

General Wage Increase

Effective December 3, 2018

2.5%

Pre-65 Retiree Opt-in/Opt-out of Duke Energy-sponsored coverage

It is the company's desire to announce during the fall 2019 annual enrollment window for coverage effective 1-1-2020, that eligible pre-65 retirees and their eligible dependents who are not enrolled in Duke Energy-sponsored retiree medical, dental and/or vision coverage (Retiree Health Coverage) will be given the opportunity to elect (i.e., "opt-in" to) Retiree Health Coverage a final time.

Assuming that timing, any eligible retiree or dependent who is not enrolled in Retiree Health Coverage as of 1-1-2020 may not enroll in Retiree Health Coverage in the future. For purposes of clarity, any eligible retiree or dependent who (1) is not enrolled in Duke Energy-sponsored retiree medical coverage (Retiree Medical Coverage) as of 1-1-2020 may not enroll in Retiree Medical Coverage in the future, (2) is not enrolled in Duke Energy-sponsored retiree dental coverage (Retiree Dental Coverage) as of 1-1-2020 may not enroll in Retiree Dental Coverage in the future and/or (3) is not enrolled in Duke Energy-sponsored retiree vision coverage (Retiree Vision Coverage) as of 1-1-2020 may not enroll in Retiree Vision Coverage in the future.

In turn, beginning 1-1-2020, eligible retirees and dependents who do not enroll in Retiree Health Coverage at the time of retirement or following the expiration of COBRA continuation coverage, as applicable (i.e., who "opt-out" of Retiree Health Coverage when first eligible) would not be allowed to enroll in Retiree Health Coverage at any future date. For purposes of clarity, any eligible retiree or dependent who (1) does not enroll in Retiree Medical Coverage upon retirement or the expiration of COBRA coverage may not enroll in Retiree Medical Coverage in the future, (2) does not enroll in Retiree Dental Coverage upon retirement or the expiration of COBRA coverage may not enroll in Retiree Dental Coverage in the future and/or (3) who does not enroll in Retiree Vision Coverage upon retirement or the expiration of COBRA coverage may not enroll in Retiree Vision Coverage in the future.

Similarly, beginning 1-1-2020, eligible retirees who discontinue Retiree Medical Coverage, Retiree Dental Coverage and/or Retiree Vision Coverage for themselves and/or their eligible dependents will not be eligible to re-elect the coverage that is discontinued at any future date.

This change has no impact on a retiree's eligibility for a Subsidy HRA or a retiree's ability to use the services of Via Benefits to elect individual insurance coverage, which is not sponsored by Duke Energy.

Once implemented, notwithstanding anything in the foregoing to the contrary, an eligible retiree who is enrolled in Retiree Health Coverage or who enrolls in Retiree Health Coverage when first eligible after implemented may enroll a newly eligible dependent due to marriage, birth or adoption in Retiree Health Coverage when the dependent first becomes eligible. If the newly eligible dependent is not enrolled in Retiree Health Coverage when the dependent first becomes eligible and continuously thereafter, the dependent may not be enrolled in Retiree Health Coverage at any future date.

11/5/18

This change is intended to be announced to retirees and employees during the fall 2019 annual enrollment window for coverage effective 1-1-2020, but will be announced no later than fall of 2020 to be effective no later than 1-1-2021.

Spine and Joint Solution Program

Effective January 1, 2019 the Duke Energy Active Medical Plan (Active Medical Plan) coverage and Duke Energy Retiree Medical Plan (Retiree Medical Plan) coverage of eligible bargaining unit employees represented by IBEW SCU-8 and bargaining unit employees who retire during the term of the 2016-2019 Memorandum of Agreement (MOA) will be amended to include UnitedHealthcare's Spine and Joint Solution Program (Spine and Joint Solution Program), which is part of the Orthopedic Health Support Program, under the same terms and conditions as the Spine and Joint Solution Program, as amended from time to time, is available to non-bargaining unit employees and retirees. To receive coverage for orthopedic procedures, participants in the Active Medical Plan and the Retiree Medical Plan will be required to enroll in the Spine and Joint Program and, if they live within 90 miles of a Center of Excellence (COE), will be required to use the COE for orthopedic care.