

# CORPORATE POLITICAL PARTICIPATION PRACTICE

## 1. General Practice Statement

Public Service Enterprise Group and its subsidiaries (PSEG) participate in the political process in a manner that builds our community, reflects responsible corporate citizenship, and fulfills our duties to shareholders and other stakeholders. Understanding that public policies often impact the PSEG's business operations, PSEG takes an active role in the political process by communicating with government officials, participating in trade associations, and making political contributions that are consistent with the long-term interests of PSEG and its shareholders. PSEG is committed to conducting its political activities in a highly ethical manner and in full compliance with all applicable laws.

## 2. Purpose And Scope

This Corporate Political Participation Practice ("Practice") sets forth the guidelines, oversight and disclosure requirements governing PSEG's participation in the political process, including through making corporate political contributions, membership in trade associations and lobbying activities. This Practice should be read in conjunction with the PSEG Standards of Integrity: <http://pseg.com/family/about/integrity/pdf/standards.pdf>.

## 3. Corporate Political Activities & Guidelines

All PSEG political activities are undertaken in strict compliance with local, state, and federal laws. Internal personnel and external entities regularly review PSEG's adherence thereto.

PSEG generally does not make political contributions in an amount greater than \$25,000 from its corporate treasury funds, but reserves the right to do so where such contributions are lawful. As a matter of practice, PSEG does not make contributions outside of the United States. Political contributions may not be made in anticipation of, or in return for, an official act. All political contributions are made by credit card, check or other fully auditable payment method.

PSEG and its federal political action committee (PEGPAC, described below) support political candidates and organizations committed to economic development, free enterprise, and good government are dedicated to the protection, preservation and furtherance of the private enterprise system and to the strengthening of the institutions that can foster the economic environment in which PSEG and its subsidiary companies can grow and prosper.

### 3.1. Federal Political Contributions

Federal law prohibits PSEG from making contributions to support federal elections. However, corporations are permitted to fund the establishment and maintenance of a political action committee ("PAC"), which may make contributions to candidates for federal elective office using funds from the company's "restricted class."

PSEG maintains PEGPAC, which is a voluntary, non-partisan political action committee that allows eligible employees to make monetary contributions to federal candidates in accordance with applicable laws. PEGPAC enables eligible PSEG employees to pool their financial resources to support federal political candidates and organizations within the United States. PEGPAC is funded exclusively by eligible employees' voluntary contributions. Employees' contributions are never coerced and all solicitees are informed that neither their contribution nor their refusal to contribute will affect their employment status. Employees may not be directly or indirectly reimbursed for PAC contributions.

### **3.2. State Political Contributions**

PSEG only makes political contributions to state and local officials when legally permissible. PSEG does not make corporate political contributions in New Jersey because gas, electric and power companies and their affiliates are prohibited from supporting New Jersey state or local candidates. PSEG exercises its rights to make contributions to elected officials in other states pursuant to applicable state law.

PSEG employees have established PSEExec PAC, a New Jersey state political committee. Certain PSEG employees maintain and operate PSEExec PAC as volunteers. PSEExec PAC is not administered, endorsed or sponsored by PSEG. PSEG does not and will not provide financial support to PSEExec PAC. Because PSEExec PAC is an independent effort and not a corporate project, PSEG employees must keep the following in mind if they choose to volunteer for the PSEExec PAC: (1) PSEExec PAC volunteers must serve in their personal, volunteer capacities; (2) PSEG will not compensate any individual to work on PSEExec PAC projects; (3) PSEG personnel will not be favored or disadvantaged by the company due to their volunteer activities on behalf of PSEExec PAC; and (4) PSEExec PAC must reimburse PSEG for the cost (if any) of using the company's physical facilities and electronic equipment. As with PEGPAC, employees' contributions to PSEExec PAC are never coerced and all solicitees are informed that neither their contribution nor their refusal to contribute will affect their employment status.

### **3.3. Trade Associations**

PSEG is also a member of trade associations that participate in the political process. While PSEG may not always agree with the views of the trade associations to which it contributes, its membership provides several benefits, including but not limited to diverse perspectives from industry peers and professionals on public policies affecting PSEG and its shareholders.

### **3.4. Lobbying Activities**

PSEG is engaged in activities to influence legislation, regulation and governmental processes at both the federal and state levels (“lobbying activities”). Federal law and the law in New Jersey and other states have registration and reporting requirements for those who engage in lobbying activities. Employees engaging in lobbying activities must track their contacts, issues, time and expenses, prepare and file required reports and provide all relevant information when requested to ensure compliance with reporting obligations. All lobbying activities must be coordinated in advance with the Vice President-Federal Affairs (for federal lobbying) or the Vice President-State Governmental Affairs (for lobbying at the state-level and below). Specifically, the Vice President-Federal Affairs or the Vice President-State Governmental Affairs, as appropriate must: (1) pre-approve PSEG’s retention of outside lobbyists; (2) supervise PSEG’s attempts to influence legislative, executive, or administrative action; (3) pre-approve any contacts with federal, state, and local public officials made on PSEG’s behalf that relate to government policies or reforms, and (4) approve membership in trade associations that engage in lobbying activities. Representatives from Public Affairs and Sustainability also advise on regulatory filings, comment letters, presentations, position papers, testimony, and other written communications to government agencies and bodies, as appropriate.

