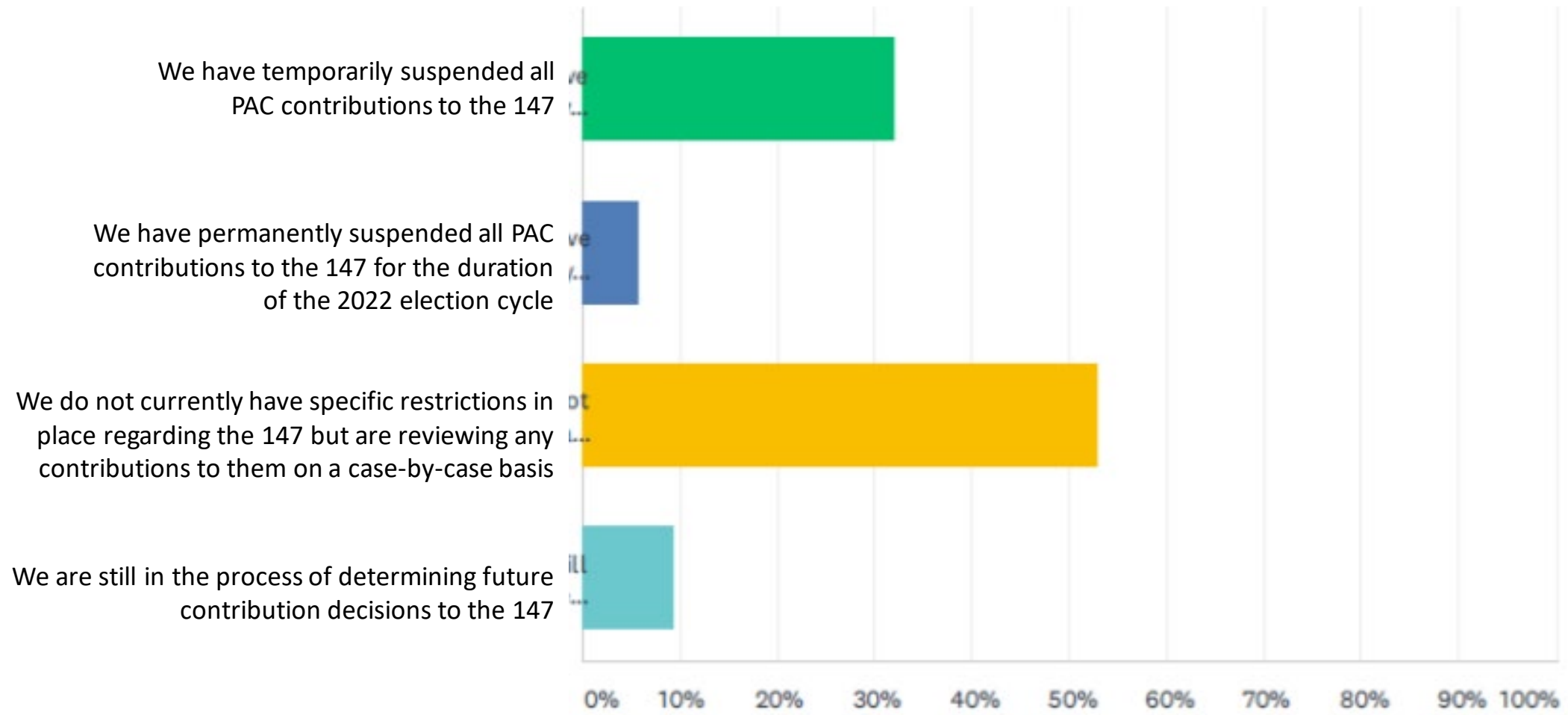


Reevaluating Contribution Criteria and Strategy

Survey Results: Which option most closely describes your current approach to the 147 lawmakers who voted against certifying the 2020 presidential election results.

