

December 24, 2021

Mr. Sean Croston
Special Counsel
Alternate Designated Agency Ethics Official
Board of Governors of the Federal Reserve System
Washington, D.C. 20551

Dear Mr. Croston:

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 Governor of the Board of Governors of the Federal Reserve System. It is my responsibility to understand and comply with the commitments outlined in this agreement.

SECTION 1 – GENERAL COMMITMENTS

As required by the criminal conflicts of interest law, 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 particular 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.

In the event that an actual or potential conflict of interest arises during my appointment, I will consult with an agency ethics official and take the measures necessary to resolve the conflict, such as recusal from the particular matter or divestiture of an asset.

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, or investment funds that qualify for the regulatory exemption for diversified mutual funds and unit investment trusts at 5 C.F.R. § 2640.201(a).

I will receive a live ethics briefing from a member of the ethics office after my confirmation but not later than 15 days after my appointment pursuant to the ethics program

regulation at 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will submit my Certification of Ethics Agreement Compliance, which documents my compliance with this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13989) and that I will be bound by it. Among other obligations, I will be required to recuse from particular matters involving specific parties involving my former employer or former clients for a period of two years after I am appointed, with the exception of federal, state and local government.

I will not modify this ethics agreement without your approval and the approval of the U.S. Office of Government Ethics pursuant to the ethics agreement requirements contained in the financial disclosure regulation at 5 C.F.R. § 2634.803(a)(4).

SECTION 2 – RESIGNATIONS

Upon confirmation, I will resign from my positions with the following entities:

- Federal Home Loan Bank of Indianapolis
- Rende Progress Capital
- American Economic Association
- Curriculum Open-access Resources in Economics (CORE)
- Economic History Association
- Inter-University Consortium for Political and Social Research
- Roosevelt Institute
- Institute for Research on Innovation and Science, University of Michigan
- Spelman College
- Regenerative Crisis Response Committee

Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, 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 also will resign from my positions with the Federal Reserve Bank of Minneapolis, the National Science Foundation, and the U.S. Patent and Trademark Office.

SECTION 3 – MICHIGAN STATE UNIVERSITY

Upon confirmation, I will take an unpaid leave of absence from my position as tenured Professor at Michigan State University. I will not provide any services to Michigan State University for the duration of my government service. 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 Michigan State University, unless I first obtain a written waiver,

pursuant to 18 U.S.C. § 208(b)(1), or qualify for either the exemption at 5 C.F.R. § 2640.203(b) or another regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

SECTION 4 - ANTICIPATED HONORARIA

I have anticipated honoraria from Colorado College, University of Houston, and UNC Greensboro for future speaking engagements. I will cancel these speaking engagements, and any other future planned speaking engagements, if they do not take place before I am confirmed. If I have not received amounts owed to me for past speaking engagements before I am confirmed, I will not participate in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness any entity to make full payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). Moreover, for each entity, until I have received full payment, I will not participate personally and substantially in any particular matter involving specific parties in which I know the entity is a party or represents a party, unless I am first authorized to participate, pursuant to the impartiality regulation at 5 C.F.R. § 2635.502(d).

SECTION 5 – DIVESTITURES

After confirmation but before I assume the duties of the position of Federal Reserve Governor, I will divest my interests in the following entities:

- Fidelity Select Financial Services Portfolio Fund
- Financial Select Sector SPDR Fund

With regard to these funds, 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 any holding of either fund that is invested in the financial sector, 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 have verified that I will be able to carry out the divestitures within the timeframe described above.

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.201(b) with regard to any of my financial interests in sector mutual funds, I will monitor the value of those interests. If the aggregate value of my interests in sector mutual funds that concentrate in any one sector exceeds \$50,000, 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 any holdings of the funds that are in the specific sector in which the funds concentrate, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

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 understand that I must timely submit my request for a Certificate of Divestiture to allow for adequate time for OGE to process the Certificate of Divestiture, and in order to divest assets within the agreed upon timeframe.

I will not repurchase any asset I was required to divest without consulting with my agency ethics official and the U.S. Office of Government Ethics.

SECTION 6 – ADDITIONAL COMMITMENTS

As required by 12 U.S.C. § 244 and 12 U.S.C. § 620, I will not serve as an officer or director for or hold stock in any bank, banking institution, trust company, or Edge Act corporation during my appointment to the position of Governor of the Board of Governors of the Federal Reserve System.

SECTION 7 – PUBLIC POSTING

I have been advised that this ethics agreement and the Certification of Ethics Agreement Compliance will be posted publicly, consistent with the public information law at 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 "Lisa D. Cook", followed by a long horizontal line extending to the right.

Lisa D. Cook