

January 5, 2017

Honorable Jennifer M. O'Connor
General Counsel and
Designated Agency Ethics Official
Office of the General Counsel
1600 Defense Pentagon
Department of Defense
Washington, DC 20301

Dear Ms. O'Connor:

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 in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, 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.

Upon confirmation, I will resign from my position with the Hoover Institution. I previously resigned from my positions with the Center for a New American Security, the Tri-Cities Food Bank, the Marines' Memorial Club, and the Marine Corps Scholarship Foundation. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position with General Dynamics. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know General Dynamics is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). I hold the following interests in General Dynamics: stock, unvested restricted stock, vested stock options, and unvested stock options. Upon my appointment, I will forfeit all of my restricted stock and my stock options that have not, as of the date of my appointment, vested according the normal schedule for vesting. Within 90 days of my confirmation, I will divest all of my General Dynamics stock and vested stock options. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial

interests of General Dynamics until I have divested these holdings, 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 previously resigned from my position with Theranos, Inc. I hold Theranos, Inc. stock. The Department has determined that it is not necessary at this time for me to divest this stock because the duties of the position of Secretary are unlikely to involve particular matters affecting the financial interests of Theranos, Inc. For so long as I hold this stock, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Theranos, Inc., 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). If I divest my Theranos, Inc. stock, I will not, for a period of one year after my resignation, participate personally and substantially in any particular matter involving specific parties in which I know Theranos, Inc. is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

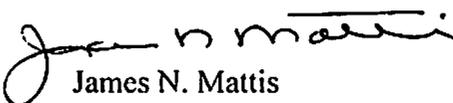
I have a publishing agreement with Random House Publishers for royalties from the future publication of an untitled book that I have written. I have completed the writing of this book and all other activities required under the publishing agreement. During my appointment, I will not engage in any writing, editing, or promotional activities associated with the book and will not provide any other services under the publishing agreement. I will not participate personally and substantially in any particular matter involving specific parties in which I know Random House Publishers is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

During my appointment to the position of Secretary, if I have a managed account, I will ensure that the account manager does not purchase any new assets other than cash, cash equivalents, obligations of the United States, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), and municipal bonds.

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

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 ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,


James N. Mattis