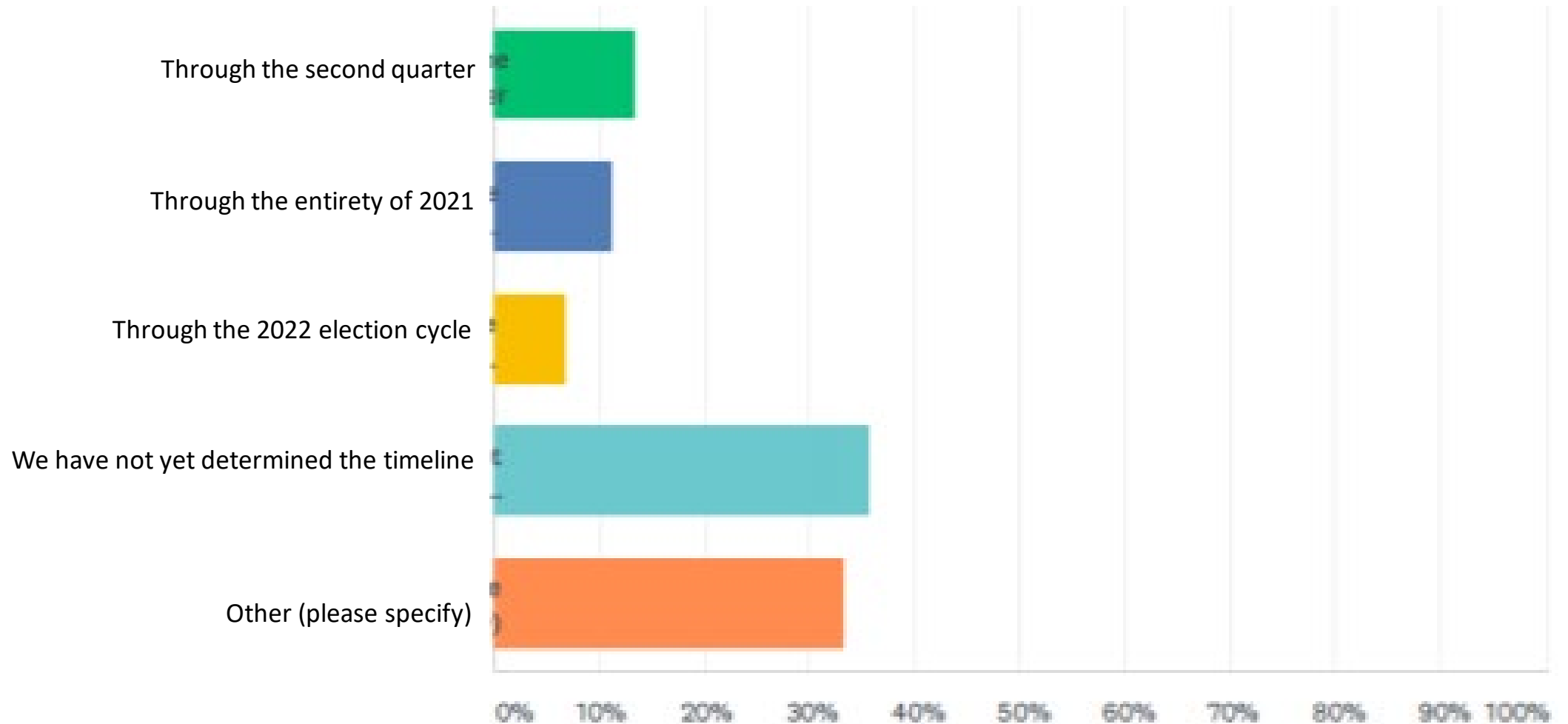


Survey Results: Current approaches to the 147 election objectors

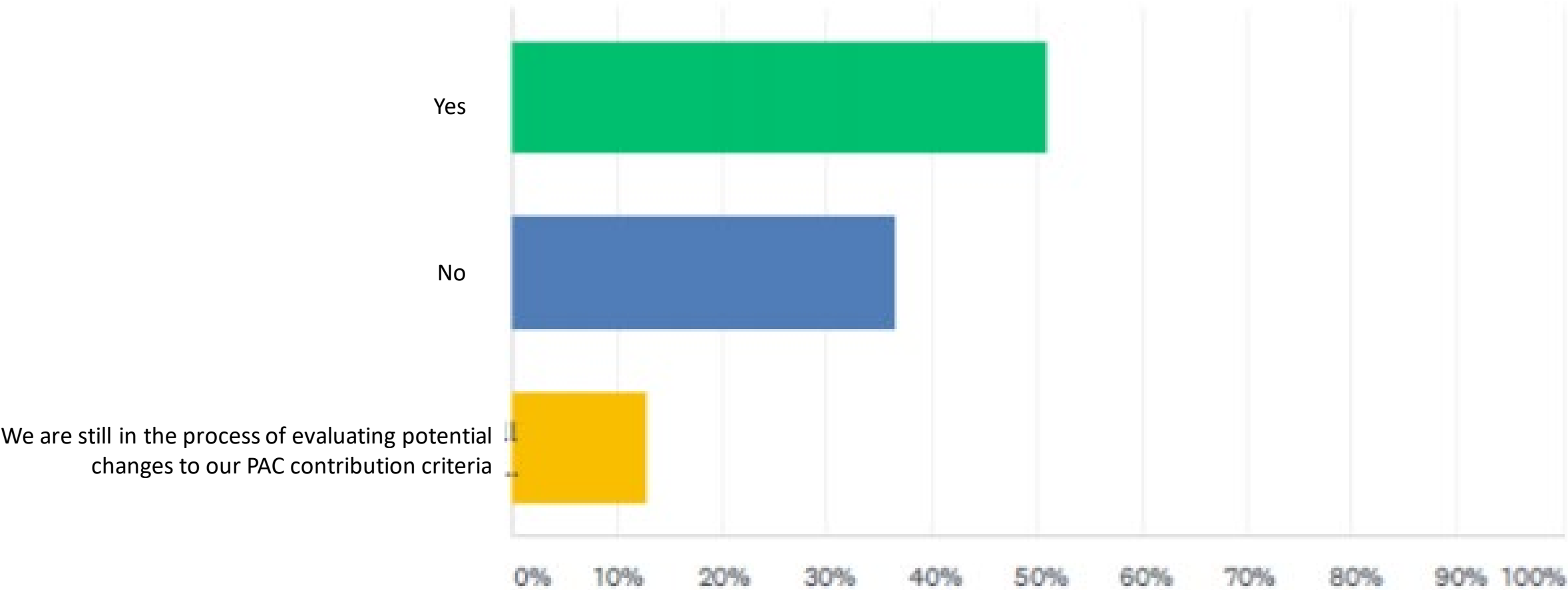
- Reevaluating decisions in early 2022
- Reviewing their actions since the Jan. 6 date
- Q1 pause but since resumed
- Not supporting leadership and Caucus PACs or party committees
- Followed Chamber of Commerce lead/ approach
- Stuck with original budget b/c of little to no negative feedback
- Given to a few of the 147 who:
 - Have been consistent industry champions
 - On relevant committees
 - Spoke out against insurrection
 - Renewed their commitment to democratic process



Survey Results: Length of pause to the 147 election objectors



Survey Results: Has your PAC made changes to its contribution criteria in the wake of Jan. 6?



