

June 30, 2017

Ms. Ruth M.S. Vetter  
Alternate Designated Agency Ethics Official  
Office of the General Counsel  
Department of Defense  
Washington, DC 20301

Dear Ms. Vetter:

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 Under Secretary of Defense for Acquisition, Technology, and Logistics.

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.

Within 90 days of my confirmation, I will divest my interests in the entities listed in Attachment A. 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).

Upon confirmation, I will resign from my position with Textron, Inc. For a period of one year after my resignation from this entity, 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 hold common stock, vested and unvested stock options, unvested restricted share units, and unvested performance share units in Textron, Inc. I do not hold vested performance share units, restricted stock units, or restricted stock. I also participate in the Textron, Inc. non-qualified 401k defined contribution plan. Upon my separation, I will either forfeit or exercise my vested stock options, depending on market conditions. Pursuant to Textron's Long Term Incentive Plan, I am entitled to retain my unvested stock options, restricted share units, and performance share units upon my separation. Therefore, upon my separation, I will receive the following: a lump sum cash payment in settlement of my unvested stock options; vesting of my

unvested restricted share units, which will be settled to my account with equivalent net regular stock shares, a lump sum cash payment for my unvested performance share units calculated using completed (prior year) performance data and previously established target performance data; and a lump sum cash payout of my non-qualified 401k account.

Within 90 days of my confirmation, I will divest all of my stock in Textron, Inc., to include any stock resulting from exercised stock options and settlement of my restricted share units. 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 Textron, 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).

As a retirement eligible executive of Textron, Inc., I am entitled to continued participation in the Textron, Inc. defined benefit plans. Therefore, 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 Textron, Inc. to provide these benefits, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

Upon confirmation, I will resign from my positions with the National Defense Industrial Association, the U.S. Naval Institute Foundation, the Center for New American Security, the U.S. India Business Council, and the Family Trust. 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).

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.

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), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I will meet in person with a senior DoD ethics official during the first week of my service in the position of Under Secretary of Defense for Acquisition, Technology, and Logistics 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 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 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 cursive script that reads "Ellen McCausland Lord". The signature is written in black ink and is positioned above the printed name.

Ellen McCausland Lord

ATTACHMENT A

1. Textron, Inc.
2. Amazon.com, Inc.
3. American Tower Corporation REIT
4. Berkshire Hathaway
5. Coca-Cola
6. Colgate-Palmolive
7. Danaher Corp
8. Emerson Electric
9. General Electric
10. Home Depot, Inc.
11. Johnson & Johnson
12. Marriott International
13. Medtronic, Inc.
14. Microsoft Corporation
15. Omnicom Group
16. PepsiCo, Inc.
17. Procter & Gamble
18. Starbucks Corporation
19. Stryker Corp
20. United Technologies Corp
21. Walt Disney Company