

GAP INC. POLITICAL ENGAGEMENT POLICY

At Gap Inc., we believe that it is important to participate in political and regulatory processes on issues that affect our business and community interests. We work proactively to enable Gap Inc.'s strategies through public policy and government advocacy. We also participate in political activities and advocate for legislation when there is a connection to our business and our ability to grow the business in a way that is consistent with our values, our legal obligations, and our Codes of Business Conduct and Vendor Conduct. For example, in the past we have been active in policy discussions and have lobbied on issues related to trade, internet taxation and health care. Gap Inc. only takes positions on ballot measures, initiatives or propositions that have a direct impact on our business.

Corporate Political Contributions

Gap Inc. participates in the political process by using corporate funds to make political contributions to committees and ballot initiatives that further our business strategies, community interests and public policy objectives. Our Government and Public Affairs department, in partnership with our Regulatory Compliance department, manage and oversee the Company's political activities. All corporate political contributions are approved in advance by the Senior Director of Government and Public Affairs, and the Vice President for Global Communications and Public Affairs. Before any contribution is approved, we carefully review the recipient's standing and position to ensure alignment with our business. No contributions are made based on the personal interests of any employee or director.

In 2011, Gap Inc. made \$10,600 in corporate political contributions. We report our corporate political contribution spending on an annual basis.

Gap Inc. Political Action Committee (GPAC)

Gap Inc. supports employee participation in the political process and provides eligible employees with the opportunity to contribute to the Gap Inc. Political Action Committee (GPAC). GPAC is a separate legal entity, with its own oversight council, which is funded solely from voluntary contributions made by eligible Gap Inc. employees. GPAC supports candidates whose positions are in line with Gap Inc.'s values and overall business goals of growth and stability. All GPAC contributions are made in a legal, ethical and transparent manner in accordance with federal laws and regulations governing political action committees. The Senior Director of Government and Public Affairs manages and oversees all GPAC contributions with final approval by our internal PAC Council. All GPAC contributions are fully and publicly disclosed in reportings filed with the Federal Election Commission.

The following criteria are used to determine individual candidate contributions on behalf of GPAC:

- Has the candidate demonstrated leadership and integrity on key issues of importance to our business?
- Does the candidate have a favorable voting record or stated positions on issues important to our business?
- Does the candidate hold a leadership, committee or caucus position or demonstrate potential for legislative leadership on issues relevant to our business?
- Does the candidate represent a state or district where we conduct business operations or have a large number of employees or customers?
- Would our Company's support of the candidate have an impact on his or her campaign?
- Would support of this candidate result in any reputational impacts to Gap Inc.?

In 2011, GPAC made \$6,000 in political contributions. We report GPAC political contribution spending on an annual basis. A list of federal contributions made by GPAC can be found on the Federal Election Committee (FEC) website at this [link](#).

Board Oversight

Our corporate contributions are reviewed annually by the Governance and Nominating Committee of the Gap Inc. Board of Directors. The Board also receives periodic updates regarding our political activities.

Gap Inc. Association Memberships

Gap Inc. is a member of various U.S.-based industry and trade associations that further our business, economic and community interests. These associations keep us informed on developments and trends in our industry, and help us focus our advocacy in the most effective way. We often communicate and advocate our positions through our membership in concert with our industry partners. All dues paid to these trade associations are made with corporate funds. Attached is a list of trade associations Gap Inc. supported in 2011.

527 Organizations/Independent Expenditures

As a matter of policy, neither Gap Inc. nor GPAC make any contributions to organizations commonly known as "527 Organizations," which are political organizations that are not regulated by state or federal election regulations. Similarly we do not make contributions through independent expenditure committees or other similar organizations.

TRADE ASSOCIATION DISCLOSURE

The following is a list of U.S.-based trade and industry associations Gap Inc. supported in 2011 in excess of \$1,000 that engage in significant public policy advocacy related to our core business interests. Our financial support to these organizations totaled \$503,600, 50 percent of which supported non-deductible lobbying activities.

Business for Innovation Climate & Energy Policy
California Chamber of Commerce
California Employment Law Council
California Retailers Association
Council of Institutional Investors
Emergency Committee for American Trade
Employers for Flexibility in Healthcare
Human Resource Policy Association
Illinois Retail Merchants Association
International Council of Shopping Centers
Medicare Advocacy Recovery Coalition
National Retail Federation
New Jersey Retail Merchants Association
Ohio Retail Merchants Association
Retail Association of Massachusetts
Retail Council of New York State
Retail Industry Leaders Association
San Francisco Chamber of Commerce
U.S. China Business Council
U.S. Council for International Business