

Code of Business Ethics



Effective July 1, 2012



Message from Lynn Good



Integrity, like safety, is a core value at Duke Energy – and a non-negotiable expectation. That means we must be honest, transparent and genuine in our dealings with everyone inside and outside the company. Each of us needs to be focused on making the right ethical decisions, no matter what.

By nature, almost everyone has an inherent sense of what's right and wrong, though sometimes we still struggle with our judgments. That's why we have a Code of Business Ethics. It details the ethical standards for all employees at Duke Energy, and it helps reduce the likelihood of unintentional misconduct.

All of us must understand and follow these standards of business conduct. And we have a responsibility to report suspected misconduct of any kind. We have many ways to seek help or report concerns: our managers, our HR business partners, the Ethics Office staff and the EthicsLine. Regardless of which route you choose, you can rest assured knowing that Duke Energy values open communications, and offers an environment where employees can raise work-related concerns without fear of intimidation or retaliation.

We work for a great company at an exciting time in this industry. Our commitment to the right behaviors and business practices will lead to continued success in the years to come.

A handwritten signature in black ink that reads "Lynn Good".

Lynn Good
President and CEO



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At Duke Energy we're committed to doing the right thing. You could say we have a passion for it.

It's easy to do the right thing when every employee of Duke Energy,¹ its subsidiaries and its affiliates accepts personal responsibility to act ethically and legally when representing the company.

We've set the standard for business conduct in this Code of Business Ethics (CoBE), a document that reflects our core values and sets expectations for our conduct with customers, investors, public officials, business partners and employees alike. Throughout the CoBE, you will find references to the company's policies and procedures that provide additional explanation regarding our company's ethical expectations. Covering the endless variety of situations with a single code of ethics is impossible; employees must accept personal responsibility for exercising appropriate behavior and maintaining high ethical standards.

Since one instance of a person failing to act with integrity can damage the company's hard-earned reputation, every Duke Energy employee must understand and adhere to the expectations in the CoBE.

As a Duke Energy employee, you should ask yourself:

- How do I follow the CoBE?
- What if I don't meet the standards?
- How do I ask questions or report a CoBE violation?
- What if I want to file an anonymous report?
- How are reports investigated?
- How are accounting and internal control allegations handled?
- Am I protected from retaliation if I report a CoBE violation?

If you don't know the answer, read the CoBE and use it a resource to ensure you make the right decisions.

This policy does not create a contract of employment or alter the at-will nature of any employee's employment in any way.

¹ Contingent workers, suppliers and vendors are expected to support ethics and compliance programs within their own organizations and adhere to the Supplier Code of Conduct.



How do I follow the CoBE?

No matter what job we perform, we're each responsible for creating, promoting and maintaining an organizational culture that encourages ethical conduct and compliance with the law. Each of us must understand and comply with the expectations set in the CoBE.

Our Ethics Commitments

As an employee

I will...

Learn and understand the laws and regulations applicable to my job

Be honest, transparent, fair and trustworthy in all work-related activities and relationships

Report actual or suspected ethical misconduct

When unclear about what to do, seek advice from my supervisor, HR business partner or the EthicsLine

Cooperate with company investigations by providing complete and truthful information and related documentation

Complete required training and periodic certification of compliance with the CoBE

As a leader

I will...

Set the tone "at the top" by modeling exemplary ethical business conduct

Foster an environment where employees feel comfortable discussing ethics issues

Promptly respond to requests for guidance and reports of misconduct, engaging investigators and other Ethics Office resources as needed

Administer proper incentives to ensure ongoing compliance and appropriate disciplinary measures if misconduct is substantiated

Ensure that employees receive CoBE training as well as training on specific laws and regulations that apply to their work

What if I don't meet the standards?

Employees and managers who do not comply with these responsibilities will face discipline, up to and including termination of employment according to the Corrective Action Policy.

How do I ask questions or report a CoBE violation?

As a Duke Energy employee, you're responsible for reporting actual or suspected violations of the CoBE and for seeking clarification and guidance on ethics, compliance and legal issues. To report an actual or suspected CoBE violation, or to seek guidance, you may:



You may contact the Ethics Office at ethicsofficer@duke-energy.com. Additional guidance for reporting concerns is outlined in the Open Door Policy.

What if I want to file an anonymous report?

If you are not comfortable with any of the options above, you may file an online report via <https://ethicsline.duke-energy.com>, call the EthicsLine: 866.8ethics (1.866.838.4427), or mail a letter to the Ethics Office, P.O. Box 1333, Charlotte, NC 28201. Employees outside of the U.S. may call the following numbers:

Argentina	0800.444.8948
Brazil	0800.891.4140
Chile	00.20.20.10
Ecuador	9 ... 1.999.119 ... 866.838.4427
El Salvador	0800.6203
Guatemala	1.800.288.0110
Peru	0800.52.417

The EthicsLine is a 24-hour seven-day-a-week dedicated telephone line maintained by a third-party vendor. EthicsLine reports may be made anonymously. Employees who call the EthicsLine will be assigned a unique report and personal identification number they may use to check on the status of reports and inquiries.



How are reports investigated?

A trained subject matter expert will conduct a prompt, thorough and independent investigation in response to reported CoBE violations. Reports will be treated confidentially to the extent possible. Under no circumstances will an investigation be conducted by, or under the supervision of, an individual accused of the activity under investigation.

