



STATEMENT OF POLITICAL ACTIVITY

For year ended December 31, 2016

Corporate Political Activity Principles Statement

An important part of KeyCorp's commitment to our communities includes active participation in the political and public policy process that impacts the lives of our customers, shareholders and business. As a large financial institution, our business is highly regulated at the federal, state and local levels. While corporations and national banks are limited or prohibited by law from making political contributions, we believe it's critically important to take a constructive role in the political process that will shape the future of business, our industry and our communities. Based on this premise and following approved policies and procedures, monitored by our Compliance Department, and conflict provisions within our Code of Ethics overseen by our Chief Ethics Officer, KeyCorp, through its Government Relations Department, seeks to conduct political activity in accordance with all laws and regulations, and to further our commitment to our shareholders, our employees, our customers and our communities.

Board of Directors Oversight

The Nominating and Corporate Governance Committee of KeyCorp's Board of Directors meets annually with a member of KeyCorp's Government Relations team to review KeyCorp's policies and practices regarding political contributions. Policies and practices reviewed by the Committee include Key's policies regarding doing business with public entities, the Government Relations pre-approval process for ballot issue support, substantive changes to regulations, if any, affecting KeyCorp's sponsored separate segregated funds, and corporate political activity.

Lobbying

KeyCorp's Government Relations program utilizes in-house government relations professionals and contract lobbyists to advocate on our behalf. KeyCorp complies with lobbying and disclosure laws. Our reportable 2016 federal lobbying expenditures totaled \$340,000.

Trade Association Membership

KeyCorp is a member of several industry trade associations at the national, state and local levels. These organizations support initiatives that align with our commitment to our communities, which include initiatives that would make a positive impact on our ability to do business, spur economic growth and enhance the quality of life in the communities we serve. These associations work to develop industry consensus and advocacy, enabling us to reach government officials more efficiently and in a coordinated manner with peers in the financial services industry. In 2016, KeyCorp paid dues in excess of \$50,000 to the following trade associations, a portion of which, as set forth in the following Table, was attributable to the association's lobbying activity.

TRADE ASSOCIATION	PORTION OF PAYMENTS ATTRIBUTABLE TO LOBBYING ACTIVITY
American Bankers Association	\$37,666
Equipment Leasing and Finance Association	\$16,521
Financial Services Roundtable	\$57,885
New York Bankers Association	\$62,500
Ohio Bankers League	\$9,000
Securities Industry and Financial Markets Association	\$7,676.70
The Clearing House	\$7,867
Consumer Bankers Association	\$62,358
Bond Dealers of America	\$9,000
Mortgage Bankers Association	\$9,340
National Multi Housing Council	\$9,150
International Swaps and Derivatives Association	\$1,452
Colorado Bankers Association	\$13,987

In addition, KeyCorp pays membership dues to local chambers of commerce throughout our footprint. Dues in excess of \$50,000 were paid to the following chambers of commerce.

CHAMBER OF COMMERCE	PORTION OF PAYMENTS ATTRIBUTABLE TO LOBBYING ACTIVITY
Buffalo Niagara Partnership	\$2,730
Greater Cleveland Partnership	\$17,729

Corporate Political Spending

KeyCorp does not contribute corporate funds for election campaigns. This prohibition includes a prohibition on support to candidate campaign committees, political parties or committees, or political committees organized for the advancement of political candidates, to Super PACs, or the making of independent political expenditures.

Furthermore, KeyCorp does not make contributions to other political entities organized under Section 527 of the Internal Revenue code or to special interest lobbying groups organized under Section 501(c)(4) of the Internal Revenue Code for political purposes. KeyCorp may support 501(c)(4) social organizations that support initiatives that align with our commitment to our communities, which include initiatives that would make a positive impact on our ability to do business, spur economic growth and enhance the quality of life in the communities we serve.

KeyCorp may make contributions in support of certain ballot issues. These issues support the interests of our businesses, our employees and/or our communities. In 2016, KeyCorp companies supported three ballot initiatives in Cleveland, Ohio, with a contribution in excess of \$10,000 to the following: County Action Committee; Citizens for Our Children's Future; and Clevelanders for Safety and Services.

Other Contribution

KeyCorp, in furtherance of its commitment to help its communities thrive, supported the City of Cleveland's bid to host the Republican National Convention with a contribution to the Cleveland 2016 Host Committee, a tax-exempt organization, in the amount of \$333,333.33.

KeyCorp Advocates Funds

KeyCorp sponsors political action committees, known as the KeyCorp Advocates Funds that provide an opportunity for eligible employees to voluntarily participate in the political process. A political action committee is a separate segregated fund that solicits contributions from individuals associated with the sponsoring organization. Only certain officers, managers and professional employees are eligible to contribute to the KeyCorp Advocates Funds. The Funds make campaign contributions, on a nonpartisan basis, to individual candidates, parties or committees whose views on specific issues are consistent with KeyCorp's concerns and long-term goals and/or represent communities we serve. Funds are managed in compliance with all federal, state and local election laws, including the Federal Election Campaign Act, Municipal Securities Rulemaking Board Rules, and Investment Advisor and Municipal Advisor rules. Expenditures over \$5,000 are made only after review and approval of the Contribution Committee

Information regarding political contributions of the KeyCorp Advocates Fund and the KeyCorp Advocates Fund-Federal is publicly disclosed and accessible at www.fec.gov> Campaign Finance Disclosures Portal>Searchable System>Candidate Committee Viewing> KeyCorp Advocates, and on those individual state election board sites that provide for disclosure of information. Information regarding political contributions of the KeyCorp Advocates Fund- New York may be found at www.elections.ny.gov/CFViewReports.html.

Employee Participation

KeyCorp encourages its employees to participate in civic and political activities. Activities must be on an employee's own time and utilize an employee's own resources.

Employees who wish to accept an elected or appointed political position must submit their information to KeyCorp's Public Entities Compliance department and to their Code of Ethics Officer for review and approval. In each circumstance the activity is reviewed to ensure that possible conflicts of interest are appropriately addressed.

Employees are free to make personal campaign contributions within applicable legal limits. Certain employees have specific limitations relative to such contributions imposed by financial industry regulation or state or local law. These employees are assisted by their applicable Compliance Officer to ensure their ability to voluntarily participate in the political process while fully complying with the law.

Additional Information

For additional information regarding KeyCorp's political activities and related policies and procedures, please contact KeyCorp's Government Relations Department at 518-257-8785.

KeyCorp Statement of Political Activity reports for prior years may be found at the following links"

[2013 Statement of Political Activity](#)

[2014 Statement of Political Activity](#)

[2015 Statement of Political Activity](#)

** In 2016, KeyCorp acquired First Niagara Financial Group, Inc. ("First Niagara"). Political activity of First Niagara and its subsidiaries, in 2016 prior to the acquisition, is not included in this Statement.