

JUN 30 2017

Ms. Tammy L. Kennedy
Chief Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Ms. Kennedy,

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 General Counsel of the U.S. Department of Veterans Affairs.

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 positions with the Lockheed Martin Corporation and Give an Hour. 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).

Consistent with the customary practice for departing executives of Lockheed Martin Corporation, I will receive a *pro rata* bonus for 2017. Lockheed Martin will calculate this bonus using an objective formula and will reduce the bonus proportionally to compensate me only for the portion of 2017 during which I will have worked for Lockheed Martin. Lockheed Martin will pay me this bonus before I assume the duties of General Counsel.

I own shares of Lockheed Martin Corporation common stock and the Company Stock Fund, which holds Lockheed Martin Corporation stock. I also own unvested restricted stock units in the Lockheed Martin Corporation. I do not own restricted stock or stock options. Upon resignation from Lockheed Martin, I will forfeit all unvested restricted stock units. Within 90 days of my confirmation, I will divest my interests in the following entities: Lockheed Martin Corporation common stock, and the Company Stock Fund. Until I have done so, 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 entities, 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).

Within 90 days of confirmation, I will also divest my interests in the following Lockheed Martin-specific funds: Large Cap Stock Fund, Small/Mid-Cap Stock Fund, and Target Date Fund 2030. With regard to each of these funds, until I have divested the fund, 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 that fund or its underlying assets, 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 participate in the Lockheed Martin Corporation Deferred Management Incentive Compensation Plan, the Lockheed Martin Non-Qualified Supplemental Savings Plan, and the Lockheed Martin Non-Qualified Capital Accumulation Plan. Upon my departure from Lockheed Martin, I will receive lump sum payouts of these plans before I assume the duties of General Counsel.

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.

My spouse is employed by the Arlington Diocese, St. Luke Catholic School in a position for which she receives a fixed annual salary. For as long as my spouse continues to work for the Arlington Diocese, St. Luke Catholic School, I will not participate personally and substantially in any particular matter involving specific parties in which I know the Arlington Diocese, St. Luke Catholic School 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.

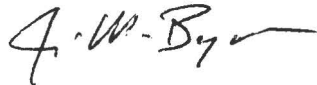
I will meet in person with you during the first week of my service in the position of General Counsel in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge

(Exec. Order No. 13770) 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 "J. M. Byrne", followed by a horizontal flourish.

James Michael Byrne