

April 25, 2018

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, I will divest my interest in Farmers and Drovers Financial Corp. I am a vested beneficiary of two family trusts that hold stock in Farmers and Drovers Financial Corp. After confirmation, but before I assume the duties of the position of Federal Reserve Governor, these trusts will be decanted into a new trust and my children and I will not be beneficiaries of the new decanted trust. In addition, for the duration of my appointment as Governor, I will not participate personally and substantially in any particular matter involving specific parties in which I know Farmers and Drovers Bank or Farmers and Drovers Financial Corp. is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My term with the Council Grove / Morris County Chamber of Commerce & Tourism ended in December 2017. After confirmation, but before I assume the duties of the position of Federal Reserve Governor, I will resign from my positions with Kansas Office of the State Bank Commissioner, Dwight D. Eisenhower Excellence in Public Service Series, and Leadership Kansas, Educational Foundation of the Kansas Chamber of Commerce. For a period of one year after my resignation from these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that one of these entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse is employed by Koch Business Solutions, LP, and he participates in its deferred compensation plan, which tracks company performance. 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 Koch Business Solutions, LP, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

My spouse participates in an investment club. The club itself holds interests in various entities, and the members share ownership of this pooled portfolio. After confirmation, but before I assume the duties of the position of Federal Reserve Governor, my spouse will divest his interests in this pooled portfolio.

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.

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,



Michelle White Bowman