How are accounting and internal controls allegations handled?

Material allegations regarding questionable accounting, internal financial controls (including internal accounting controls) and auditing matters, as well as material allegations involving senior management that could cause Duke Energy significant reputational damage, will receive a special review and be promptly brought to the attention of the Board of Directors Audit Committee according to the Procedure for Reporting Concerns to the Audit Committee and External Auditor.

Am I protected from retaliation if I report a CoBE violation?

Duke Energy prohibits retaliation against employees who in good faith report concerns to management, Human Resources, the Ethics Office or regulatory agencies. Retaliation against employees for their participation in investigations or resolutions is prohibited. The company will take appropriate corrective action against persons found to have participated in retaliation, up to and including termination of employment.

Duke Energy is committed to creating and maintaining an inclusive work environment where the contributions of every individual are recognized, all people are valued and respected and all have opportunities to reach their full potential. We do not tolerate discrimination, harassment or retaliation in the workplace. Simply put, a positive, inclusive spirit drives everything we do.

How do I promote equal employment opportunity?

Duke Energy is an equal opportunity employer and does not discriminate against any employee or applicant for employment because of race, color, sex, pregnancy, religion, national origin, ethnicity, citizenship, sexual orientation, gender identity, age, marital status, physical or mental disability, genetic information, or protected veteran status. Duke Energy also complies with all applicable state, federal and local laws, regulations and ordinances prohibiting discrimination in places where Duke Energy operates.

As a Duke Energy employee...

I will...

Comply with the Equal Employment Opportunity and Affirmative Action Policy and the Diversity and Inclusion Policy

Recruit, select, train and compensate based on merit, experience and other work-related criteria

Develop a diverse candidate pool when recruiting whenever possible

Report any perceived bias based on differences protected by law or company policy

I will not...

Make or act on presumptions about someone that are based on differences protected by law or company policy

Use any individual differences protected by law or company policy as a factor in any employment decision including recruiting, hiring, transfers, promotions, terminations, compensation and benefits

Consider a person's complaint regarding unequal treatment when making an employment-related decision



How do I contribute to an inclusive, harassment-free workplace?

Duke Energy is committed to creating and maintaining a diverse and inclusive workforce. An inclusive culture creates an environment where every employee can start each day with a sense of purpose and end each day with a sense of accomplishment.

You should always be able to perform your assigned duties and responsibilities without being harassed by any other employee, supervisor, manager, contingent worker, customer, vendor or visitor. You must speak up when workplace conduct makes you or others uncomfortable and promptly report perceived harassment to your supervisor, another member of management, your HR business partner or the EthicsLine.

Harassing behavior weakens our culture and will not be tolerated, regardless of whether you are working at a Duke Energy facility or on assignment outside the company (e.g., conferences, storm duty, etc.).

What is harassment?

Harassment is defined as any unwelcome conduct or behavior that singles out an employee because of the employee's race, color, sex, pregnancy, religion, national origin, ethnicity, citizenship, sexual orientation, gender identity, age, marital status, physical or mental disability, genetic information or protected veteran status.

What is considered offensive material in the workplace?

Offensive material includes:

- Content that is threatening, unlawful, abusive, harassing, defamatory, libelous, deceptive, fraudulent or invasive of another's privacy, and/or
- Any text, communication, software, image, sound, data or other information that leads to improper conduct (such as involvement with illegal drugs, illegal materials or illegal weapons) or that contains explicit or graphic descriptions or accounts of sexual acts.

If you have questions regarding whether particular materials violate the Duke Energy Harassment-Free Workplace Policy, you should speak to your supervisor or HR business partner.

As a Duke Energy employee...

I will...

Comply with the Harassment-Free Workplace Policy

Treat others with respect and dignity any time and any place I represent the company

Think carefully before making off-hand comments or jokes and be sensitive to the fact that they may unintentionally hurt others

Promptly report perceived harassment to my supervisor, another manager, HR business partner or the EthicsLine

I will not...

Engage in verbal or nonverbal threats, insults, abuse or ridicule (sexual or otherwise)

Possess, display or distribute offensive materials such as cartoons, pictures, graffiti, paraphernalia or pornographic materials

Make offensive remarks or slurs, including inappropriate jokes regarding one's race, sex, sexual orientation, religion, national origin, ethnicity, citizenship, age, marital status, disability or veteran status

Make or attempt to make intimate or offensive physical contact including assault or blocking normal movements

Request or demand romantic or sexual favors, explicitly or implicitly, as a condition of employment, promotion, transfer or any other personnel action



Environmental Stewardship and Workplace Safety



At Duke Energy, we put safety first in all we do. Our vision is a zero injury and illness safety culture where Duke Energy employees and contractors demonstrate personal commitment to continuous safety improvement and to the safety of the communities we serve.

We are committed to the highest levels of performance in environmental compliance and practices. Protecting and responsibly managing natural resources are critical to a cleaner environment, the quality of life in the communities we serve and Duke Energy's long-term business success.

How do I comply with environment and health and safety laws, regulations, procedures and rules?

Each of us must be committed to continuous safety improvement and to eliminating occupational health, safety and environmental hazards. Only through each employee's commitment, ownership and engagement can the company achieve an injury- and illness-free workplace.

Along with that, we must all demonstrate a personal commitment to protecting the environment.

As a Duke Energy employee...

I will...

