

Overview of Southern Company Policies and Practices For Political Spending

Southern Company believes it has a responsibility to its customers and its stockholders to participate in the political process and, where appropriate, to make expenditures in connection with elections for public office and in connection with non-candidate state and local ballot initiatives such as referendums and constitutional amendments. The results of elections and their impacts on public policy can have a profound effect on the Company and its stakeholders.

Corporate Governance Processes

Southern Company and its subsidiaries have put in place decision-making and oversight processes for political spending so as to ensure that any such expenditures they decide to make are legally permissible; are supportive of, and consistent with, the Company's business strategy, goals and priorities; and are made in full accordance with the Company's commitment to act with integrity in all of its activities.

Both management and the Board of Directors play important roles in these governance processes.

Expenditures of Corporate Funds in Connection with Campaigns for Public Office

Southern Company and its subsidiaries will comply with all laws governing the making of political contributions or expenditures, including independent expenditures, using corporate funds in connection with elections for public office. As a general rule, federal law prohibits corporate contributions to federal candidates and national political parties. Corporate contributions in connection with state and local elections are permitted in certain states under applicable state laws.

In certain circumstances, where permitted by law, Southern Company and its subsidiaries are permitted under corporate policies to use corporate funds to make contributions to state or local candidates, federal, state or local political party organizations, 527 organizations that make contributions to candidates or political parties on the federal, state or local level, and to 501(c)(4) organizations that engage in political activities.¹

Additionally, Southern Company and its subsidiaries are permitted under corporate policies to use corporate funds to make independent expenditures, and to contribute to organizations making independent expenditures, at the federal, state or local level as permitted by law.

¹ For purposes of this document, 527 organizations are "political organizations" subject to Section 527 of the Internal Revenue Code of 1986, as amended. These organizations are established primarily for the purpose of influencing the outcome of elections of candidates for public office. In this instance 501(c)(4) organizations are those organizations that make expenditures for political activities that are subject to tax under IRC section 527(f).

Any use of corporate funds to make political contributions or independent expenditures (as defined by applicable law) in connection with elections for public office as well as any payments made by such company to 527 and 501(c)(4) organizations that use the payments for political activities must be approved in advance by the CEO, the senior External Affairs Officer and the General Counsel (if applicable) of the Southern Company entity making the disbursement.

Any corporate political contributions or independent expenditures made by Southern Company or any of its SEC reporting subsidiaries in connection with elections for public office, as well as any payments made by such company to 527 and 501(c)(4) organizations that use the payments for political activities will be reviewed at least annually with such company's Board of Directors and will be disclosed on such company's website.

Political Action Committees

Southern Company and five of its subsidiaries (Alabama Power, Georgia Power, Gulf Power, Mississippi Power and Southern Nuclear) sponsor political action committees (PACs) that make contributions in connection with federal elections using funds voluntarily provided by employees.² These PACs are registered with the Federal Election Commission (FEC) and their activities are regulated by the FEC under the Federal Election Campaign Act of 1971, as amended. Detailed information on the PACs' contributions to candidates' campaign organizations and other political committees is disclosed in the PACs' reports to the FEC which are filed on a regular basis and are made available for public review on the FEC's website at www.fec.gov.

Alabama Power, Georgia Power and Mississippi Power also sponsor separate state PACs that make contributions in connection with elections in their home states. Gulf Power's federally-registered PAC is a combined federal-state PAC that makes contributions in connection with Florida elections as well as federal elections. Detailed information on these PACs' state contributions is disclosed in the PACs' regular state campaign finance agency filings that are available for public review on the state agencies' websites.

Disclosure reports filed by the Alabama Power Company Employee State Political Action Committee are available on the Alabama Secretary of State's website at www.sos.state.al.us. Reports filed by the Georgia Power Company State Employees PAC are available on the Georgia Government Transparency and Campaign Finance Commission's website at www.ethics.ga.gov. State reports filed by the Responsible Committee of Gulf Power Company Employees are available on the Florida Department of State Division of Elections website at <http://election.dos.state.fl.us>. Reports filed by the Mississippi Power Company State PAC are available on the Mississippi Secretary of State's website at www.sos.ms.gov.

² The six PACs making federal contributions are Southern Company Employees PAC; Alabama Power Company Employees Federal Political Action Committee; Georgia Power Company Federal PAC; Responsible Committee of Gulf Power Company Employees; Mississippi Power Company Federal PAC; and Southern Company-Southern Nuclear Operating Company Inc. PAC.

Non-Candidate Ballot Initiatives

State and local referendums, constitutional amendments and other non-candidate ballot initiatives can significantly impact the Company and its operations, and Company engagement can thus be important. The legal permissibility of corporate expenditures in support of, or in opposition to, such initiatives is a matter of state law. Any use of Southern Company or subsidiary corporate funds to make contributions to ballot initiative campaign committees or to 501(c)(4) organizations that use contributions to support ballot initiative campaigns must be in accordance with applicable law and approved in advance by the CEO, the senior External Affairs Officer and the General Counsel (if applicable) of the Southern Company entity involved. Any such corporate contributions by Southern Company will be reviewed annually with Southern Company's Board of Directors and disclosed on Southern Company's website.

Internal Auditing

The Southern Company Internal Auditing organization reviews as a routine matter governmental relations activities to assess their compliance with applicable laws, regulations, and Company policies and procedures.

Internal Auditing's findings are reported to the Southern Company Board of Directors.

Employees' Personal Political Activities

As stated in the Southern Company Code of Ethics, we value and encourage citizenship. Employees have the opportunity, as individuals, to support political candidates and engage in political activities of their own free choice, using their personal resources and subject to any applicable legal restrictions.

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