

PROPOSAL 6: SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTION DISCLOSURE

Resolved, that the shareholders of **Duke Energy** (“Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - a. The identity of the recipient as well as the amount paid to each; and
 - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company’s website.

Payments used for lobbying are not encompassed by this proposal.

Supporting Statement:

As long-term shareholders of Duke Energy, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, both direct and indirect.

Disclosure is in the best interest of the Company and its shareholders. The Supreme Court said in its *Citizens United* decision: “[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.” Gaps in transparency and accountability may expose the Company to reputational and business risks that could threaten long-term shareholder value.

We note that our Company makes some information about its political activities available on its website. But the Company does not provide comprehensive and voluntary disclosure of its direct and indirect political expenditures. Indeed, the *2013 CPA-Zicklin Index of Corporate Political Disclosure and*

Accountability rated Duke Energy near the bottom among the top 200 companies in the S&P 500, giving it just 19 points out of 100.

Relying on publicly available data does not provide a complete picture of the Company’s political spending. The Company’s payments to trade associations used for political activities are undisclosed and unknown. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies, including **Noble Energy**, **Exelon** and **ConocoPhillips**, that support political disclosure and accountability and present this information on their websites.

The Company’s Board and shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

Opposing Statement of the Board of Directors:

Your Board 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 political activities and complying with the letter and spirit of all laws and regulations governing political contributions. As a utility, Duke Energy is highly regulated. As such, the Board of Directors believes that it is in Duke Energy’s best interests to participate in the political process by engaging in a government relations program to educate and inform public officials about our position on issues significant to our business, as well as to participate in these

discussions regarding potential laws and regulations through memberships in trade organizations.

Most Company-related political contributions, including all contributions to federal candidates, originate from funds that are voluntarily contributed by employees either directly to the campaign, or to Duke Energy’s political action committee (DUKEPAC), and not from corporate funds. Duke Energy’s Political Activity Policy governs the procedure by which contributions are made by Duke Energy at the federal level and is disclosed on the Corporate Governance page of our website at <http://www.duke-energy.com/corporate-governance/politicalactivity.asp>. The activities of DUKEPAC are subject to

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regulation by the federal government, including detailed disclosure requirements. For example, as required by federal law, DUKEPAC files monthly reports with the Federal Election Commission (FEC) reporting all political contributions made to federal candidates, and also files pre-election and post-election FEC reports. In addition to these disclosures, all DUKEPAC contributions are disclosed through a link on the Political Participation page of our website at <http://www.duke-energy.com/corporate-governance/political-participation.asp>. Additionally, all political contributions at the federal level over \$200.00 are required to be disclosed and the identity of the donor and the recipient are available to any member of the public from the FEC. Links to these disclosures are also provided on Duke Energy's webpage below the Political Activity Policy.

Political contributions by DUKEPAC and from corporate funds are also subject to regulation at the state government level. Disclosure of our policies and procedures regarding our lobbying activities and business associations and the benefits to our shareholders surrounding such activities are already readily

available to the public and our shareholders through the links on our website described above. Similarly, our major business associations and coalitions are provided on our website at <http://www.duke-energy.com/environment/affiliations-partnerships.asp>. Accordingly, the Board of Directors believes that additional reports requested in the proposal would result in an unnecessary and unproductive use of the Company's resources. As a result of the disclosures mandated by federal and state laws as well as the voluntary disclosures provided by the Company, the Board has concluded that ample disclosure exists regarding Duke Energy's political contributions to alleviate the concerns cited in this proposal.

Because the Company is committed to complying with all applicable current and future political contribution and campaign finance laws and already publicly discloses its political contributions as required by law, your Board believes that the special report requested in this proposal is duplicative and unnecessary.

For the Above Reasons, the Board of Directors Recommends a Vote "AGAINST" This Proposal.