Survey Results: Changes to contribution criteria in the wake of Jan. 6

- More evaluative of those requests for support that come from industry associations.
- Greater emphasis on alignment to Company's values
- Only supporting a small number of lawmakers who are familiar to us and that we know are working in a bipartisan manner.
- Took the Jan 6 vote and other related statements/ actions around the election into account when determining support.
- Criteria generally remains the same but addition of more specific/ explicit language on character, ethics, commitment to democracy
- Fine tuned best practices and restated the purpose of the PAC
- Reviewing each candidate individually



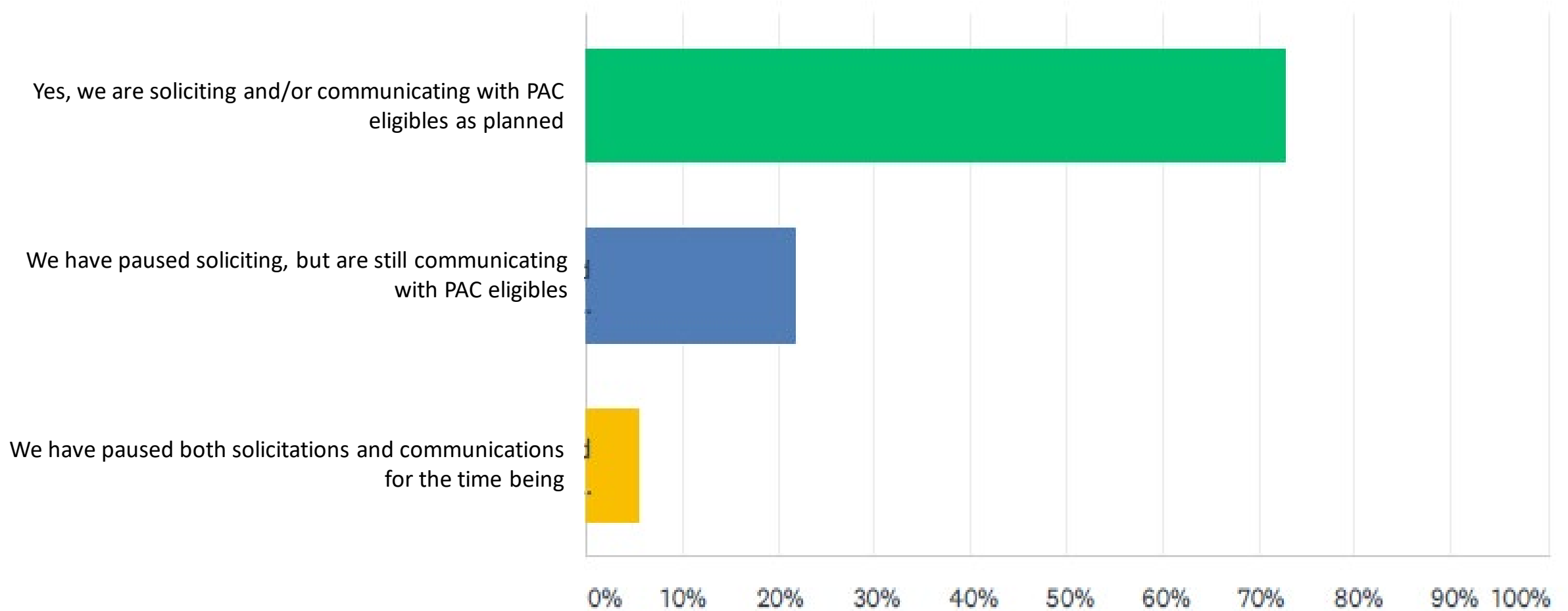
Survey Results: Changes to contribution criteria in the wake of Jan. 6

