



CORPORATE ACCOUNTING & FINANCIAL PROCEDURES

SERIES NUMBER	SEQUENCE NUMBER
140	100

DATE ISSUED: Nov 2016 DATE REVISED: LAST REVIEWED: April 2017	SUBJECT: DIRECT POLITICAL CONTRIBUTION POLICY	Page 1 of 5
DEPARTMENT: Legal Compliance Department	DEPARTMENT CONTACT: VP, Chief Ethics & Compliance Officer (414) 524-2370	APPROVED: Matt Tanzer

APPLICABILITY

- CorporateYes
- U.S. Divisions and majority owned subsidiariesYes
- Non-U.S. divisions and majority owned subsidiaries.....Yes
- Consolidated joint ventures and affiliates.....Yes
- Unconsolidated joint venture affiliates **

**** At the discretion of business unit management.**

INTRODUCTION

The purpose of this Policy is to establish guidelines regarding Direct Corporate Political Contributions and to ensure that political activity is conducted in a legal and ethical manner, consistent with good corporate governance practices. In accordance with the Ethics Policy, Johnson Controls does not generally get involved in political campaigns or political issues. Decisions on whether the company will support a political candidate or issue must be made at a high level within Johnson Controls. Consistent with this approach, the preferred mechanism for political contributions on behalf of the company is through its Political Action Committee. In extraordinary cases, Political Contributions on behalf of the company may be allowed when approved in accordance with this policy. Political Contributions made by the Johnson Controls Political Action Committee are governed by a separate Corporate policy and are not subject to this policy.

DEFINITIONS

Approvers: Required approval levels per the relevant Approval Matrix as determined by the origin of the transaction.

Approval Matrix: The Delegation of Authority Matrix establishing the appropriate business, finance and legal approvals required. The appropriate Approval Matrix is determined by the origin of the transaction.



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FCPA: The U.S Foreign Corrupt Practices Act.

Government Relations Approver: The Corporate Vice President for Diversity and Public Affairs or such other individual who is designated by the Corporate Vice President for Diversity and Public Affairs.

Compliance Counsel: The Chief Ethics & Compliance Officer or such other Compliance Counsel who is designated by the Chief Ethics & Compliance Officer.

Direct Corporate Political Contribution: Any gift, subscription, loan, advance, deposit of money, or anything of value, including but not limited to contributions to or coordinated expenditures on behalf of a political organization established under state or local law where corporate contributions to candidates and political parties are permissible, and which to promote or sponsor the election of a candidate for public office, a political party or a political action committee (“PAC”) other than the Johnson Controls PAC, or payment of debts incurred by or in connection with such committees or campaigns. Political contributions do not include contributions to any PAC controlled by Johnson Controls or independent expenditures made or contributed to support or oppose any political candidate or party.

Contributions to Associations of Elected Officials: Contributions to associations of elected officials are subject to the same procedures as those in this policy governing Direct Corporate Political Contributions.

Contributions to Ballot Committees: Contributions to ballot committees established to support or oppose ballot questions, initiative or referendum matters at the local or state level are subject to the same procedures as those in this policy governing Direct Corporate Political Contributions.

Exclusions from the Definition of Direct Corporate Political Contribution: Donations to the Johnson Controls PAC are not Direct Corporate Political Contributions and are not covered by this policy. Charitable Contributions or Charitable Event Sponsorships that are requested by a Government Employee (as defined in the relevant policy) are not Direct Corporate Political Contributions and are not covered by this policy.



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Requester: The Johnson Controls employee initiating the Approval Request. This is the person with sufficient understanding of the request to provide adequate information to the Approvers and the Government Relations Approver to allow them to evaluate the request.

POLICY

(1) No employee shall, on behalf of the company, directly or indirectly make any Direct Corporate Political Contribution or other contribution covered by this policy without **prior** review and written approval in accordance with this policy. Nothing in this policy restricts the ability of an individual employee to, on his or her own behalf, make personal political contributions. Such personal political contributions are never reimbursed by Johnson Controls and employees are prohibited from seeking such reimbursement of personal political contributions.

(2) Direct Corporate Political Contributions to any person who controls or participates in decisions with respect to awarding Johnson Controls business are prohibited.

(3) If a PAC is closely associated with a person or organization to whom a Direct Corporate Political Contribution is prohibited, then a Direct Corporate Political Contribution to such PAC will be prohibited as well.

(4) Many foreign countries have laws or rules governing giving gifts to people who are employed by the government of that country. It is Johnson Control’s policy to fully comply with all of those laws and rules. In addition, the FCPA prohibits employees from making any payment (including giving a gift) to a non-U.S. government official for purposes of obtaining or retaining business. The FCPA applies to Johnson Controls everywhere in the world the company and its affiliates do business. The FCPA applies to every employee, even if he or she is not a U.S. citizen.

- A violation of the FCPA occurs when a payment is made to a non-U.S. government official while “knowing” that the payment will be used to unlawfully get or keep business or direct business to someone else. Under the FCPA, “knowing” includes situations where the circumstances make it reasonably obvious that an illegal payment will occur, even if the employee did not actually know the payment would be made.



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- No employee may make any payment to a non-U.S. Government official that is connected in any way, directly or indirectly, to the business of Johnson Controls.

(5) Written approval requests under this policy will be reviewed on an ongoing basis. The decision of the Compliance Counsel with respect to each request will be final.

(6) If a request to make a Direct Corporate Political Contribution is approved, the Direct Corporate Political Contribution shall be made promptly and written notice (including the date and amount thereof) shall be given to the Compliance Counsel.

(7) It is the obligation of the Requestor to ensure that the Direct Corporate Political Contribution, if approved, is accounted for appropriately in the company's books and records.

PROCEDURES

(1) General guidelines for making Direct Corporate Political Contributions:

- The Requester must obtain written approval prior to committing or using Company funds to make any Direct Corporate Political Contribution per the applicable Approval Matrix.
- The Requester must provide sufficient information to allow the Approvers to:
 - ✓ Determine the nature of the proposed Direct Corporate Political Contribution.
 - ✓ Assure the Direct Corporate Political Contribution is not made to influence a decision concerning Johnson Controls' business, particularly with respect to a pending business opportunity.
 - ✓ Assure applicable laws and Johnson Controls policies are followed.
- The Approvers shall base their determination on the following evaluation criteria:
 - ✓ Intent: Whether the proposed contribution is intended, or be perceived as intended, to influence a decision with respect to Johnson Controls' business.
 - ✓ Compliance with Law and Policy: Whether the proposed contribution is consistent with applicable laws and Johnson Controls policies.



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(2) Requesting approval of a Direct Corporate Political Contribution:

- A Requester can initiate the review of a proposed Direct Corporate Political Contribution by completing the Direct Corporate Political Contributions Pre-Approval Form.
- Once the form is complete, the Requester should obtain the approvals from the appropriate Approvers as determined by the contribution amount in the appropriate Approval Matrix.
- Once the form is complete and has been approved by all of the required Approvers except the Compliance Counsel, the Requester should submit the form to the Compliance Counsel.
- If the Compliance Counsel approves, it will be submitted to the Government Relations Approver for review and final approval.
- The Requester may not make the Direct Corporate Political Contribution until he/she has received confirmation that the Direct Corporate Political Contribution has been approved by all Approvers as required by the relevant Approval Matrix and the Government Relations Approver.
- Retroactive requests for Direct Corporate Political Contributions will not be permitted or approved.