



Political Activity Policy

TOPIC:	Political Activities	EFFECTIVE DATE: 02/23/2012 REVISION DATE: 4/01/2014
POLICY APPLICATION	All Domestic Employees of Sempra Energy Corporate Center, Sempra Utilities, Sempra USG&P, and Sempra International	
POLICY OFFICER	Executive Vice President – External Affairs	
POLICY QUESTIONS	<u>Political Reporting & Compliance Representatives</u>	
ETHICAL CONCERNS	<u>Ethics and Compliance Helpline</u>	

Information Type: Internal

This policy sets forth rules regarding lobbying, contributions and gift activities for the Sempra Energy family of companies ("Company" or "Companies") as well as employee contributions to political candidates and participation in political campaigns for domestic federal, state and local jurisdictions.

Consolidated Reporting Required

Laws governing political reporting and compliance generally require disclosure on a consolidated basis. Accordingly, the compliance and reporting function is administered by Sempra Energy's Political Reporting and Compliance department. For guidance on foreign political contributions and gifts, refer to the [FCPA policy](#) and contact the Legal Department. You must seek guidance prior to acting.

Trade Association & Business Memberships

Sempra Energy and its affiliates hold memberships in industry, trade and business associations in locations where we have operations. Employees are **required** to report all memberships held in a company name into a centralized system (GIFTS) managed by corporate giving representatives in each business unit for tracking purposes. Please consult the [Memberships Policy](#) for guidelines.

Personal Political Activity

Allowable Activity:

- *Personal Campaign Contributions:* Most employees can make personal contributions to candidates without stimulating any reporting obligation. However, company officers, registered lobbyists or any employee directly involved in bidding, negotiating, or contracting with a jurisdiction over which the candidate presides **must** report his or her personal contributions each month using the Company's Lobbying Activity Tracking System ([LATS](#)). It is important to note that anything that benefits a candidate's campaign for office (e.g. money, time, or use of the Company's facilities or assets) can be considered a contribution.
- *Running for Elected Office:* It is an employee's right to run for elected office, however, if the employee plans to continue to work for Sempra Energy or one of its subsidiaries, he or she must be mindful of potential conflict of interest issues, both with the elected position and the position at Sempra Energy. Employees should be sure to check with their supervisor and contact the Political Reporting and Compliance department *before* deciding to run for elected office.

Prohibited Activity:

- Working on a political campaign for a candidate, ballot measure or proposition during working hours, or using the facilities or property of the company for such purpose unless it is a measure sponsored by the Company and/or you are an employee who has been designated to support the effort.
- Coercing or bringing undue pressure on an employee, contract employee, or company vendor to contribute to, support, or oppose any political group, candidate or ballot measure.
- Prominently displaying political messaging in common areas. Employees should use common sense when it comes to personal office space and the use of political buttons, pins, signage and other materials.

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Gifts to Public Officials

Gifts or courtesies that confer personal benefit to a government official or candidate, or to their families or employees, are covered by rules and regulations that vary widely by jurisdiction. Gifts can range from taking an official to a sporting or concert event, to something as simple as purchasing a cup of coffee. Such gifts are often prohibited or subject to strict yearly and/or monthly limitations, and often trigger reporting requirements that can cause officials to be disqualified from voting on matters related to the Company or can cause reputational damage to the Company.

You must comply with the following steps before giving any gift or courtesy to a public official or employee. If for any reason prior approval is not obtained, you must contact Political Reporting and Compliance immediately by phone at (619) 696-2599 or via email at PoliticalReporting@Sempra.com.

