

## **2016 U.S. Political Contribution and Expenditure Policy and Statement**

The Company's policy is to participate in public policymaking by informing government officials about our positions on issues significant to the Company and our customers. These issues are discussed in the context of existing and proposed laws, legislation, regulations, and policy initiatives, and include, for example, Internet commerce, sales tax, intellectual property rights, trade, data privacy, and web services. Relatedly, the Company constructively and responsibly participates in the U.S. political process. The goal of the Company's political contributions and expenditures is to promote the interests of the Company and our customers, and the Company makes such decisions in accordance with the processes described in this political contribution and expenditure policy and statement, without regard to the personal political preferences of the Company's directors, officers, or employees.

### **Approval Process**

The Company's Vice President of Public Policy reviews and approves each political contribution and expenditure made with Company funds or resources to, or in support of, any political candidate, political campaign, political party, political committee, or public official in any country, or to any other organization for use in making political expenditures, to ensure that it is lawful and consistent with the Company's business objectives and public policy priorities. The Company's Senior Vice President for Corporate Affairs and the Senior Vice President and General Counsel review all political expenditures. In addition, the Audit Committee of the Board of Directors annually reviews this political contribution and expenditure policy and statement and a report on all of the Company's political contributions and expenditures, including any contributions made to trade associations or 501(c)(4) social welfare organizations.

### **2016 Political Expenditures**

In 2016, the Company complied with all applicable regulations requiring public disclosure of corporate political activity. In 2016, the Company did not make federal contributions to political parties or 527 organizations, or in support or opposition of any political campaigns, and did not make any federal or state independent expenditures. In 2016, the Company made non-federal contributions to political candidates and committees, and to a ballot initiative in the amounts disclosed in Annex A to this political contribution and expenditure policy and statement. In 2016, the Company spent approximately \$11.26 million on federal lobbying activities, which are reported to the House and Senate: [http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm).

In 2016, our spending related to the Company's government relations efforts in all states (non-federal) was approximately \$2.5 million. This amount relates to efforts in Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and Washington. Specific amounts spent per state are generally disclosed on applicable state websites, such as those maintained by secretaries of state, state ethics and public disclosure commissions, state legislatures, and similar websites.

The Company contributes to certain trade associations, coalitions, charities, and 501(c)(4) social welfare organizations, many of which engage in efforts to inform policymakers on issues important to their members. The total amount paid by the Company to US-based trade associations, coalitions, charities, and social welfare organizations was approximately \$3.0 million in 2016. All such payments of \$10,000 or more made through the Company's Public Policy Office in 2016 are disclosed in Annex A to this political

contribution and expenditure policy and statement. The Company may not agree with all the positions of each organization, its leaders, or its other supporters, but believes that the Company's support will help advance policy objectives aligned with our interests.

The Company has formed a political action committee (PAC) funded solely by voluntary contributions from some of the Company's employees and shareholders (and their spouses). The PAC's activities are subject to federal regulation, including detailed public disclosure requirements. The PAC files regular public reports with the Federal Election Commission (FEC), and political contributions to and by the PAC are required to be disclosed. These reports are publicly available on the FEC website at: <http://www.fec.gov/disclosure.shtml>.

## ANNEX A

### ***Company contributions to state and local candidates, political parties, committees, or ballot initiatives:***

- **Ballot Initiatives**
  - Defeat the Tax on Oregon Sales - \$150,000
  - Mass Transit Now - \$110,000
  - Yes for Homes - \$25,000
  - Washington Won't Discriminate - \$33,159
  
- **Contributions - US State and Local Candidates, and Committees**
  - California
    - Cheryl Brown - \$2,000
    - Ian Calderon - \$2,000
    - Anthony Cannella - \$2,100
    - Ed Chau - \$1,500
    - David Chiu - \$2,000
    - Kevin de Leon - \$3,000
    - Susan Eggman - \$2,350
    - Jean Fuller - \$2,000
    - Cathleen Galgiani - \$2,100
    - Christina Garcia - \$1,500
    - Adam Gray - \$2,350
    - Matt Harper - \$1,500
    - Jerry Hill - \$2,100
    - Ben Hueso - \$2,000
    - Jacqui Irwin - \$1,500
    - Evan Low - \$2,000
    - Devon Mathis - \$1,500
    - Chad Mayes - \$2,000
    - Jose Medina - \$2,350
    - John Moorlach - \$2,100
    - Mike Morrell - \$2,100
    - Adrin Nazarian - \$1,500
    - Jay Obernolte - \$1,500
    - Bill Quirk - \$1,500
    - Anthony Rendon - \$3,000
    - Richard Roth - \$2,100
    - Marc Steinorth - \$2,350
    - Bob Wieckowski - \$2,100
  
  - Florida
    - Jeff Brandes - \$1,000
    - Randolph Bracy - \$1,000
    - Jeff Clemens - \$1,000
    - Jack Latvala - \$1,000
    - Ed Narian - \$1,000
    - Joe Negron - \$1,000
    - Rep. Daryl Rouson - \$1,000
    - Victor Torres - \$1,000
  
  - Idaho
    - Mike Moyle - \$1,000

- New York
  - John Flanagan - \$1,000
  - Marty Golden - \$500
  - Andrew Hevesi - \$250
  - Andrew Lanza - \$250
  - Joe Lentol - \$500
  - Joe Morelle - \$500
  - David Valesky - \$500
  
