



Title:	Corporate Political Contributions	Date:	January 12, 2015
Owner:	Executive Vice President & Chief Operating Officer, Robert P. Powers	Sponsoring Area(s):	AEP Utilities Operations, Legal

Policy Statement:

This policy addresses the processes for requesting and authorizing the making of Corporate Political Contributions and periodic public reporting about the Corporate Political Contributions that have been made. It incorporates, expands upon and replaces a previous Corporate Political Contributions policy dated February 27, 2007, which addressed only the processes for requesting and authorizing Corporate Political Contributions.

Detail:

Scope

This policy applies to the entire corporation.

Narrative

Corporate Political Contributions are corporate contributions that are given from the general funds of the corporation (as opposed to money from a company-sponsored political action committee or PAC). Before February 8, 2006, when the repeal of the Public Utility Holding Company Act of 1935 (PUHCA) took effect, American Electric Power Company, Inc. and its subsidiaries (Collectively, "AEP") were prohibited from making Corporate Political Contributions. Even in those states that permitted corporate contributions, AEP was prohibited due to its status as a registered Public Utility Holding Company. That prohibition no longer applies.

As of January 12, 2015,

- AEP **can** lawfully make Corporate Political Contributions to candidates for elected office in Illinois, Indiana, Louisiana, Missouri, and Virginia.
- AEP **cannot** lawfully make Corporate Political Contributions to candidates for elected office in Arkansas, Kentucky, Michigan, Ohio, Oklahoma, Tennessee, Texas and West Virginia.
- AEP **cannot** lawfully make Corporate Political Contributions to candidates for federal office or to national political parties for general campaign purposes.
- The legality of Corporate Political Contributions to support national party-affiliated organizations, such as the Republican and Democratic Governors' Associations; or party events, including participation at national conventions and state or federal inaugurations needs to be examined on a case by case basis.

Standards

Any and all Corporate Political Contributions made by AEP must comply with all applicable federal and state laws, rules and regulations. The various AEP operating companies may have their own guidelines applicable to Corporate Political Contributions, provided that any such guidelines must be consistent with and subject to this policy.

1. Policy about making Political Contributions

- a. As an energy company in many states, AEP is affected daily by the decisions of federal, state and local governments. It is appropriate that AEP be an active participant in the political process



so that its perspectives are heard and so that it develops strong working relationships with governmental decision-makers.

- b. AEP is committed to being a good citizen of the communities it serves. Being a good citizen includes becoming informed about issues, encouraging our employees to volunteer and participate in their communities, speaking publicly about the important issues of the day, sponsoring political action committees (PACs) and other opportunities for AEP employees to participate in the political process, and within the limits of the law, contributing corporate funds to political candidates, political parties, political parties and other entities organized and operating under section 527 of the Internal Revenue Code.

2. Authorization to make Political Contributions

- a. Only the Chief Executive Officer, the President, the Chief Operating Officer, and presidents of AEP's operating companies may initiate or make Corporate Political Contributions. An operating company president desiring to make a Corporate Political Contribution should submit the request to the Chief Operating Officer and, simultaneously, to the Legal Department for review. If the Chief Executive Officer, the President, or the Chief Operating Officer wishes to make Political Contributions, he or she should send a description to the Legal Department for review.
- b. The Legal Department will analyze the request to determine if it is permissible under state and federal election laws, and will provide a legal opinion to the requesting person and the Chief Operating Officer.
- c. Following receipt of the Legal Department's legal opinion, the Chief Operating Officer will confer with the officer having budgetary responsibility for making charitable and political contributions. If the Chief Executive Officer, the President, or the Chief Operating Officer initiated the request, then the Chief Operating Officer will execute the request provided that a favorable legal opinion has been issued.
- d. The decision to approve or deny a request from an operating company president may be made by the Chief Executive Officer, President or Chief Operating Officer and will be communicated in writing to the operating company president.
- e. Requests, distribution, and tracking of corporate political contributions will be managed through the office of the Chief Operating Officer.

3. Annual Publication of a Report about Political Contributions

- a. AEP will publish and make available to shareholders and other stakeholders an annual report about its Corporate Political Contributions. Summary parts of the report will be printed and other parts of the report will be available electronically.
- b. If AEP pays dues or makes other payments to trade associations and a portion of those dues or payments are used by those trade associations for expenditures or contributions that if made directly by AEP would not be deductible under section 162(e)(1) of the Internal Revenue Code, the report will set forth the dollar amounts that those trade associations inform AEP are not deductible under section 162(e)(1), subject to reasonable de minimis limits.

Exceptions

Contributions to charitable non-profit entities qualified under section 501(c)(3) of the Internal Revenue Code are not included under this policy. Contributions to entities qualified under sections 501(c)(4) and 501(c)(6) of the Internal Revenue Code are not included under this policy provided the contributions will



not be used for political purposes. Contributions made as a result of a decision of the AEP PAC Operating Committee or the operating committees of AEP state PACs are not included under this policy.

References

Federal and state campaign finance law, as well as various government related rules and guidelines.

Review / Revision:

Prepared by: David M. Feinberg
David M. Feinberg, Executive Vice President,
General Counsel and Secretary January 21, 2015

Reviewed by: Anthony P. Kavanaugh
Anthony P. Kavanaugh, Senior Vice President –
Governmental Affairs January 22, 2015

Approved by: Julie A. Rutter
Julie A. Rutter, Chief Compliance Officer January 30, 2015

Approved by: Robert P. Powers
Robert P. Powers, Executive Vice President
and Chief Operating Officer January 26, 2015

Approved by: Nicholas K. Akins
Executive Council by:
Nicholas K. Akins, Chairman of the Board, President and
Chief Executive Officer January 28, 2015

Approved by: Nicholas K. Akins
AEP Board of Directors by:
Nicholas K. Akins, Chairman of the Board, President and
Chief Executive Officer January 28, 2015