

February 14, 2021

Mr. Randall J. Hall
Acting Associate General Counsel for Ethics
Alternate 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 Mr. Hall:

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 Deputy Secretary of the Department of Health and Human Services. It is my responsibility to understand and comply with commitments outlined in this agreement.

SECTION 1 – GENERAL COMMITMENTS

As required by the criminal conflicts of interest law at 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 particular 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 an officer, director, trustee, general partner, or employee; and
- Any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In the event that an actual or potential conflict of interest arises during my appointment, I will consult with an agency ethics official and take the measures necessary to resolve the conflict, such as recusal from the particular matter or divestiture of an asset.

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 regulatory exemption for diversified mutual funds and unit investment trusts at 5 C.F.R. § 2640.201(a), or obligations of the United States.

I will receive a live ethics briefing from a member of the ethics office after my confirmation but not later than 15 days after my appointment pursuant to the ethics program regulation at 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will submit my Certification of Ethics Agreement Compliance which documents my compliance with this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13989) and that I will be bound by it. Among other obligations, I will be required to recuse from particular matters involving specific parties involving my former employer or former clients for a period of two years after I am appointed, with the exception of states and local governments.

I will not modify this ethics agreement without your approval and the approval of the U.S. Office of Government Ethics pursuant to the ethics agreement requirements contained in the financial disclosure regulation at 5 C.F.R. § 2634.803(a)(4).

SECTION 2 – RESIGNATIONS

On January 20, 2021, I resigned from my position as Secretary-Designee of the Wisconsin Department of Health Services. For a period of one year after my resignation, I will have a “covered relationship” under the impartiality regulation at 5 C.F.R. § 2635.502 with the Wisconsin Department of Health Services. Pursuant to 5 C.F.R. § 2635.502(d), I will seek written authorization to participate personally and substantially in particular matters involving specific parties in which I know the Wisconsin Department of Health Services is a party or represents a party. However, I understand that any authorization will not allow me to participate personally and substantially in any matter involving specific parties in which I previously participated as Secretary-Designee of the Wisconsin Department of Health Services.

SECTION 3 – DIVESTITURES

As soon as practicable but not later than 90 days after my confirmation, I will divest my interests in the following entities:

- 3M Company (MMM)
- Amazon.com, Inc. (AMZN)
- Amcor plc (AMCR)
- American Express Company (AXP)

- Anglo American Platinum Limited (AGPPF)
- Anglo American PLC (XCGNF)
- AngloGold Ashanti Limited (AULGF)
- Apple, Inc. (AAPL)
- BlackRock Health Sciences Opportunities Fund (SHSSX)
- Boeing Company (BA)
- Comcast Corporation (CMCSA)
- Constellation Brands, Inc. (STZ)
- Corning, Inc. (GLW)
- CSX Corporation (CSX)
- Donaldson Company, Inc. (DCI)
- Facebook, Inc. (FB)
- Honeywell International, Inc. (HON)
- Hyster-Yale Materials Handling, Inc. – Class A common stock (HY)
- Hyster-Yale Materials Handling, Inc. – Class B common stock
- Ingredion Incorporated (INGR)
- Intel Corporation (INTC)
- International Business Machines Corporation (IBM)
- iShares U.S. Home Construction ETF (ITB)
- Linde PLC (LIN)
- Mitsubishi Chemical Holdings Corporation (MTLHF)
- Mondi PLC (MONDF)
- MTN Group Limited (MTNOF)
- MultiChoice Group Limited (MCOIF)
- Naspers Limited (NAPRF)
- New Germany Fund, Inc. (GF)
- Paychex, Inc. (PAYX)

- Prosus N. V. (PROSF)
- Qualcomm, Inc. (QCOM)
- SPDR S&P Aerospace and Defense ETF (XAR)
- Stanley Black and Decker, Inc. (SWK)
- Starbucks Corporation (SBUX)
- Verizon Communications, Inc. (VZ)
- Walt Disney Company (DIS)

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 or its underlying holdings 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 have verified that I will be able to carry out the divestitures within the timeframe described above.

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 understand that I must timely submit my request for a Certificate of Divestiture to allow for adequate time for the U.S. Office of Government Ethics to process the Certificate of Divestiture, and in order to divest assets within the agreed upon timeframe.

I (including my spouse and dependent children if applicable) will not repurchase any asset I was required to divest without my consultation with my agency ethics official and the U.S. Office of Government Ethics.

SECTION 4 – OTHER COMMITMENTS

In order to avoid potential conflicts of interest during my appointment as Deputy Secretary, I, my spouse, or any minor children of mine will not acquire any direct financial interest in entities listed on the Food and Drug Administration's 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) any sector mutual fund or sector exchange-traded fund that concentrates its portfolio in any

Mr. Randall J. Hall
Page 5

single country other than the United States. In addition, we will not acquire any interests in any sector mutual fund or sector exchange-traded fund that concentrates its portfolio in any of the aforementioned sectors.

SECTION 5 – PUBLIC POSTING

I have been advised that this ethics agreement and the Certification of Ethics Agreement Compliance will be posted publicly, consistent with the public information law at 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,



Andrea Palm