

CLASS BENEFIT FUND BOARD OF TRUSTEES CONFLICT OF INTEREST POLICY

Article I

Purpose

On November 23, 2015, the United States District Court for the Southern District of Ohio, Eastern Division (the “*Court*”) in *Anthony Williams et al. v. Duke Energy International, Inc., et al.*, Case No. 1:08-cv-00046 (the “*Action*”) approved the allocation of \$8,000,000 to provide the initial two years of funding for a Class Benefit Fund (the “*Fund*”) and associated reasonable fees and expenses of the Board of Trustees administering the Fund.

The purpose of this conflict of interest policy is to protect the interests of the Fund when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee of the Fund or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Article II

Definitions

1. Interested Person

Any Trustee who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Fund has a transaction or arrangement,
- b. A compensation arrangement with the Fund or with any entity or individual with which the Fund has a transaction or arrangement (other than Court-approved compensation and expenses), or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Fund is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Trustees decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Trustees considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairman of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Fund can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Fund's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall inform the Court and request appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the Board shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the

financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

a. A voting member of the Board who receives compensation (other than Court-approved compensation and expenses), directly or indirectly, from the Fund for services is precluded from voting on matters pertaining to that member's compensation.

b. No voting member of the Board whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Fund, either individually or collectively, is prohibited from providing information to the Board regarding compensation.

Article VI

Annual Statements

Each Trustee shall complete and sign an annual conflicts of interest disclosure statement.