Comply with the Health and Safety and Environmental policies

Know, understand and comply with applicable environmental and health and safety rules and regulations

Seek advice when I am unsure of how to perform a task safely

Prevent accidents and injuries that impact me, my co-workers and the public

Promptly report all environmental, health and safety incidents, including near misses, in accordance with department expectations

I will not...

Rely on shortcuts that violate safety or environmental procedures

Allow my safety training qualifications to lapse

Misrepresent the occurrence or severity of an environmental or safety incident

How do I engage in behaviors that promote a violence-free workplace?

Duke Energy is committed to providing a safe and secure workplace with a zero tolerance for incidents of workplace violence and harassment committed by or against employees, contingent workers, vendors, customers and/or visitors. Employees must practice safe and respectful behavior on company property and any time they are conducting company business regardless of the location.

As a Duke Energy employee...

I will...

Comply with the General Workplace Security Policy

Act in a manner that promotes a safe and respectful workplace for all employees

Report any conduct, behavior or communication that is violent or may lead to workplace violence

I will not...

Threaten, intimidate or injure others

Intentionally destroy or damage company property

Engage in stalking, vandalism, arson or sabotage

I overheard a co-worker threatening another co-worker. Should I report it?

Tell your supervisor or another member of management about the incident immediately. If you can't reach a member of your workgroup's management team, contact Enterprise Protective Services or your HR business partner. Duke Energy investigates all reported acts or threats of violence.

Should I report a stressed co-worker's erratic behavior to my supervisor?

Behaviors that indicate a co-worker may not be effectively managing stress include:

- Excessive absenteeism or lateness
- Disregard for the health and safety of others
- Increased mistakes or errors or unsatisfactory work quality
- Refusal to acknowledge job performance problems



- Faulty decision making
- Testing the limits to see what they can get away with
- Overreacting to criticism
- Intimidating behavior

It is extremely important to understand that these behaviors do not mean a person will become violent, but they may indicate that the person is experiencing high levels of stress.

Always take particular note and seek assistance from Enterprise Protective Services or your HR business partner if:

- There is a change in behavior patterns.
- The frequency and intensity of the behaviors are disruptive to the work environment.
- The person is exhibiting many of these behaviors, rather than just a few.

You may contact Enterprise Protective Services at:

- 1.800.951.9924 (legacy Duke Energy facilities)
- 1.888.275.4357 (legacy Progress Energy facilities)

What does it mean to maintain a drug- and alcohol-free workplace?

Employees must work safely and rely on one another to achieve superior results. The company does not tolerate alcohol or illegal drug use and/or abuse connected with business or operations.

As a Duke Energy employee...

I will...

Comply with the Alcohol and Drug-Free Workplace Policy

Report to work fit for duty and free of the effects of illegal drugs and alcohol

Report any actual or suspected on-the-job illegal drug or alcohol use

Cooperate in all drug screening activities required by law or company policy

I will not...

Possess, use, sell, arrange for the sale of, manufacture, dispense or transfer illegal drugs, illegally obtained prescription drugs or alcohol on or off the job while conducting company business

Consume alcohol on the job, during working hours (including meal breaks) or when on call

Appear for work in an impaired state

How do I follow restrictions on the possession and use of weapons on company property?

The company restricts the possession of guns and other weapons at company facilities to promote workplace safety.

As a Duke Energy employee...

I will...

Comply with the General Workplace Security Policy

Comply with all applicable laws and regulations regarding the possession and use of firearms and other weapons

I will not...

Possess any firearm or other weapon on company property or while engaged in Duke Energy business, unless permitted by applicable law or other company policy

Harm or threaten a co-worker or company visitor with a firearm or other weapon



Protecting Company Resources



The resources needed to deliver reliable electricity to millions of customers are enormous. We must manage these resources responsibly, be prudent when spending company money and protect company assets from loss, damage, unauthorized or improper use and waste.

What are company resources?

Company resources include:

- Tools, equipment and machinery
- Information, including sensitive information
- Facilities
- Office and field supplies
- Cellphones
- Computers and other technology systems
- Work time
- Other assets owned, leased or maintained by the company to conduct company business

How do I manage and use company resources responsibly?

Company resources should always be used responsibly and for legitimate business purposes.

It's OK to use company telephones, computers and other assets for incidental and infrequent personal use so long as you don't abuse the privilege.

What is sensitive information?

Sensitive information includes confidential, proprietary and personal information developed and compiled as we do business.

Confidential and proprietary information about our business is also considered sensitive information. Guard it closely to retain its value and protect the company's brand identity and intellectual property.

Personal information about our workforce, our customers and our shareholders is considered sensitive information. We must comply with laws to prevent, detect and respond to the theft or unauthorized use of personal information.

Examples of sensitive information include:

Confidential and Proprietary

- Nonpublic operational or financial results
- Customer information
- Unreleased plans or forecasts
- Supplier negotiations, pricing and specifications
- Information regarding financing negotiations
- Formulas, designs and other inventions covered by a patent, copyright or trademark

Personal

- Social Security or Employer Tax ID numbers
- Driver's license, state ID or passport numbers
- Credit card and bank account numbers
- Personal identification number (PIN) codes
- Protected health information

As a Duke Energy employee...

I will...

Work all hours reported on time sheets

Follow applicable procedures when disposing of surplus or obsolete property

Report actual or suspected theft, damage or unauthorized use of company property

I will not...

