

Atmos Energy Corporation Political Activities Policy

Introduction

As one of the largest natural gas distribution companies in the nation, Atmos Energy Corporation (“Atmos Energy” or the “Company”) advocates for policies related to our business that benefit our customers, employees, shareholders and the communities we serve. The natural gas distribution industry is highly regulated at the local, state, and federal level, and our public officials make decisions that affect our ability to provide safe and reliable natural gas utility service to our customers. We believe our participation serves all of our stakeholders’ interests by creating a more informed policy-making process. We also believe, as stated in our Code of Conduct, that it is important that our directors, officers and other employees exercise their rights as citizens to vote and to participate in the political process in the states and communities in which they live.

Fundamental Principles

Atmos Energy’s participation in the political process is guided by a set of fundamental principles that govern our corporate policies on lobbying, political spending and engagement in the overall political process:

- The Company will work with members of government, the general business community, our industry peers, our customers and the general public to advocate and promote public policies that support the interests of our customers, employees, shareholders and the communities we serve.
- Any corporate political expenditures, as well as spending by our employees’ political action committee, will reflect the Company’s interests and culture, which are intended to promote the Company’s public policy positions.
- No political contributions will be given directly or indirectly to public officials in exchange for any official act.
- The Company will comply with all applicable federal, state, and local laws and regulations governing the political process and has established policies, procedures and training to ensure such compliance.

Political Action Committee Contributions

- Atmos Energy has established a voluntary, nonpartisan employee-funded federal political action committee (the “Atmos Energy PAC”) to accept employee contributions and make political expenditures to support candidates for elected office. The Company does not expect or require participation or contributions to the Atmos Energy PAC in any way.
- The Atmos Energy PAC provides employees with a convenient way to voluntarily participate, learn more about key issues and collectively support public policy positions important to Atmos Energy and our stakeholders. Information about the Atmos Energy PAC’s contributions and expenditures may be found on the Federal Election Commission’s website at .

Membership in Trade Associations and Chambers of Commerce

- Atmos Energy is a member of a number of trade associations, which provide expertise and insights on issues important to our industry and participation in the political process.
- Atmos Energy is also active in various local chambers of commerce as a means to promote local economic development in the jurisdictions in which we do business.
- Atmos Energy's participation as a member of these associations comes with the understanding that we may not always agree with all of the positions of an organization or its other members. However, we believe our participation in such organizations advances economic growth and other interests of the communities we serve.
- Atmos Energy is not a member of or make payments to any tax-exempt organization that writes and/or endorses model legislation.
- Payments of Company funds to any trade association, chamber of commerce or a related organization will be reviewed by a representative of Governmental and Public Affairs.
- On an annual basis, Atmos Energy will disclose on our website, in an appendix to this Policy, the aggregate amount of the portion of trade association dues used for lobbying activities, as reported by each trade association to whom Atmos Energy pays annual dues in excess of \$50,000.

Corporate Political Contributions

- Current federal law prohibits corporations from making political contributions directly to federal candidates. Although direct contributions to candidates for state office is permissible in some states, it is the intention of Atmos Energy to not make direct contributions to such state candidates beginning in fiscal 2018. If any such contributions were made in the future, they would first be approved by the Company's Vice President of Governmental and Public Affairs and would be made and disclosed in compliance with all applicable state laws.

Lobbying Activities

- Atmos Energy is a member of the American Gas Association (AGA) and participates, along with the AGA's staff, in advocating the positions of the Company and the natural gas industry as a whole on federal issues with elected officials and others in the federal government.
- Atmos Energy utilizes contract lobbyists or employee lobbyists when advocating our positions at the state level with elected officials and others in state governments. This advocacy is managed by the leadership of our various divisions and is coordinated by Governmental and Public Affairs.
- Atmos Energy complies with the lobbying disclosure requirements of each state. We also require our contract lobbyists to comply with all applicable state regulations regarding reporting and disclosing their activities. Employees who are registered lobbyists on behalf of the Company must also comply with Company procedures for tracking and reporting activities and related expenses.

- In their interactions with public officials or their employees, Atmos Energy employees are required to comply with all applicable federal and state laws, as well as the Company's policies on political activities, lobbying, and providing or receiving gifts, meals, and entertainment as prescribed by the Company's Code of Conduct.
- Information about Atmos Energy's lobbying activities, where required in each state in which we have our operations, may generally be found on the website of the Secretary of State or applicable ethics commission of each such state.
- Atmos Energy does not make payments used for grassroots lobbying communications to the general public on any legislation or regulation at the local, state or federal levels.

Management Oversight and Approval Process

- Our Company Code of Conduct, which is available on our website at investquest.com/iq/a/ato/corpgov/CodeofConduct1 outlines appropriate conduct by our employees relating to their political activities and contributions. For example, the Code of Conduct provides that any director, officer or other employee who serves in a public office does so as an individual and not as a representative of the Company.
- In addition, the Company requires that all Company personnel, including corporate or Division officers and those employees in public affairs, in both Shared Services and all operating Divisions, who may interact with elected officials or their staff, must complete a governmental ethics training course developed and conducted by Governmental and Public Affairs.
- All expenditures by the Atmos Energy PAC are reviewed and approved by Governmental and Public Affairs and are then approved by the PAC's finance committee, which is comprised of senior officers of the Company.
- On at least an annual basis, a representative of Governmental and Public Affairs reports to the Atmos Energy Board of Directors on the Company's political activities and expenditures. Such report includes, but is not limited to, a discussion of the Company's state and federal lobbying expenditures, payments to trade associations, chambers of commerce or other tax-exempt organizations that may be using the funds for lobbying or political activities.

**Approved by the Board of Directors
November 7, 2017**

Atmos Energy Corporation
Appendix to Political Activities Policy
Trade Association Expenditures⁽¹⁾
Fiscal 2017

Name of Recipient	Portion of Dues That Were Non-Deductible under section 162(e)(1) of the Internal Revenue Code
American Gas Association	\$58,513 ⁽²⁾
Texas Pipeline Association	\$25,000 ⁽³⁾

- (1) Includes trade associations to which Atmos Energy paid \$50,000 or greater in annual dues or payments. Reported amounts based on information provided by the trade associations to Atmos Energy.
- (2) Percentage of membership dues related to lobbying activities as reported by the AGA is 6.4%
- (3) Percentage of membership dues related to lobbying activities as reported by the TPA is 48.0%.