Additions/ changes to criteria and bylaws

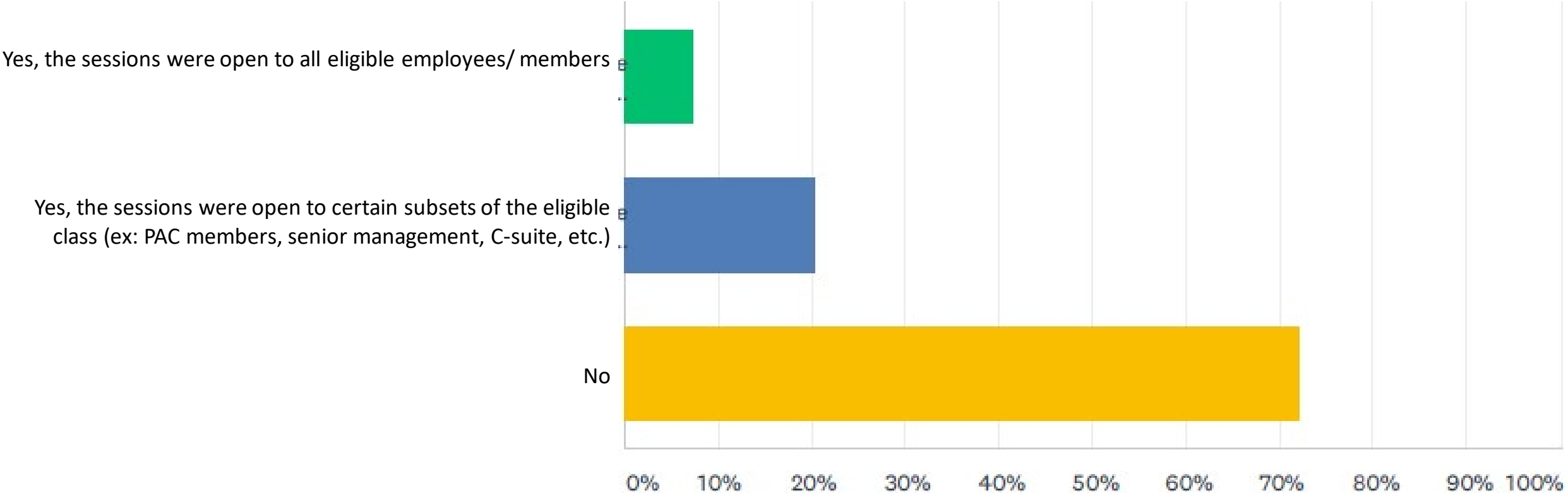
- Ethics and integrity standards
- Consideration of respect for rule of law
- Shared commitment to democratic process and company values
- Civility and civic norms criteria
- Refusal to give to those who incite or encourage violence
- More explicit language that we will not support candidates who do not support democracy or have ethical and moral issues
- Voting to not confirm any state in the presidential election is now a key factor in determining PAC support. It does not absolutely prohibit support, but it makes it more difficult for those members to receive contributions.
- Re-wrote PAC governance to increase objectivity



Survey Results: Has your PAC resumed its normal solicitation plans and related communications to PAC eligibles?