Use company resources for my personal benefit in a manner that creates additional costs for the company, interferes with work duties or violates company policy

Use company property or information for illegal activities or personal gain

Facilitate or approve a personal loan to or for any Duke Energy executive, officer or board member



How do I protect sensitive information?

Employees with access to sensitive information must protect it from intentional or accidental disclosure. You should carefully restrict physical and electronic access to sensitive information and only share it with others who have an approved business need to know.

As a Duke Energy employee...

I will...

- Comply with the Data Privacy Policy
- Understand the definition of sensitive information as it applies to my work
- Know, understand and comply with the confidentiality safeguards applicable to my work
- Exercise caution when discussing sensitive information in public areas within and outside the workplace

I will not...

- Disclose sensitive information to co-workers or third parties who are not authorized to receive or have no need to know the information
- Use sensitive information for personal benefit or for the benefit of persons outside of Duke Energy
- Use health information for any purpose other than the administration of health plans or to satisfy regulatory requirements

How do I protect and respect intellectual property and Duke Energy's brand identity?

Intellectual property is a creation or innovation used in business. It's a legal way to claim a unique idea, invention, machine, device, process, program, software, drawing, blueprint, name, logo or slogan. Restricting the use of intellectual property helps the company protect its ideas and brand identity.

We also protect the Duke Energy brand by releasing company information only through authorized publications and spokespersons. Unauthorized and inappropriate releases of information to the public can result in violation of full disclosure laws, stakeholder confusion and damage to Duke Energy's competitive position, brand and reputation. Only authorized spokespersons should provide information on behalf of Duke Energy.

As a Duke Energy employee...

I will...

- Adhere to the Brand Policy when producing materials using a Duke Energy name or logo
- Comply with the Social Media Procedure
- Report any unauthorized use of a Duke Energy copyright, patent, service mark or trademark
- Obtain permission to use a third party's trademark, service mark or other intellectual property
- Follow the terms of any license agreement allowing the use of a third party's patented invention
- Share with the company any intellectual property I create in the performance of my job to ensure adequate protection

I will not...

- Copy or distribute software without first ensuring it is permitted by a licensing agreement
- Make copies of copyrighted materials without permission or a determination that limited copying is legally permitted
- Use Duke Energy's copyrights, patents, service marks or trademarks without authorization
- Speak or appear to speak on behalf of the company unless specifically authorized to do so
- Use company letterhead, company email or reference to a business address when expressing a personal view in a public forum



How do I use company information systems and other technology assets appropriately?

The company maintains much of its information electronically. We must manage our information systems and other technology assets to protect sensitive information and other company assets from internal and external threats.

As a Duke Energy employee...

I will...

Comply with the Electronic Communications IT 300 Policy, IT 301 Acceptable Use of Electronic Communications Standard and Cyber Security Policy

Protect network passwords and other security protocols from disclosure

Promptly report a lost or stolen computer, cellphone or other portable device

Notify IT of any unusual activity involving information systems and associated resources

Take steps to reduce the risk of data loss or exposure and security breaches

I will not...

Share my network password or other security protocols with others

Use company resources, including Internet access, email, instant messaging and cellphones, to access or communicate discriminatory, harassing or sexually oriented information or to facilitate improper conduct

Download or install software that has not been approved for company use by IT

Duke Energy builds relationships based on trust and respect with our customers, investors, suppliers, public officials and all of our stakeholders. To earn this trust, we conduct business legally and with integrity. Our business decisions are based on objective business-related facts; we do not let our personal interests keep us from making decisions that are in the best interest of the company.

We do not participate in unfair or corrupt business practices and have zero tolerance for bribery. We succeed in the marketplace by offering competitively priced, quality products and services and comply with antitrust and other laws prohibiting activity that reduces competition and restricts trade.

When is it acceptable to exchange business courtesies with a supplier or other business partner?

Business courtesies are anything of value for which the recipient does not pay fair market value, including gifts, services, travel, accommodations and entertainment. In most instances simply avoiding the exchange of gifts, services and entertainment with your business partners will lessen the risk of any perception of undue influence. Although a modest exchange may be acceptable under certain conditions, it's never required for doing business with Duke Energy.

If you work directly with suppliers and public officials you must take extra care to follow laws and company policies covering the acceptable exchange of business courtesies.



As a Duke Energy employee...

I will...

Follow the Business Courtesy Policy

Maintain a written list of business courtesies received (other than meals) exceeding U.S. \$100 value

Obtain written approval from a member of the Executive Leadership Team prior to accepting a business courtesy of significant value (greater than U.S. \$300 value)

Offer and accept only business courtesies that are customary, reasonable, legal and of modest value

Seek advice if unsure whether a business courtesy involving a supplier or other business partner is acceptable

Report business courtesies exchanged with foreign officials to the vice president, Commercial Businesses Legal Support

I will not...

Give or accept any gift, entertainment or other business courtesy that may be perceived by others as an attempt to influence a business decision

Solicit gifts, favors, travel or entertainment from a supplier or other business partner

Allow a supplier or other business partner to pay for my overnight travel without written approval from a member of the Executive Leadership Team

Accept cash, or a cash equivalent such as a gift card, from a supplier or other business partner

Agree to provide payments, contribute to charities, or make political contributions or other payments in return for favorable treatment

What should I consider when exchanging business courtesies with a business partner?

