

October 31, 2019

Mr. Richard C. Visek
Principal Deputy Legal Adviser and
Designated Agency Ethics Official
Office of Ethics and Financial Disclosure
Office of the Legal Adviser
U.S. Department of State
Washington, DC 20520

Re: Ethics Undertakings

Dear Mr. Visek:

I am committed to the highest standards of ethical conduct for government officials. If confirmed as the Deputy Secretary of State, 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.

I retired from Ford Motor Company in December 2018. At the time of my retirement, I participated in a retirement incentive program widely offered to Ford executives. Consistent with the customary practice for departing executives of the Ford Motor Company, I have retained Time and Performance Based Restricted Stock Units (RSUs) that are vested and not yet exercised. In July 2018, Ford authorized an arrangement under which, prior to assuming a federal government position for which a financial interest in the Ford Motor Company would pose a conflict of interest, I am permitted to surrender to Ford all of my RSUs that are vested and not yet exercised in exchange for cash payments in March 2020 and March 2021 calculated to reflect the RSUs' value at the time I surrender the RSUs. Upon confirmation, I will surrender the RSUs. Until I have surrendered the RSUs, 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 Ford Motor Company, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). Until I have received the resulting cash payments, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Ford Motor Company to make the payments unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

Consistent with the customary practice for departing executives of the Ford Motor Company, I am also entitled to receive Ford stock options that are vested and not yet exercised. I will divest all of my stock options within 90 days of my confirmation. If I divest the stock

options by exercising them, I will divest the resulting stock within 90 days of my confirmation. I also hold common stock in the Ford Motor Company. I will divest all of my common stock within 90 days of confirmation. 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 Ford Motor Company 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).

Lastly, under the Ford Motor Vehicle Plans, consistent with the customary practice for departing executives, I am also entitled to certain vehicle benefits. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Ford Motor Company to provide this contractual benefit unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). Additionally, for as long as I continue to have this contractual relationship, I will not participate personally and substantially in any particular matter involving specific parties in which I know Ford Motor Company is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

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 will retain my positions as a trustee of Family Trust #1 and Family Trust #2. I will not receive any fees for the services that I provide as a trustee during my appointment to the position of Deputy Secretary. 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 these trusts, 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).

In addition, I will also recuse myself from participate on a case-by-case basis in any other particular matter involving specific parties in which I determine that a reasonable person with knowledge of the relevant facts would question my impartiality in that matter, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I have a managed account during my appointment, I will direct the account manager to obtain 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 monitor whether the account manager is following this direction regarding prior approval.

I understand that, as an appointee, I must continue to abide by the Ethics Pledge (Exec. Order 13770) that I previously signed and that I will continue to be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I will receive a live ethics briefing from a member of the ethics office after my confirmation but no later than 15 days after my appointment as required under 5 C.F.R. § 2638.305, unless granted an extension under that regulation. 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 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 'S. Biegun', with a long horizontal flourish extending to the right.

Stephen E. Biegun