

Mr. David Maggi
Designated Agency Ethics Official
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Maggi:

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 the Deputy Secretary, U.S. Department of Commerce.

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.

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.202 with regard to any of my financial interests in securities, I will monitor the value of those interests. If the aggregate value of interests affected by a particular matter increases and exceeds the *de minimis* threshold, I will not participate personally and substantially in the particular matter that to my knowledge has a direct and predictable effect on the interests, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

I resigned from my position as Senior Managing Director of Invesco Ltd. in August, 2017. I hold stock and unvested restricted stock in Invesco Ltd. Pursuant to my separation agreement and consistent with company process and precedent (and which was negotiated and executed before I joined the Department of Commerce as Under Secretary of Commerce for Economic Affairs), Invesco will vest the shares of my restricted stock in July 2018, under a fixed schedule. Because I will continue to hold stock in Invesco, 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 Invesco Ltd., 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 will also retain my financial interests in the following entities:

- Corent Technology Series D
- Invesco Mortgage Capital Inc.
- WLR/IVZ Mortgage Recovery Associates LLC.

With regard to each of these entities, 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 the entity, 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). The holdings of these entities are limited to the following sectors: (1) real estate financing and mortgage lending, (2) cloud computing and (3) banking and financial services. WLR/IVZ Mortgage Recovery Associates LLC is no longer acquiring new assets, and it will not acquire any new assets during my appointment to my position as Deputy Secretary. As the senior ethics official for the Department of Commerce, you have advised me that it is not necessary at this time for me to divest the entities identified in this section, inasmuch as the likelihood that I will need to participate in any particular matter affecting these entities is remote. However, I will remain vigilant in identifying any particular matters affecting the interests of these entities and their holdings, including both particular matters involving specific parties and particular matters of general applicability. You have explained that particular matters of general applicability are much broader than particular matters involving specific parties because they include every matter that is focused on the interests of a discrete and identifiable class, such as an industry.

In June 2017, I resigned from my positions with the following entities: Carlow University, Shady Side Academy, Magee-Womens Research Institute, Family Trust #1, Family Trust #2, and a family trust for a family friend. 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).

My spouse is employed by the University of Pittsburgh and University of Pittsburgh Physicians in a position for which he receives a fixed annual salary and a bonus tied to his performance. For as long as my spouse works for these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on my spouse's compensation or employment with either entity. I also will not participate personally and substantially in any particular matter involving specific parties in which I know the University of Pittsburgh or University of Pittsburgh Physicians is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you during the first week of my service in the position of Deputy Secretary in order to complete the initial ethics briefing required under 5 C.F.R.

§ 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I must continue to abide by the Ethics Pledge (Exec. Order No. 13770) that I previously signed and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this 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 ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read 'KD Kelley', with a long horizontal flourish extending to the right.

Karen Dunn Kelley

Date: 5/22/18