Before exchanging business courtesies, you should ask yourself the following questions:

- Is this exchange infrequent and of modest value?
- Is the exchange customary and a part of normal business practices?
- Will the exchange create no sense of obligation on the giver or recipient?
- Is the exchange free from any real or perceived special treatment, such as free services or special discounts?
- Is there no reasonable way the gift could be perceived to inappropriately influence the recipient's business judgment?
- Would the business courtesy be appropriate to reciprocate in a similar manner at company expense?

If the answer to all of these questions is yes, and you follow the documentation requirements in the Business Courtesies Policy, the exchange will be acceptable.

What are examples of acceptable business courtesies?

Small or nominal promotional items such as t-shirts, mugs, hats, etc. given in the regular course of business are acceptable. However, care should be taken not to accept gifts on a frequent or continual basis. In general, the use and value of business courtesies should align with your job function and follow the Business Courtesies Policy.

What business courtesies should be declined?

Never accept cash or discounts not available to all employees. Likewise, you should never solicit gifts, favors, travel or entertainment from a business partner.

You must never give or accept business courtesies of any kind that could be reasonably viewed as inappropriately influencing a business decision or creating a business obligation on the part of the recipient. You also should consider the frequency and the significance of the business courtesy. Multiple business courtesies received close in time to each other and from the same person or organization, though individually not prohibited, may be problematic because of their cumulative value. A best practice is to disclose such business courtesies on your business courtesy log.

Moreover, you should exercise particular caution when negotiating or considering contracts. It is important not to give the impression of any connection between any business courtesy and the business opportunity.



When do I need to make a record of a business courtesy?

Business courtesies are anything of value for which the recipient does not pay fair market value, including gifts, services, travel, accommodations and entertainment. Proper reporting improves transparency around the exchange of business courtesies. The Business Courtesy Policy requires employees to maintain a written record of any common business courtesies received that are valued at more than U.S. \$100. Meals received in the normal course of business are not subject to this reporting requirement.

When do I need prior approval before accepting a business courtesy?

As an additional check and balance, written supervisory approval is required before accepting a significant business courtesy. Any business courtesy with a value of more than U.S. \$300 is presumed significant. Ensuring that supervision is aware of all business courtesies of significance avoids any suggestion of a conflict of interest. When in doubt, seek prior approval.

What if I don't know the value of the business courtesy?

Remember, the spirit of the Business Courtesy Policy is to disclose items that are not modest or nominal. Therefore, an estimated value is sufficient if the precise value is not known, or you can simply document U.S. \$100+ on your business courtesy log.

Who reviews my business courtesy log?

You should discuss your business courtesy log with your supervisor at least annually and maintain it for three years. Document supervisory review and approval of business courtesy logs before Jan. 31 for business courtesies received during the prior calendar year.

Your business courtesy log should include the following:

- Date the business courtesy was received
- Identity of the person providing the business courtesy and his/her company/affiliation
- Estimated value
- Brief description of the business courtesy

Use the Business Courtesy Log eForm on the Ethics Office Portal website for documentation.

Can the company provide a business courtesy to a union or union representative?

The Labor-Management Reporting and Disclosure Act requires employers and labor unions alike to file annual reports disclosing certain financial transactions relating to unions. Employers must generally disclose all items of value given to any union or union official. Disclosure removes the appearance that the company is trying to inappropriately influence unions or employees with respect to their bargaining and representation rights. Certain business courtesies may be excluded from reporting; however, because the rules are complex, employees should report all business courtesies given to unions or union officials to Labor Relations.

Can the company provide business courtesies to political candidates, government agency representatives and public officials?

Special rules apply to business courtesies given to political candidates, government agency representatives and public officials. These rules are complex and can vary from country to country and even within a country (e.g., local versus national officials) and from state to state. Therefore, you should consult with Governmental Affairs according to the Political Activity Policy before offering a business courtesy to a political candidate, government agency representative or public official.

Employees are prohibited from directly or indirectly promising, offering or making payment of money or anything of value to anyone (including a government official, an agent or employee of a political party, labor organization or business entity or a political candidate) with the intent to induce favorable business treatment or to improperly affect business or government decisions.

What should I do if a government or foreign official requests personal compensation or some other improper payment as a requirement for a company transaction?

If someone asks you to make an improper payment or account for a transaction in an improper manner, report the request immediately to the Ethics Office. Improper payments may include gifts, promises, authorization of gifts or offering anything of value on behalf of the company to a government or foreign official or others. This also includes payments or gifts to a third party such as a consultant, contractor, partner, agent or supplier, who, in turn, is likely to make a gift, payment or offer anything of value to a government or foreign official or others on behalf of the company.

Duke Energy complies with U.S. and international anti-corruption laws, including the Foreign Corrupt Practices Act (FCPA). That means we don't offer or accept bribes, kickbacks, illegal gratuities or similar payments, and we will never punish an employee for refusing to pay a bribe, even if it results in lost business.



As a Duke Energy employee...

I will...

Understand and comply with the Foreign Corrupt Practices Act Policy

Promptly report any requests for payments, gifts or other improper exchange to the Ethics Office

I will not...

Make payments or exchange business courtesies directly or indirectly with a government or foreign official if there is reason to believe the expenditures will be used illegally

Do business with others who do not share Duke Energy's commitment to corruption-free business practices

What types of gifts are appropriate for a foreign official?