1. **Obtain clearance.** Before giving any gift to any public official or governmental employee ("Official"), obtain clearance from Political Reporting and Compliance. Send an email to PoliticalReporting@Sempra.com with an estimate of the gift value and the name, title and jurisdiction of the Official.
2. **Be transparent.** Once clearance is obtained, you should let the Official know that if they choose to accept the gift/courtesy, they will receive a gift letter from you outlining the cost of the gift (e.g., ticket, meal, beverages) in case they want to reimburse the Company for these gifts. In some jurisdictions, you may be required to inform the Official that you will need up-front payment or immediate reimbursement.
3. **Retain all receipts.** Once you have attended the meeting or event with the Official, you should collect and retain all receipts, and provide these receipts upon request.
4. **Report the expense.** The gift expense must be reported in the Gift Section of the Lobbying Activity Tracking System ([LATS](#)) **within 5 days of the event or meeting**. This information will be used to track whether a particular official is approaching applicable limits. It is extremely important to be expedient with entering the data into LATS, as the window for seeking reimbursements or making changes is very narrow.

These procedures apply for all domestic jurisdictions, unless the Company's Executive Vice President--External Affairs, in consultation with the Law Department, determines that a different procedure is appropriate under applicable law and approves the gift.

Corporate Political Contributions

Sempra Energy makes corporate political contributions as permitted by law only from special budgets funded at shareholder expense.

- The Company may contribute to candidates, political parties, ballot measure committees and political action committees, but we generally do not make contributions to officeholder accounts or federal Super PACs.
- The Company complies with all federal, state and local laws as well as reporting requirements governing corporate political contributions.
- No contributions are given in anticipation of, in recognition of, or in return for, any official act.
- Employees are never allowed to make political contributions from personal funds and then seek reimbursement from the Company.
- The Company's contributions are posted on Sempra.com annually for transparency purposes.

Employee Political Action Committee Contributions

Employees of Sempra Energy meeting specific eligibility requirements can join the Company's FEC-registered political action committee, Sempra Energy Employee's Political Action Committee ("SEEPAC").

- SEEPAC is a voluntary political action committee independent of any political party.
- The Company also sponsors a California-registered political action committee, also named SEEPAC, which makes contributions at the state and local level.
- Both the federal SEEPAC and the state SEEPAC comply with all applicable reporting requirements and contribution laws.
- Employees are never to make political contributions from personal funds, or through SEEPAC, and then seek reimbursement from the company.

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Lobbying

Lobbying is any action intended to influence legislative or administrative action. Lobbyists can be individual employees, entities or a collective group of affiliated entities.

- Only designated personnel should perform lobbying activities with public officials, political parties, and ballot measures as permitted by law.
- Even customary and ordinary communications with elected, appointed or governmental, regulatory or agency officials or employees may be considered lobbying in certain jurisdictions.
- Employees who engage in these activities may be required to report this activity in the Lobbying Activity Tracking System ([LATS](#)) and/or register as a lobbyist if certain thresholds are met.

Contact Political Reporting and Compliance to ensure compliance with applicable registration and reporting laws prior to engaging in any lobbying or communications activities with officials or their staffs at all levels of government.

Retention of Lobbyists or Firms that Lobby

You must obtain prior approval from Sempra Energy's Political Reporting and Compliance team and your applicable business unit officer or director before you use outside consultants and/or lobbying firms to influence legislative or administrative action. Once approved, you must notify Political Reporting and Compliance of the relationship, and you will need to enter all lobbying activity and expenses on a monthly basis into the Lobbying Activity Tracking System (LATS). These procedures apply for all jurisdictions.

In addition, Sempra requires all lobbying firms to submit copies of all political filings related to Sempra Energy or one of its subsidiaries within 10 days of the filings' due date to ensure the company has full visibility into all public filings. It is the responsibility of the employee who hires the firm to relay this policy to outside consultants and ensure compliance. Copies can be sent to the PR&C via email at PoliticalReporting@Sempra.com.

Revolving-Door Laws

Former government employees and officials who become employees of private or public companies may be subject to "revolving-door" restrictions on their work. Likewise, former Company employees who become public officials may be subject to certain rules. If you are considering hiring former government employees or officials, you should obtain advice in advance of hiring from Political Reporting and Compliance.

Policy Questions or Concerns

Discuss questions or concerns with your immediate supervisor, or business unit governmental affairs or political reporting representative. For a list of the business unit representatives, [Click Here](#).