

**Duke Energy Shareholder Meeting: Statement on Proposal #5**  
**Justin Danhof, Esq., General Counsel and Free Enterprise Project Director**  
**National Center for Public Policy Research, May 3, 2018**

I'm Justin Danhof, general counsel for the National Center for Public Policy Research. I want to tell you about our shareholder proposal, entitled "Political Lobbying and Contributions."

We had two goals in filing this proposal. The first goal was to block a shareholder proposal from Mercy Investment Services from making it onto Duke Energy's proxy statement. We succeeded in doing that. The second goal was to encourage the company to stand up for its values and pro-capitalist agenda in the face of attacks from Mercy and its cohorts.

We didn't know for sure that Mercy would be the specific group to file the anti-free speech proposal, but we had a good idea it would come from the anti-capitalists in the As You Sow network. So we filed a resolution with similar language, but with a pro-business message. Since the Securities and Exchange Commission has a first-in-time rule, and ours was in first, Mercy's proposal won't see the light of day. Duke's investors should cheer that result.

Mercy Investment Services is part of a broad network of liberal groups attempting to use American corporations to silence speech and defund advocates of free enterprise. Following the U.S. Supreme Court's 2010 *Citizens United* decision, this network has filed hundreds of resolutions complaining about an alleged lack of transparency and accountability in corporate lobbying and political activity. However, such groups never express concern about the billions of corporate dollars that go to fund liberal causes and politicians. Herein lies the hypocrisy of the proposal. This liberal network abhors corporate speech when it is perceived to skew to the political right. Yet it remains silent when speech supports favored leftist causes.

The As You Sow network has tried to co-opt Duke's investors into its anti-free speech effort in prior years, and its proposals received upwards of 30 percent support. That's appallingly high. Many investors were perhaps misled by As You Sow's apparent calls for transparency and accountability. We hope investors now understand this network's extremely partisan nature and deceptive tactics.

This network complains that corporate relationships with groups such as the U.S Chamber of Commerce, the American Legislative Exchange Council (ALEC), the Business Roundtable, the National Association of Manufacturers (NAM) and other pro-business organizations expose companies such as Duke to reputational risk. Considering that the network regularly smears these free-market groups, this is a circular argument with no basis in fact. Groups such as the Chamber and ALEC promote a fair economic environment devoid of excessive government regulation and onerous corporate taxation. Such an environment would help, not harm, Duke Energy. But that's just what Mercy and As You Sow want – to end American capitalism by destroying private enterprise.

In future years and on other corporate proxy statements, if you see a proposal from Mercy Investment Services or any other group in the As You Sow orbit that seems to beg for transparency and accountability, vote those down, too. Thank you.

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