

November 14, 2017

Ms. Elizabeth J. Fischmann
Associate General Counsel for Ethics
Designated Agency Ethics Official
U.S. Department of Health and Human Services
Room 710-E, Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Ms. Fischmann:

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 the Department of Health and Human Services.

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 currently provide consulting services and arrange speaking engagements through Seraphim Strategies, LLC. Upon confirmation, I will cease all operations of Seraphim Strategies, LLC, and, during my appointment as Secretary, this LLC will remain dormant and will not advertise. I will not perform any services for this entity, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the entity while it is in inactive status. As 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 Seraphim Strategies, LLC. Any amounts owed to me by any of my clients will be fixed and paid before I assume the duties of the position of Secretary. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former consulting client of mine is a party or represents a party, for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign my position as a Member of the Board of Directors of HMS Holdings, Inc. Through the company's compensation plan, I have acquired vested stock options, unvested stock options, vested restricted stock units, and unvested restricted stock units in the company. I do not currently hold any common stock in the company and I do not receive

any cash director fees. I will forfeit any stock options and restricted stock units that are unvested at the time of my resignation. Within 90 days of my confirmation, I will divest all of my vested stock options in HMS Holdings, Inc. If I divest the stock options by exercising them, I will divest any resulting stock within 90 days of my confirmation. I will receive stock for all my vested restricted stock units. I will divest all of the resulting stock within 90 days of my confirmation. Until I have divested all of these financial interests, 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 HMS Holdings, 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). For a period of one year after my resignation, I also will not participate personally and substantially in any particular matter involving specific parties in which I know HMS Holdings, 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 resigned from my position as President of Lilly USA, LLC, an affiliate of Eli Lilly and Company, in January 2017. I continue to participate in the Eli Lilly and Company Defined Benefit Plan, which has both qualified and nonqualified components; however, I am owed no other payments, participate in no other benefit programs, and hold no equity interests in Eli Lilly and Company. Because I will continue to participate in the Nonqualified and Qualified Defined Benefit Plans, 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 Eli Lilly and Company, to provide these contractual benefits, 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). For a period of one year after my resignation, I also will not participate personally and substantially in any particular matter involving specific parties in which I know Eli Lilly and Company, 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 positions with the American Council on Germany and the Indianapolis Symphony Society. I previously resigned from my positions with the Biotechnology Innovation Organization and the Healthcare Leadership Council in January 2017. 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).

I will divest my interests in the SQN Venture Income Fund, LP, within 90 days of my 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 fund or its underlying assets 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). Until I have received full payment from SQN Venture Income Fund, LP for the divestiture of 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 ability or willingness of SQN Venture Income Fund, LP to make full payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). Moreover, until I have received full payment from SQN Venture Income

Fund, LP for the sale of the fund, I will not participate personally and substantially in any particular matter involving specific parties in which I know SQN Venture Income Fund, LP is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Within 90 days of my confirmation, I will also divest my interests in the following entities:

- Harris Cnty Texas Cultural Ed Facilities Medical Fac Rev Refunding (Cusip: 41008BJ0)
- Indiana Finance Authority Hospital Revenue (Cusip: 45471AKA9)
- Indiana Finance Authority Hospital Revenue Refunding (Cusip: 45471ANW8)
- Indiana Health Facility Financing Authority Rev Ascension Health (Cusip: 454798TA7)
- Indiana St Finance Authority Rev Refunding Deaconess Health Sys (Cusip: 45506DUL7)
- Indiana St Finance Authority Rev Refunding Trinity Health (Cusip: 455057F87)

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 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).

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.

In order to avoid potential conflicts of interest during my appointment as Secretary, I, my spouse, or any minor children of mine will not acquire any direct financial interest in entities listed on the FDA prohibited holdings list or in entities involved, directly or through subsidiaries, in the following industries: (1) research, development, manufacture, distribution, or sale of pharmaceutical, biotechnology, or medical devices, equipment, preparations, treatment, or products; (2) veterinary products; (3) healthcare management or delivery; (4) health, disability, or workers compensation insurance or related services; (5) food and/or beverage production, processing or distribution; (6) communications media; (7) computer hardware, computer software, and related internet technologies; (8) wireless communications; (9) social sciences and economic research organizations; (10) energy or utilities; (11) commercial airlines, railroads, shiplines, and cargo carriers; or (12) sector mutual funds that concentrate their portfolios on one country other than the United States. In addition, we will not acquire any interests in sector mutual funds that concentrate in any of these sectors.

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), or obligations of the United States.

I will meet in person with you during the first week of my service in the position of 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 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 blue ink, appearing to read 'Alex M. Azar', with a long horizontal flourish extending to the right.

Alex M. Azar