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CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
SCOTT M. STRINGER

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March 24, 2017

Michael G. Browning  
Chair, Corporate Governance Committee  
Board of Directors of Duke Energy Corporation  
c/o Julie S. Janson  
Executive Vice President, Chief Legal Officer and Corporate Secretary  
Duke Energy Corporation  
DEC 48H  
P.O. Box 1414  
Charlotte, NC 28201-1414

Dear Mr. Browning,

I am writing to you on behalf of New York City Comptroller Scott M. Stringer to express our deep concern with Duke Energy Corporation's decision to hold a virtual-only annual meeting on May 4th and to alert you to a proposed change to the New York City Pension Funds' proxy voting guidelines prompted by the recent surge in U.S. companies taking a similar step.

Comptroller Stringer serves as the investment adviser to, and custodian and a trustee of, the New York City Pension Funds (the "NYC Funds"). The NYC Funds have over \$170 billion in assets and are long-term Duke shareowners, with over 1.6 million shares currently valued at approximately \$131 million.

While we welcome and encourage the use of new technology to expand shareowner participation in annual meetings, we strongly believe that such virtual meetings should supplement – not replace – in-person meetings. Our view is consistent with the policies of the Council of Institutional Investors (CII)<sup>1</sup> and other investors.

In-person meetings ensure that shareowners have a face-to-face opportunity to engage and ask questions of senior management and directors at least once per year. The long history of in-person meetings has given shareowners the ability to communicate – in an unfiltered and in real-time way – to company management and boards as well as to fellow shareowners, which

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<sup>1</sup> See [http://www.cii.org/corp\\_gov\\_policies](http://www.cii.org/corp_gov_policies): "Companies should hold shareowner meetings by remote communication (so-called "virtual" meetings) only as a supplement to traditional in-person shareowner meetings, not as a substitute.

Companies incorporating virtual technology into their shareowner meeting should use it as a tool for broadening, not limiting, shareowner meeting participation. With this objective in mind, a virtual option, if used, should facilitate the opportunity for remote attendees to participate in the meeting to the same degree as in-person attendees."

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investors believe plays an important role in holding management and boards accountable to shareowners.

Virtual-only meetings, by contrast, not only deny shareowners this long-held right, but also allow companies to:

- filter company exchanges with shareowners;
- “cherry-pick” the shareowners that are allowed to ask questions;
- insulate directors and management from investor frustration on such issues as CEO pay or environmental or other controversies with a potentially significant adverse impact on long-term shareowner value; and
- prevent shareowner proposal proponents from presenting their resolutions directly to boards and senior management.

Put simply, shareowners of companies that hold virtual meetings should have the choice of whether to attend in person or virtually.

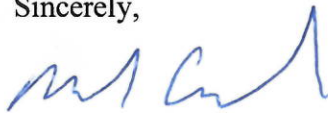
Accordingly, the Comptroller’s Office intends to recommend for trustee approval in April a new proxy voting guidelines to address this issue. Assuming that recommendation is approved as presented, the NYC Funds would immediately commence voting against all governance committee members of S&P 500 companies that hold virtual-only annual meetings in 2017; the policy would extend to all U.S portfolio companies in 2018. The only exception to this new policy for would be for companies that agree – in advance of their 2017 meeting dates – to hold in-person or hybrid annual meetings beginning in 2018.

We hope that, as Chair of the Corporate Governance Committee, you will strongly encourage the Committee and the entire Board of Directors to agree and make public – in advance of your May 4th meeting – a decision to revert back to in-person annual meetings beginning in 2018.

Please feel free to contact me at either (212) 669-2517 or [mgarlan@comptroller.nyc.gov](mailto:mgarlan@comptroller.nyc.gov), should you and your Committee wish to discuss this issue with our office.

Thank you for your consideration.

Sincerely,



Michael Garland

cc: Daniel R. DiMicco  
Ann Maynard Gray  
William E. Kennard