

Robert Taylor
Acting General Counsel
Office of the General Counsel
Department of Defense
1600 Defense Pentagon
Washington DC 20301

January 22, 2013

Dear Mr. Taylor:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of Defense.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I will divest my interests in the following entities within 90 days of my appointment: Chevron Corporation and the McCarthy Group, LLC. With regard to each of these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

During my term of office, neither my spouse nor I will invest in any company identified as a Department of Defense contractor or any other entity that would create a conflict of interest with my Government duties. I understand that if any company in which I invest enters into a contract with the Department of Defense, I will be required to divest that interest. I further understand that I may request a Certificate of Divestiture for these assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Where applicable, I will request a Certificate of Divestiture from the U.S. Office of Government Ethics, but understand that I must divest such assets whether or not I receive a Certificate of Divestiture.

Upon appointment, I will resign from my positions with the following entities: Georgetown University; Deutsche Bank; Corsair Capital; McCarthy Capital; Zurich Insurance Group, Zurich in North America; M.I.C. Industries; Chevron Corporation; Gallup; Atlantic Council; Washington Center for Internships and Academic Seminars; Public Broadcasting Services; Washington Speakers Bureau; Center for the Study of the Presidency; Ploughshares Fund; America Security Project; and Bread for the World. For a period of two years after my

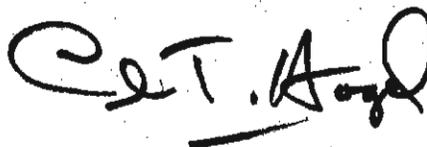
appointment, I will not participate personally and substantially in any particular matter involving specific parties in which any of the above listed entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and Section 3 of Executive Order 13490.

Additionally, upon appointment I will resign from my advisory positions with the following entities: America Abroad Media; Brookings Institute/Hamilton Project; George C. Marshall Research Foundation; Global Strategy Forum; U.S. Middle East Project; Dwight D. Eisenhower Memorial Commission; U.S. Global Leadership Coalition; Initiative for Global Development; National Bureau of Asian Research; Systemic Risk Council and Institute for the Study of Diplomacy, Georgetown University.

I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read "C. T. Hoyle". The signature is written in a cursive style with a horizontal line underneath the name.