As a public utility holding company, Duke Energy is highly regulated and significantly impacted by public policy decisions at the local, state, and federal levels. As such, the Board believes that Duke Energy’s public policy engagement is essential to protect the interests of Duke Energy, our customers, employees, shareholders, and communities.

Duke Energy already discloses its Political Expenditures Policy, which incorporates robust Board and management oversight over its political activities. The first request of the shareholder proposal is to provide disclosure of our “[p]olicies and procedures for making electoral contributions and expenditures (direct and indirect) with corporate funds, including the board’s role (if any) in that process.”
Implementing this request would be a waste of shareholder resources as we already disclose information about our policy and procedures with regard to our political activities on the Political Expenditures page of our website which is located at duke-energy.com/our-company/investors/corporate-governance/political-expenditures-policy. The Political Expenditures Policy incorporates significant oversight of our participation in political activities, which is conducted through our government relations program, in semiannual reviews of our strategy, activities, and disclosures by the Corporate Governance Committee of the Board. We also disclose information regarding the ultimate oversight of our policies, practices, and strategy with respect to political expenditures by the Corporate Governance Committee on our website as well in the Charter of the Corporate Governance Committee at duke-energy.com/our-company/investors/corporate-governance/board-committee-charters/corporate-governance. The existence and disclosure of these policies and practices is even acknowledged by the proponent in its supporting statement.

Duke Energy already provides disclosure of its political contributions and increased its level of disclosure of political contributions in 2019. The Board believes that the report requested in the proposal is unnecessary because of the numerous disclosures regarding our political expenditures that we currently provide. In addition to providing disclosure regarding our policies and procedures in numerous places on our website, we also provide additional disclosure of our political contributions. Corporate political contributions are subject to regulation by the state and federal governments and, as such, there are disclosures we are required to provide by law. These disclosures are publicly available and are linked to our Political Expenditures webpage. In addition to the disclosures we are required to provide by law, Duke Energy has also prepared a semiannual report since 2015, which is posted directly on our Political Expenditures webpage, that discloses all corporate contributions to 527 Committees in excess of $1,000, the federal lobbying portion of trade association dues for trade associations with dues over $50,000 during the reporting period, and all contributions of Duke Energy’s political action committee, DukePAC, each in the aggregate. However, in 2019, in response to feedback we received during our shareholder engagements, Duke Energy increased the disclosures in its semiannual report to include more detail, including the amount and recipient of all contributions to 527 Committees, the federal lobbying portion of trade association dues in excess of $50,000 in the reporting period, and links to certain federal and state election websites with navigation instructions so that shareholders can more easily obtain contribution information for DukePAC. Disclosing this information in one report allows the information to be more easily accessed and viewed by our shareholders. All such semiannual reports remain available on Duke Energy’s website for historical comparison purposes.

Duke Energy pays dues and makes contributions to trade associations and other non-profit organizations organized under section 501(c)(4) of the Internal Revenue Code that are not necessarily related to their political efforts. We participate in industry trade organizations for many important reasons, including business, technical, and industry standard-setting expertise. Moreover, we may not support each of the initiatives of every association in which we participate or align in strategy with every position of every association, but we believe it is important to participate in the discussions these organizations have on these topics so that important decisions that may affect our business, customers, and shareholders are made with our input. As a result, disclosure of all the trade associations in which Duke Energy participates is not likely to provide our shareholders with any meaningful benefit to their understanding of our political activities or strategies. However, as discussed above, in 2019, we added disclosures to our semiannual report to detail the federal lobbying portion of trade association dues in excess of $50,000 in the reporting period which, along with the membership fees, constitute the substantial majority of the payments made to all trade associations.

Conclusion. Accordingly, because we already provide robust disclosure concerning our policies and procedures regarding our political activities, as well as a semiannual report disclosing our political contributions and the fact that such activities and procedures are subject to extensive Board and management oversight, the Board believes that the additional report requested in the proposal would result in an unnecessary and unproductive use of Duke Energy and our shareholders’ resources.

For the Above Reasons the Board of Directors Recommends a Vote “AGAINST” This Proposal.
Mercy Investment Services, Inc., 2039 North Geyer Road, St. Louis, MO, 63131, owner of 71 shares of Duke Energy stock; Benedictine Sisters of Virginia, 9535 Linton Hall Road, Bristow, VA 20136, owner of 2,216 shares of Duke Energy stock; and Presbyterian Church U.S.A., 100 Witherspoon Street, Louisville, KY 40202, owner of 37 shares of Duke Energy stock, submitted the following proposal:

Whereas, we believe in full disclosure of Duke’s lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in shareholders’ best interests.

Resolved, the shareholders of Duke Energy (“Duke”) request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Duke used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Duke’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Duke is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Corporate Governance Committee and posted on Duke’s website.

