

Policy: Commitment to Participation in the Political Process

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Travelers is committed to participation in the political process in a thoughtful and responsible manner, consistent with our Code of Business Conduct & Ethics and in compliance with all applicable legal requirements. As a company that operates in a highly regulated and competitive industry, it is important for Travelers to evaluate and appropriately engage in the public policy-making process at both the state and federal levels. We believe that our active participation in the political process is in the best interest of our shareholders, our employees and the communities in which we conduct business.

Many of the issues on which we focus, such as insurance regulation, regulatory modernization, catastrophe and terrorism risk insurance, and tort and class action reform, have a direct impact on the availability and pricing of the products and services we provide to our customers and on the performance of our businesses. Our government relations staff and trade association colleagues promote and advance our positions on these and other key industry-related issues at every level of government. Our government relations staff gathers input from various business lines, senior management, as well as our legal staff when analyzing public policy issues and lobbying priorities. Lobbying activities on behalf of the Company require prior approval of our Government Relations professionals and must be in full compliance with applicable federal, state and local laws and regulations.

The Nominating and Governance Committee of The Travelers Companies, Inc. Board of Directors exercises oversight over our political activities, including lobbying activities referenced above, contributions and expenditures. These political activities, contributions and expenditures can include not only direct activities by the Company but also memberships in, and other support of, relevant trade associations and other organizations. The Committee reviews such activities, contributions and expenditures on a semi-annual basis and periodically reviews Travelers' related policies.

Where it is legally permissible to do so, Travelers provides financial support to political candidates, committees and other political organizations by making corporate contributions. In accordance with current applicable law, political contributions to federal candidates and political party committees may not be, and are not, made by Travelers. Such contributions may be made by Travelers' Political Action Committee, which is not funded by corporate funds but by the personal funds given voluntarily by our employees. All corporate political contributions and expenditures are subject to review for compliance and approved by our Senior Vice President of Government Relations and our General Counsel. Such corporate political contributions and expenditures have been, and will continue to be, made with the objective of furthering Travelers' business interests.

Contributions are publicly disclosed as required by applicable federal and state laws. Federal and state laws require candidate campaign committees, political committees and ballot committees to report the contributions they receive. Travelers' Political Action Committee is required to publicly disclose receipts and contributions to the Federal Elections Commission and in certain states. Certain states require reporting of corporate contributions made in those states. Travelers PAC reports filed with the Federal Election Commission may be found at www.fec.gov. In addition, all corporate contributions to candidates, candidate campaign committees and other political entities organized under 26 USC Sec. 527 are disclosed annually on our website under the Corporate Governance section.

We consider providing support to those political candidates who, regardless of party affiliation, engage with respect to the issues affecting our company and industry. From time to time we provide financial support either for, or in opposition to, ballot initiatives that concern our businesses or the environment in which our business is conducted.

Travelers supports candidates for elected office who support a strong private sector, show a free enterprise philosophy and demonstrate integrity and character. In considering financial support, we evaluate candidates who also:

- Hold a position of leadership in a legislative body or jurisdiction;
- Represent a district with a significant Travelers presence;



- Serve on a committee that has jurisdiction over issues of importance to Travelers; or
- Support legislation, regulation and public policy positions of importance to Travelers.

Travelers has not made any direct independent expenditures in connection with campaigns and has no plans to do so during the 2016 election cycle. Direct independent expenditures, if any, would consist of funds spent by Travelers itself on communications in support of, or in opposition to, a candidate's campaign, without coordination with the candidate. Travelers' policy is that it may not make direct independent expenditures in a candidate campaign unless, and only if, it believes that an exception to that policy is justified by business need and it obtains the prior approval of the Nominating and Governance Committee or its Chair. If any such direct independent expenditures are made, Travelers would disclose them on its website in the same manner and at the same time as it discloses campaign contributions.

In addition, Travelers is a dues-paying member of a number of business organizations and trade associations, and all trade associations where dues exceed \$50,000 are instructed annually in writing that no portion of those dues may be used to fund any independent expenditure activity without Travelers' express written consent.