Gifts made to a foreign official should be:

- Of nominal value and, on a cumulative basis, should not exceed U.S. \$300 in cumulative value within a calendar year
- Something other than cash
- Provided as a courtesy, token of regard or esteem, expression of gratitude or in return for hospitality in accordance with the customs of the foreign country
- Permitted under the local laws of the foreign country and the regulations and guidelines of the official's government entity
- Of a type and value that are unequivocally customary in the foreign country and appropriate for the occasion
- Accurately recorded in the company's books and records (including date, donor, recipient, type of gift, value of gift and reason for gift)

Use the FCPA Business Courtesy Log eForm on the Ethics Office Portal website to document gift presented to foreign officials.

Are anti-corruption and other laws different for foreign transactions?

The laws, regulations and conventions governing our international business relationships vary from country to country. When doing business outside of the U.S., you must follow the laws of the country you are working in as well as any U.S. laws that may apply. Because the legal requirements are varied and complex, employees responsible for work outside the U.S. should seek training and ongoing legal advice regarding payments, recordkeeping and export control restrictions. Key laws that apply to international business relationships include:

• **FCPA and the OECD Convention**

The FCPA and OECD Convention legislation make it a crime to promise, offer or give anything of value to a government official or a political party or candidate in order to obtain or retain business or gain any improper advantage. The FCPA covers all countries in which Duke Energy currently has operations, and many of these countries have ratified the laws implementing the OECD Convention.

• **Anti-boycott Laws**

Anti-boycott laws make it illegal to cooperate in any boycotts between foreign countries if the boycotts are not sanctioned by U.S. law.

• **Treasury Embargo Sanctions**

The Treasury Department's Office of Foreign Assets Control prohibits U.S. companies and their foreign subsidiaries from doing business with certain countries, agencies and individuals. Regulations vary depending on the country and the type of transaction.

• **Export Control Restrictions**

To prevent sensitive goods, technology and software from falling into the wrong hands, exports of items sensitive to certain countries and individuals may be restricted or prohibited. These restrictions and prohibitions also may apply to transfers between Duke Energy and its foreign subsidiaries.

Contact the vice president, Commercial Businesses Legal Support, with questions regarding these and other laws, regulations and conventions governing international business relationships.



How do I determine if my personal or family situation may create a conflict of interest?

A conflict of interest occurs when you may have to choose between what is in your best interests (financial or otherwise) and what is in the best interest of Duke Energy. While it's impossible to list every scenario that could result in a real or perceived conflict of interest, here are some common situations in which they are likely:

Doing business with family and friends

You, a member of your family or anyone with whom you have a close, personal relationship is employed by or owns more than 5 percent interest in an entity that does business with Duke Energy.

Competing employment

You, a member of your family or anyone with whom you have a close, personal relationship is employed by or owns more than 5 percent interest in an entity that competes with Duke Energy, or you have outside employment similar to current job responsibilities that may interfere with your ability to meet the requirements of your Duke Energy position or you take a position on a board of directors for an organization that does business with Duke Energy.

Outside benefits

You, a member of your family or anyone with whom you have a close, personal relationship receives outside benefits as a result of your position with Duke Energy (such as free or discounted goods or services not available to all employees, access to membership clubs or vacation property).

Corporate opportunities

You have access to company information that you may use for a personal benefit and/or to compete with the company.

What should I do if I believe my personal or family situation may create a conflict of interest?

If you have questions about a conflict of interest situation or you want to disclose a potential conflict of interest, talk to your supervisor or call the Ethics Office to determine whether you need to complete a Conflict of Interest Form or seek approval from a member of the Executive Leadership Team.

The best way to avoid a misunderstanding is to disclose any situation that has the potential to be misinterpreted by others, including other employees, customers, suppliers, shareholders and public officials.

As a Duke Energy employee...

I will...

Comply with the Conflict of Interest Policy

Understand and promptly disclose situations where I have an actual or potential conflict of interest

Act in the best interests of Duke Energy any time I am asked to make a decision on behalf of the company

Seek approval from a member of the Executive Leadership Team and concurrence from the Ethics Office for employment and transactions as required by the Conflict of Interest Policy

I will not...

Personally profit from an opportunity available to Duke Energy that I discovered using company assets, information or my position at the company

Personally benefit from a supplier selection or other business decision made on behalf of the company

Participate in the selection process or oversee the work of a business in which I, a friend or a family member is employed or has an ownership interest



Can I use the information I learn in my job when making personal investment decisions?

You must be careful when trading securities – even the Duke Energy stock in your retirement account – to make sure that you do not make trades when you know about significant decisions or financial results that have not been disclosed to the public. Before trading any stock or other security, you should consider whether you have access to material nonpublic information that would affect a reasonable investor’s decision on whether to buy or sell a company’s security.

Examples of material, nonpublic information you may know before it is publicly available include:

- Unpublished financial results
- Information on pending or proposed transactions
- Changes in corporate strategy or objectives
- News of a significant asset sale
- Changes in business policies
- Financial liquidity problems

What should I do to ensure that the company engages in fair competition?

Duke Energy supports full and fair competition by complying with antitrust laws and prohibiting activities that reduce competition and restrict trade.