### **4. Governance And Oversight**

The Corporate Governance Committee of the PSEG Board of Directors has oversight responsibility for PSEG’s corporate political activities. The Executive Vice President and General Counsel, or his delegate, and the Chief Ethics & Compliance Counsel are responsible for monitoring, assessing, and authorizing certain political activities in accordance with applicable law, PSEG’s corporate strategy, and this Practice. The Corporate Governance Committee will receive periodic updates regarding PSEG’s corporate political activities including an annual accounting to the Committee of any corporate or political action committee contributions.

PEG PAC is administered pursuant to its Articles of Association and By-Laws (the “PEG PAC By-Laws”). The PEG PAC By-Laws have established an Executive Committee as its governing body. The PEG PAC By-Laws designate the officers of PEG-PAC, which shall include a Director and a Treasurer. The Director will be the highest level PSEG employee with day-to-day responsibility for PSEG’s federal affairs function.

PSEExec PAC is governed pursuant to its Bylaws (the “PSEExec Bylaws”). The PSEExec Bylaws provide for an Executive Committee as the governing body comprised of a Chairman, Executive Director and Treasurer. The Chairman of the Executive Committee is required to be a member of PSEExec PAC who has knowledge of the legislative process, the issues affecting the utility industry and competitive markets in the State of New Jersey, and of the candidates for state office in New Jersey.

The following table sets forth the individuals with specific responsibility for overseeing the corporate political activities indicated and ensuring compliance with applicable law.

ACTIVITY	OVERSIGHT
Corporate Federal Political Contributions to Candidates	The Executive Vice President and General Counsel
PEGPAC Contributions to Federal Candidates for Elective Office	PEGPAC Executive Committee
Solicitation of Voluntary Contributions by Employees to PEGPAC	Vice President-Federal Affairs
Corporate Contributions to State and Local Candidates for Elective Office	The Executive Vice President and General Counsel
PSEExec PAC Contributions to NJ State Candidates for Elective Office	PSEExec PAC Executive Committee
Solicitation of Voluntary Contributions to PSEG Exec Pac	Vice President – State Governmental Affairs
Corporate Contributions to Trade Associations	Vice President-Federal Affairs in coordination with Business Unit leaders for national trade associations Vice President-State Governmental Affairs in coordination with Business Unit leaders for state level trade associations
Corporate Lobbying Activities (Federal and State)	Federal: Vice President-Federal Affairs State/local: Vice President-State Governmental Affairs

**5. Disclosure Of Corporate Political Activities**

PSEG complies with applicable federal, state, and local laws when reporting corporate political activities. To promote transparency and accountability, PSEG also publishes this Practice on its website and provides links to its political contributions reports.

**5.1. Disclosure of PEGPAC Contributions**

In accordance with federal law, PSEG files monthly reports with the Federal Election Commission (“FEC”) disclosing PEGPAC contributions to candidates, parties, and PACs. Our FEC reports may be found at: <http://www.fec.gov/disclosure.shtml>.

**5.2. Disclosure of PSEExec PAC Contributions**

In New Jersey, PSEG files quarterly and pre-/post-election reports with the Election Law Enforcement Commission for its PSEExec PAC contributions. PSEG’s New Jersey political contributions reports are located at: <http://www.elec.state.nj.us/publicinformation.htm>.

### **5.3. Disclosure of Lobbying Expenditures (Federal and State)**

Pursuant to the Lobbying and Disclosure Act of 1995, PSEG submits to Congress quarterly lobbying reports, which describe the total spent on federal lobbying activities during the respective quarters. PSEG and its lobbyists also file with Congress semiannual contribution reports.

These reports are located at: <http://soprweb.senate.gov/index.cfm?event=selectfields>.

Under New Jersey state law, PSEG files quarterly lobbying and annual expense reports that include information about its lobbying activities and expenses. In Connecticut, PSEG submits quarterly reports detailing lobbying expenditures and monthly reports when legislature is in session. In New York, PSEG submits semi-annual lobbying reports.

PSEG's New Jersey lobbying reports may be found at:

- [https://wwwnet1.state.nj.us/lpd/elec/AGAA/lobby\\_reports.aspx](https://wwwnet1.state.nj.us/lpd/elec/AGAA/lobby_reports.aspx) (Annual Reports);  
and
- [http://www.elec.state.nj.us/forcandidates/gaa\\_forms.htm](http://www.elec.state.nj.us/forcandidates/gaa_forms.htm) (Quarterly Reports).

PSEG's Connecticut lobbying reports may be found at:

- <https://www.oseapps.ct.gov/NewLobbyist/security/loginhome.aspx>

PSEG's New York lobbying reports may be found at:

- [http://www.jcope.ny.gov/public/lobby\\_data.html](http://www.jcope.ny.gov/public/lobby_data.html)

## **6. Accountability**

The Executive Vice President and General Counsel has overall responsibility for the implementation, interpretation and maintenance of this Practice.