- Oregon
  - Jeff Barker - \$500
  - Greg Barreto - \$1,000
  - Cliff Bentz - \$1,000
  - Brian Boquist - \$1,000
  - Ginny Burdick - \$1,000
  - Paul Evans - \$500
  - Jodi Hack - \$500
  - Bill Hansell - \$500
  - Mark Hass - \$1,000
  - John Huffman - \$500
  - Mark Johnson - \$2,500
  - Tim Knopp - \$2,500
  - Ann Lininger - \$1,000
  - Nancy Nathanson - \$1,000
  - Mike Nearman - \$500
  - Julie Parrish - \$1,000
  - Dan Rayfield - \$1,000
  - Greg Smith - \$500
  
- Tennessee
  - Steve Dickerson - \$1,000
  - Craig Fitzhugh - \$1,500
  - Beth Harwell - \$2,000
  - Darren Jernigan - \$500
  - Curtis Johnson - \$500
  - Pat Marsh - \$1,000
  - Becky Duncan Massey - \$500
  - Gerald McCormick - \$2,000
  - Steve McDaniel - \$500
  - Mark Norris - \$1,000
  - Jason Powell - \$500
  - Art Swann - \$1,000
  - Mark White - \$500
  - Sam Whitson - \$500
  - Tim Wirgau - \$500
  - WPG PAC - \$3,000
  - Ken Yager - \$1,000
  
- Texas
  - House Innovation & Tech Caucus - \$5,000

- Virginia
  - Lashrecse Aird - \$1,000
  - David B. Albo - \$750
  - Richard L. Anderson - \$500
  - Jennifer Boysko - \$500
  - Kathy Byron - \$750
  - Rosalyn R. Dance - \$2,000
  - Adam Ebbin - \$500
  - Tag Greason - \$1,000
  - Emmett W Hanger, Jr. - \$1,000
  - Mark Herring - \$1,000
  - William J Howell - \$2,500
  - Tim Hugo - \$750
  - Riley E. Ingram, Sr. - \$1,000
  - Terry G. Kilgore - \$750
  - S. Chris Jones - \$750
  - Jackson Miller - \$1,000
  - Thomas Norment, Jr. - \$2,500
  - Mark D Obenshain - \$1,000
  - Frank Ruff, Jr. - \$750
  - Richard Saslaw - \$2,000
  - Speaker's PAC - \$2,500
  - Roslyn Mae Tyler - \$1,000
  - Frank Wagner - \$1,000
  - R. Lee Ware, Jr. - \$750
  - Jennifer Wexton - \$500
  
- Washington
  - Governor Inslee - \$2,300
  - Bob Ferguson - \$1,500
  - House Democratic Campaign Cmte - \$1,000
  - House Republican Organizing Cmte - \$1,000
  - Kennedy Fund - \$10,000
  - The Leadership Council - \$10,000
  - Reagan Fund - \$10,000
  - Senate Republican Campaign Cmte - \$1,000
  - Harry Truman Fund - \$10,000
  - WA Senate Democratic Campaign Cmte - \$1,000

***Payments of \$10,000 or more made through the Company's Public Policy Office to U.S.-based trade associations, coalitions, charities, and social welfare organizations:***

- 21st Century Postal Coalition
- Advanced Energy Economy
- Aero Club of Washington
- Arizona Chamber
- Association for Unmanned Vehicle Systems International
- Association for Washington Business
- Brazil-U.S. Business Council
- Business Council of New York State
- CalChamber
- California Manufacturers and Technology Association
- California Taxpayers Association

- Canadian American Business Council
- Center for Data Innovation
- Center for Democracy And Technology
- Center for Innovative Policy
- Centre for Information Policy Leadership
- Computer and Communications Industry Association
- Computer Science Education Coalition
- Congressional Hispanic Caucus Foundation Inc.
- Consumer Action
- Consumer Technology Association (Formerly Consumer Electronics Association)
- CTIA
- Digital Advertising Alliance
- Digital Dialogue Forum
- Digital Media Association
- Direct Marketing Association
- Download Fairness Coalition
- Electronic Transactions Association
- Family Online Safety Institute
- Financial Innovation Now
- Future of Privacy Forum
- Global Women’s Innovation Network
- Greater Phoenix Chamber of Commerce
- Incompas (formerly Comptel)
- Information Technology Industry Council
- Information Technology & Innovation Foundation
- International Center for Law And Economics
- The Internet Association
- Internet Coalition (formerly Internet Alliance)
- Internet Education Foundation
- Internet Infrastructure Association
- Internet Society
- ITC Working Group
- Law & Economics Center (GMU)
- The Media Coalition
- National Association of Counties
- National Conference of State Legislatures
- National Foreign Trade Council
- National Governors Association
- National League of Cities
- Public Affairs Council
- The Ripon Society
- Safe Battery Transportation Coalition
- Seattle - King County Economic Development Council
- Small UAV Coalition
- State Privacy and Security Coalition
- TechNet
- Technology Alliance
- Technology Policy Institute
- United for Patent Reform
- U.S. Chamber of Commerce
- U.S. Chamber of Commerce Litigation Center
- U.S. Conference of Mayors
- U.S.-India Business Council
- Virginia Chamber of Commerce
- Washington Technology Industry Association