Fair competition laws may apply to your job when you are:

- Dealing with competitors
- Participating in industry associations
- Dealing with customers
- Dealing with suppliers
- Collecting competitive information

If your job puts you in any of these situations, you must know and understand what activities may be deemed a violation of antitrust and other laws protecting competition.

As a Duke Energy employee...

I will...

Follow the Insider Trading Policy

Allow approximately two full trading days after any material nonpublic information of which I am aware has been made available to the public before trading Duke Energy securities

Contact the associate general counsel, Ethics & Compliance, if I have questions relating to insider trading laws

I will not...

Trade Duke Energy and its business partners’ securities if I have access to material nonpublic information

Provide material nonpublic information to anyone inside or outside Duke Energy who is not authorized to have that information

Trade in options, warrants, “puts,” “calls” or similar instruments on Duke Energy stock or sell Duke Energy stock “short”

As a Duke Energy employee...

I will...

Seek advice from the associate general, Counsel Ethics & Compliance, before sharing confidential proprietary information with a competitor through an industry association or other means

Comply with company policies and procedures governing the procurement process

Report any anticompetitive activity to the Ethics Office

I will not...

Enter into agreements with competitors on pricing, territories, market share or intent to bid (or not bid) for particular business

Enter into exclusivity agreements with suppliers in markets in which Duke Energy has market power

Provide inconsistent information about a request for proposal to competing bidders

Divulge a quote from one supplier to another supplier

Take advantage of market power to eliminate or threaten a competitor or potential competitor in that market



What are some examples of anticompetitive behavior?

You may be in violation of antitrust laws if you:

- Discuss or agree with a competitor regarding pricing, territories, market share or intent to bid (or not bid) for particular business
- Share information with competitors regarding contract and materials pricing
- Provide inconsistent information about a request for quotation/proposal to competing bidders
- Enter into an exclusive dealing arrangement or understanding in which Duke Energy agrees to work only with certain suppliers or distributors in a particular market where Duke Energy has market power
- Take advantage of market power to eliminate or threaten a competitor or potential competitor in that or another market
- Suggest that a product or commodity must be resold at or within a particular price or range of prices
- Participate in actions by any trade association or other industry group regarding membership restrictions, sharing information (including salary and cost benchmarking) or desired governmental actions

Every one of us, regardless of our position, has an obligation to make sure that the information we contribute to the company's operational, financial and other business records is complete, accurate and timely.

We must retain our business records according to the company's Records Management Policy.

How do I accurately report my business activities?

Whenever you create a record – timekeeping records, expense reports, inventory records, environmental reports, health and safety reports, quality assurance certification or other business records – make sure that you include all required information and that the information is accurate.

As a Duke Energy employee...

I will...

Comply with the Fraud Prevention and Detection Policy

Maintain books, accounts and records according to applicable legal and regulatory requirements, including Generally Accepted Accounting Principles (GAAP) requirements for financial records

Record financial transactions and other business activity accurately and promptly, including time entry reporting

Provide complete and accurate documentation of reimbursable expenses

Provide complete and accurate information and related documentation during company investigations

Report actual or suspected fraud immediately

I will not...

Conceal or otherwise fail to disclose to management material financial or nonfinancial information that could impact the company's external reports and other communications

Falsify personal credentials, documents or certifications required by company procedures and/or regulatory authorities, including providing my signature as a quality assurance check without completing the inspection process

Manipulate financial or operational results to meet targets or goals

Maintain off-the-books accounts for any reason, including to facilitate questionable or illegal payments

Separate a single transaction into multiple transactions to circumvent delegation of authority



What should I do if I believe company records have been intentionally misstated?

Employees who intentionally misrepresent or conceal facts regarding our business or who assist others in doing so have engaged in fraud. Fraud compromises the integrity of our financial reporting and the safety of our assets. If you are aware of or suspect fraud, you must report it immediately to your supervisor or another manager, your HR business partner, a member of the Ethics Office staff or the EthicsLine.

What are some examples of fraud?

Fraud can take many forms and affect many types of business records. Examples include:

Fraudulent financial reporting

- Intentional reporting of false expense or revenue data that improperly states amounts reported on publicly filed financial statements
- Intentional misstatement of price data reported for price index purposes
- Intentional misapplication of accounting principles relating to amounts, classification, accrual, manner of presentation or disclosure
- Intentional misstatement of accounting estimates and judgments, including estimates for goods and services received but not invoiced
- Intentional withholding of invoices for goods and services received

Misappropriation of assets

- Intentionally submitting an inaccurate expense report for personal expenses
- Excessive personal use of company supplies or assets
- Fraudulent financial reporting (see above) for purposes of increasing personal gain through incentive measure calculations
- Improper time reporting with intent to defraud

Corruption and other fraud-related misconduct

- Overriding existing controls, rendering the controls ineffective
- Falsifying personal credentials
- Falsifying documents or certifications required by company procedures and/or regulatory authorities, including providing your signature as a quality assurance check without completing the inspection process
- Tampering with documents
- Participating in illegal acts in collusion with others – in particular, concealing the transfer of funds involved in the illegal actions (money laundering)

How do I actively manage business records?

Each of us is responsible for ensuring that the company's business records are not only accurate, but also properly maintained.

As a Duke Energy employee...

I will...

Understand and comply with the Records Management Policy

Adhere to proper practices related to the creation, disclosure, retention and destruction of business records

Actively manage records and other information compiled in any media type, including paper and electronically stored information

Follow records retention guidance and direction provided by company attorneys in the event of pending or anticipated litigation or regulatory inquiry

I will not...

