

December 31, 2019

Ms. Cary K. Williams
Assistant General Counsel
Designated Agency Ethics Official
Board of Governors of the Federal Reserve System
Washington, D.C. 20551

Dear Ms. Williams:

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.

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.

After confirmation, but before I assume the duties of the position of Federal Reserve Governor, my spouse and I will divest our interests in Deere & Co., iShares 20+ Year Treasury Bond ETF, iShares 1-3 Year Treasury Bond ETF, and iShares TIPS Bond ETF.

I will retain my position as a trustee of my revocable living trust. I will not receive any fees for the services that I provide as a trustee during my appointment to the position of Federal Reserve Governor. 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 trust, 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.

After confirmation and within 90 days of assuming the duties of the position, my spouse and I will repay our margin loan with Charles Schwab & Co. Until this loan is repaid, I will not participate in any supervisory matters in which Charles Schwab or its affiliates is a party, unless I receive a written waiver pursuant to 5 C.F.R. § 6801.107(c).

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 municipal bonds.

I will meet in person with a Federal Reserve System ethics official during the first week of my service in the position of Federal Reserve Governor in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. If circumstances do not permit a first-week meeting, I will meet with a Federal Reserve System ethics official not later than 15 days after my appointment as required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will also 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 am 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 that reads "Judy Lynn Shelton". The signature is written in a cursive, flowing style.

Judy Lynn Shelton