Survey Results: Has your PAC conducted a listening tour or townhall sessions for eligible employees/members in the wake of January 6?



Survey Results: Listening tour/ townhall sessions for employees/ members in the wake of Jan. 6

- Held focus groups of select groups of donors.
- Had different versions of these already and plan for a member wide discussion here at the end of the month.
- Increased member education efforts
- Conducted individual conversations
- Calls with PAC members only to discuss.
- Ongoing listening tour geared towards senior management before communicating with the broader eligible class.
- Federal PAC newsletters to all eligibles.
- Addressed questions/concerns as they came in.
- Communicated decision for a 1-year suspension of the 147 to all of our PAC-eligible class via email from PAC steering committee.
- Held a PAC Facts webinar for more general discussion of PAC operations.



Step 1

Review your company's core values, beliefs and commitments.

- Review your sustainability, corporate responsibility pledges, guiding principles on DEI, business values and other statements on your corporate purpose
- Determine which statements and pledges are sacred and non-negotiable
- Review and/or revise contribution criteria to include values-based language such as character, integrity and respect to avoid contributions to candidates with a history of defamatory statements, discrimination or acting unethically
- Publish your PAC criteria along with an explanation of your assessment process
- Invite feedback on your process and decisions

Step 2

Increase diversity and ensure representation on your PAC board

- Board members should include individuals from different age groups, races, genders, different political views, representing management and non-management employees, and covering other parameters to ensure the PAC board is reflective of your company, membership or community.
- Consider creating an expanded advisory committee providing greater representation and providing information on how employees can give feedback to the PAC board and government affairs team

Step 3

Solicit feedback from employees, executives and ERGs

- Conduct a listening tour to hear from employees and communicate the PAC's purpose through and decision-making process through live conversations
- Conduct interviews with executive team members and survey employees
 - Start by stating why government affairs is essential to the business and the principles that guide your political involvement efforts
 - Ask for their views on American politics, awareness of the company's political activities, willingness to personally engage in public policy issues and more
- Use the results to fine-tune your criteria and develop communications
- Regularly engage with ERGs and other stakeholder groups

Step 4

Assess a candidate's potential to be controversial

- Often, but not always, it's possible to anticipate that a given candidate may be a lightning rod for controversy
- Do everything you can to assess this ahead of time so that if the PAC does support that individual, it is doing so with its eyes wide open
- If the PAC proceeds with supporting a controversial candidate, decide in advance how you will respond if employees or the public reacts negatively

Sample Contribution Criteria Language

- [PAC] will not support elected officials of any party, at the federal, state or local level, who incite or encourage violence through their actions or rhetoric.
- Our belief in government, respect for the democratic process and adherence to the rule of law always have been at the core of our engagement. We are constantly evaluating our efforts to ensure they are informed by those ideals and adhere to the uncompromising values we follow as a business — honesty, respect, fairness, integrity, and the value of diversity.
- [PAC] is committed to supporting responsible candidates who embody good government.
- We define and apply our corporate values as follows:
 - Integrity: Doing the right thing
 - Diversity & Inclusion: Pursue and understand diverse thought and perspectives, value acceptance
 - Commitment: Doing what they say
 - Excellence: Passionately do their best



Sample Contribution Criteria Language

- We support candidates, on a bipartisan basis, who responsibly evaluate issues of concern to our company, associates and customers. We generally focus on members of leadership, members of relevant committees and members from states or districts where [Organization] has facilities. We also seek to support candidates who focus on broader issues of importance, including those that strengthen our communities and those that create a more diverse and inclusive workforce and society.
- When evaluating candidates for support, [PAC] considers:
 - (A) The integrity, character and leadership ability of the candidate.
 - (B) The candidate's position and/or voting record on issues of interest to "Company" and its subsidiaries and affiliates, issues involving the private enterprise system and on economic and social questions of local, state, national or international importance.



Sample Contribution Criteria Language

Beyond policies that impact our economy and financial system, [Organization] is also focused on efforts that affect our associates and customers. We actively lend our voice to national and local efforts to advance affordable housing goals, set environmental standards, and create a more diverse and inclusive workforce and society through our support of the Equality Act, the Equal Rights Amendment and other diversity and equality initiatives. Through our speaker series, policy communications and “Get Out the Vote (GOTV)” drives, we provide employees of all political backgrounds with tools and information to engage on the issues that matter most to them.