Retain records beyond the period defined in the applicable records retention schedule unless directed to do so by a company attorney

Destroy, alter or falsify records or other materials after being notified by a company attorney that they should be preserved



In addition to those specifically discussed throughout the CoBE, Duke Energy is subject to numerous complex laws, rules and regulations. Violations of these rules – whether intended or not – can damage the company’s operations, financial stability and reputation. That’s why you must understand and comply with the letter and the spirit of the laws and regulations relevant to the work you do.

As a Duke Energy employee, how do the laws and regulations that apply to the company affect me?

Each of us contributes to the company’s status as a conscientious, law-abiding corporate citizen. The company relies on its employees to ensure it meets legal and regulatory requirements, including “affiliate restrictions” imposed by the Federal Energy Regulatory Commission limiting when information can be shared between regulated and unregulated organizations within the Duke Energy system.

As a Duke Energy employee...

I will...

Remain aware of the laws, rules and regulations that affect my job responsibilities

Actively seek out and participate in training on laws, rules and regulations that apply to my job.

Seek advice and clarification if I am unsure as to how a law or regulation affects the way I do my job

Promptly report Duke Energy-related noncompliance with laws and regulations

I will not...

Circumvent legal and regulatory requirements – even when the requirements appear trivial

Allow my required training and qualifications to lapse

What are affiliate restrictions?

The purpose of the affiliate restrictions is to prevent the regulated businesses from subsidizing the activities of their affiliates, and to prevent the affiliates from gaining an unfair advantage because of their relationship with the regulated businesses.

Affiliate restrictions may include:

- Physical and organizational separation of employees in regulated and nonregulated businesses
- Restrictions on system access for nonregulated employees
- Restrictions on sharing certain employee functions between regulated and nonregulated businesses
- Restrictions on sharing nonpublic transmission information, market information and other confidential operating information
- Restrictions on disclosing customer information
- Restrictions on transfers of power and nonpower goods and services
- Prohibitions on certain financial transactions

Will my job be affected if I have legal problems in my personal life?

Your conduct away from company property and outside of business hours may negatively affect the company and reflect poorly on your trustworthiness. Off-duty illegal activity may jeopardize workplace safety, the company’s reputation or our ability to effectively serve our customers.

The company will assess the effect of any off-duty illegal activity on a case-by-case basis and take appropriate action.



Political Activities and Contributions



As a company, Duke Energy actively supports positions important to our business and regularly interacts with public officials responsible for laws, regulations, rules and policies that affect our company. We must ensure that our interactions with public officials comply with the letter and the spirit of the laws, regulations and rules that cover these interactions.

Does being a Duke Energy employee affect how I participate in the political process?

The company strongly supports individual participation in the political process, including involvement with political parties, candidates and issues. We respect the right of individual employees to disagree with a company political position. If you choose to participate in political activities as an individual, you must use your own time and resources and not the company's.

As a Duke Energy employee...

I will...

Understand and comply with the Political Activity Policy

Clearly identify individual, personal political views as such and not those of Duke Energy

Get approval from Government Affairs before using corporate funds or resources to contribute directly or indirectly to a public official

Notify my supervisor and Government Affairs before making plans to campaign or serve in public office

Seek approval from Government Affairs before using company funds to sponsor an event where a public official is an attendee, invitee, speaker or honoree

Excuse myself from decisions involving Duke Energy while serving as a public official

I will not...

Use company funds to provide a contribution, gift, meal, travel, entertainment or event ticket to a public official or his/her staff without approval from Government Affairs according to the Political Activity Policy

Contact government personnel to influence legislation, rulemaking or policy on behalf of Duke Energy without involving Government Affairs according to the Political Activity Policy

Request company reimbursement for time spent supporting political candidates and issues or for personal political contributions

Apply direct or indirect pressure on a co-worker to make a personal political contribution

Do special rules apply if I interact with public officials?

Public officials are government employees and representatives, including elected or appointed officials in foreign, federal, state and local governments, regulatory commissions and other oversight agencies. You must maintain professional and productive relationships with the public officials you interact with as part of your job and comply with all applicable laws, rules, regulations and orders governing those relationships.

As a Duke Energy employee...

I will...

Understand and comply with the Interactions with Public Officials Policy

Notify Government Affairs according to the Interactions with Political Activity Policy prior to interacting with public officials if that is not part of my assigned responsibilities

Abide by applicable *ex parte* rules when communicating with public officials

Communicate with public officials in a courteous, professional and business-like manner

Follow rules that apply to business courtesies given to public officials

I will not...

Create or contribute to any situation where the responsibilities, judgment or objectivity of a public official becomes compromised

Discuss potential company employment with a public official without first consulting with Human Resources Talent Management

Offer, promise or give anything of value to a public official to assist me or the company in obtaining or retaining business or to obtain any improper advantage

What is an *ex parte* communication?

An *ex parte* communication is any oral or written communication that is not on the record, for any pending proceeding, where reasonable notice to all parties was not given. *Ex parte* communication is generally prohibited; however, communication regarding undisputed administrative or procedural matters and educational or informational communications when there are no other parties to the proceeding other than Duke Energy may be exempt from *ex parte* rules. When in doubt, contact the associate general counsel, Ethics & Compliance, prior to engaging in the communication.

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