Supporting Statement

Duke spent $56,459,187 from 2010 – 2018 on federal lobbying. This does not include state lobbying, where Duke also lobbies but disclosure is uneven or absent. Duke spent $4,487,041 on lobbying in North Carolina from 2010 – 2016, and Duke’s lobbying over a pipeline that would cross the Appalachian Trail has attracted attention.¹

Duke belongs to the Chamber of Commerce, which has spent over $1.5 billion on lobbying since 1998, and Business Roundtable (BRT), which spent $23,160,000 on lobbying for 2018 and is lobbying against shareholder rights to file resolutions. Duke discloses its trade association dues used for lobbying on its website, but fails to clarify if this captures all payments, leaving a loophole for additional payments beyond dues that could be used for lobbying, yet not be disclosed. Duke reportedly charges its customers for trade association dues.² And Duke does not disclose its payments to tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

We are concerned that Duke’s lack of disclosure presents reputational risks when its lobbying contradicts company public positions. Duke has drawn scrutiny for signing the BRT Statement on the Purpose of the Corporation, yet also attending the ALEC annual conference.³

Investors participating in the Climate Action 100+ representing $34 trillion in assets are asking companies to align their lobbying with the Paris agreement goals. Duke uses the Global Reporting Initiative (GRI) for sustainability reporting, yet currently fails to report any differences between its lobbying positions and any stated policies, goals, or other public positions⁴ under GRI Standard 415.


https://www.energyandpolicy.org/duke-energy-north-carolina-rate-increase-coal-ash/

https://readsludge.com/2019/08/27/these-ceos-promised-to-be-socially-responsible-but-their-companies-are-pushing-alecs-right-wing-agenda/
Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote “AGAINST” this proposal for the following reasons:

Duke Energy is committed to adhering to the highest standards of ethics in engaging in any government relations activities. As a public utility holding company, Duke Energy is highly regulated and significantly impacted by public policy decisions at the local, state, and federal levels. As such, the Board believes that Duke Energy's public policy engagement is essential to protect the interests of Duke Energy, our customers, employees, shareholders, and communities. Participation in public policy dialogues includes contributing to organizations that advocate positions that support the interests of Duke Energy, our customers, employees, shareholders, and communities. These organizations include industry trade associations such as EEI that serve important non-political purposes, including helping to address business, technical, and standard-setting issues. We do not always support each of the lobbying goals of every association in which we participate; however, we believe it is important to participate in these organizations' public policy discussions so that important decisions that may affect our business, customers, and shareholders are not made without our position being heard.

Disclosures regarding Duke Energy’s policies and procedures over lobbying. The proposal requests that we disclose our policy and procedures with regard to lobbying. Duke Energy has developed a robust governance program around our public policy engagement. The day-to-day oversight of our policies, practices, and strategy with respect to public policy advocacy is the responsibility of the jurisdictional presidents at each applicable state level and our Senior Vice President, Federal Government and Corporate Affairs.

Disclosure of corporate lobbying expenditures. The proposal also seeks disclosures about Duke Energy’s lobbying expenditures. Our lobbying activities are subject to regulation by various states and the federal government, including requirements to provide disclosures of certain state and federal lobbying expenses. These disclosures are publicly available and linked to our website at duke-energy.com/our-company/investors/corporate-governance/political-expenditures-policy. Duke Energy is fully compliant with all state and federal laws governing corporate lobbying activities. In addition to the disclosures we are required to provide by law, Duke Energy also voluntarily discloses additional information in a semiannual report which is posted directly on the site disclosed above. In 2019, in response to feedback we received during our shareholder engagements, Duke Energy increased the disclosures in its semiannual report to include detail regarding the federal lobbying portion of trade association dues in excess of $50,000 in the reporting period, as well as additional disclosures regarding its contributions to candidates, political parties, and 527 Committees and links to certain federal and state election websites with navigation instructions so that shareholders can more easily obtain contribution information for Duke Energy’s political action committee, DukePAC. Disclosing this information in one report allows the information to be more easily accessed and viewed by our shareholders. All semiannual reports remain available on Duke Energy’s website for historical comparison purposes.

Certain mischaracterizations in proponents’ statement. The proponents include certain mischaracterizations with which the Board takes issue, including proponents’ insinuation that Duke Energy charges its customers for the lobbying portion of its trade association dues. This allegation is false. All lobbying expenditures related to trade association dues are paid for by shareholders, not customers.

Conclusion. Accordingly, because we have provided disclosure concerning our policies and procedures governing lobbying, a semiannual political activity report that includes information regarding our lobbying activities, and a description of the Board oversight of such activities and procedures, the Board believes that the additional report requested in the proposal would result in an unnecessary and unproductive use of Duke Energy and our shareholders’ resources.

For the Above Reasons the Board of Directors Recommends a Vote “AGAINST” This Proposal.