PAC Evaluation Framework

Purpose of the Framework

- Establish key criteria
- Unique to your organization
- Ability to set points system based on needs
- Creates accountability and consistency
- Formalizes and streamlines process for future decisions



Process: Creating the Framework

- Follow the 4 key steps
- Work with PAC board, key stakeholders, other departments and entire GR team
- Consider potential criticisms
- Look at current and past giving to understand realities
- Run key champion members through as a test

Establish Key Criteria

Random Corp. Example:

- Views on issues of importance to Random Corp.
- Position on a committee of jurisdiction over policy issues of importance to Random Corp.
- Elected leadership position
- Members who represent system facilities and large employee bases
- Candidate exhibits a commitment to Random Corp. core values and principles

PAC Evaluation Framework		
Criteria		Points
Views on issues of importance to Random Corp.		
Metrics	Banking and commerce <ul style="list-style-type: none"> H.R. 123 	1.5
	Consumer protections	1.5
	Environmental sustainability	1.5
	Privacy <ul style="list-style-type: none"> S.B.1200 	1.5
	Tax	1.5
	Knowledge of the industry; relevant background / experience	1.5
	Previous support of industry / policy priorities; existing relationship	1.5
	Deferred Action for Childhood Arrivals (DACA)	1
	Support for increased minimum wage	1
Total Points Earned / Total Points Possible:		7 / 12.5
Position on a committee of jurisdiction over policy issues of importance to Random Corp.		
Metrics	House Ways and Means	1
	House Energy and Commerce	
	House Appropriations	
	House Education and Workforce	
	Senate Finance	
	Senate Health Education Labor and Pension	
	Senate Appropriations	
	Committee Chair	
	Ranking Member	
Total Points Earned / Total Points Possible:		1 / 2

Elected Leadership Position		
Metrics	Speaker of the House	1
	House Majority Leader	
	House Majority Whip	
	Assistant Speaker	
	House Democratic Caucus Chairman	
	House Minority Leader	
	House Minority Whip	
	House Republican Conference Chairman	
	House Republican Policy Committee Chair	
	Senate Majority Leader	
	Senate Majority Whip	
	Assistant Democratic Leader	
	Senate Minority Leader	
	Senate Minority Whip	
	Senate Republican Conference Chairman	
Total Points Earned / Total Points Possible:		0 / 1

Members who represent system facilities and large employee bases		
Metrics	California	1.5
	Illinois	
	Texas	
	Site visit / facility tour	
Total Points Earned / Total Points Possible:		0 / 3
Candidate exhibits a commitment to Random Corp. core values and principles		
Metrics	Behavior that earns employee and public trust prior to seeking elective office, during a campaign, or while holding office	1.5
	Commitment to upholding democratic values and civility, including support for democratic institutions	1.5
	Commitment to policies that support diverse and inclusive communities	1
	Support for election integrity and voting rights	1
	Commitment to equality and inclusion, including but not limited to: <ul style="list-style-type: none"> • Social justice • Racial and gender equality • Human rights • LGBTQ rights and community • Immigration • Women's economic empowerment • Military/veterans issues 	1.5
Total Points Earned / Total Points Possible:		6.5 / 6.5
Total Score:		14.5 / 34

A low score for
values-based
criteria negates
high scores on
other criteria

- If a total score of 20 is possible in the values-based criteria section, perhaps scoring below 10 will be disqualifying
- Values or principles related to human rights or election integrity could require a mandatory score for a candidate to receive consideration at all – a “gateway” criteria

Some categories
of criteria are
weighted
differently than
others

- A company could award 2 points for alignment on issues of importance to the company, 2 points for values-based criteria and 1 point for other criteria such as a relevant committee assignment
- This approach accounts for criteria which are “easier” to meet, such as a committee assignment or representing a major employee base.

Create a point system based on a maximum total score and evaluate each candidate accordingly

- A range of scores will emerge that will likely capture most PAC beneficiaries
- The organization can then determine how far outside of this range it is willing to support on a case-by-case basis
- A “baseline” will emerge that can be applied to candidates and may trigger further discussion, etc.

Criteria related to values and integrity may be two separate categories

- For example, one category could focus on DEI (racial equality, LGBTQ rights) and the second category could focus on respect for democratic institutions (voting rights, peaceful transition of power)
- In the aftermath of Jan. 6, some may feel it is appropriate to make election integrity a stand-alone category for this (or future) election cycles and evaluate other values-based criteria separately

Questions