

June 2, 2014

Ms. Renée L. Szybala (023)
Assistant General Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Ms. Szybala:

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 U.S. Department of Veterans Affairs.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, 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.

In June 2013, I retired from Procter & Gamble Company. I own common and preferred shares of Procter & Gamble stock, and I have the following continuing interests in Procter & Gamble Company:

- Pursuant to the Procter & Gamble Company retirement restricted stock units plan for directors, I will receive shares of Procter & Gamble common stock over the 10-year period starting in 2023.

- Pursuant to the Procter & Gamble stock option plan, I retain the right to exercise my existing vested stock options until each option expires. I do not own any unvested stock options.

- Pursuant to the Procter & Gamble restricted stock unit plan, I have unvested restricted stock units that will vest according to the established schedule, and I will receive shares of common stock in February 2015.

- Pursuant to the Procter & Gamble performance share unit plan, I am eligible to receive shares of Procter & Gamble common stock in August 2014 and August 2015, based on the performance of Procter & Gamble.

Following my retirement, I became a consultant to Procter & Gamble. Upon confirmation, I will resign as a consultant to Procter & Gamble. Because I will continue to have equity interests in Procter & Gamble Company, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the

2.

Renée L. Szybała

financial interests of Procter & Gamble Company, 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 on the Board of Directors of Xerox Corporation. I own deferred stock units for shares of Xerox common stock. I do not own common stock, stock options or restricted stock in Xerox. Pursuant to the Xerox deferred stock unit plan for Directors, I will receive shares of Xerox common stock, upon my resignation. Within 90 days of my confirmation, I will divest all of my Xerox stock. Until I have divested this financial interest, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Xerox Corporation, 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 will not participate personally and substantially in any particular matter involving specific parties in which Xerox Corporation 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 position as a member of the Board of Directors of U.S. Steel Corporation. I own common shares of U.S. Steel stock and deferred stock units for shares of U.S. Steel stock. I do not own stock options or restricted stock in U.S. Steel. Pursuant to the U.S. Steel Corporation deferred stock unit plan for Directors, I will receive shares of U.S. Steel common stock, upon my resignation. Because I will continue to hold shares of U.S. Steel Corporation common stock, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of U.S. Steel Corporation, 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 Ops-Fuel, Inc. I own both vested and unvested stock options for shares of Ops-Fuel, Inc., common stock. I do not own common or restricted stock in Ops-Fuel, Inc. I will retain my vested stock options. Upon my resignation from Ops-Fuel, Inc., I will forfeit all unvested stock options. Because I will continue to own vested stock options in Ops-Fuel, Inc., I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Ops-Fuel, 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).

Upon confirmation I will resign from my unpaid positions with the following entities:

- Cintrifuse
- McKinsey & Company

3.

Renée L. Szybala

- West Point Campaign Cabinet
- The Business Council
- The Commercial Club of Cincinnati

I do not hold any financial interests in any of these entities. 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 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 compensated positions with Singapore International Advisory Council of the Economic Development Board of Singapore and Temasek. I do not have financial interests in these entities and my compensation is not tied to their profitability. Instead, my only arrangement is to receive fixed fees for my services. Upon confirmation, I will resign from my positions with these entities. 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 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).

Upon confirmation, I will resign from my advisory positions with the following entities: Cultural Facilities Task Force of the Greater Cincinnati Foundation; Thayer Leadership Development Group; The S. R. Nathan Institute for Societal Leadership; University of Utah David Eccles School of Business; and Yale School of Management Leadership Development Program.

My spouse and I will divest our interests in the following entities within 90 days of my confirmation: Colony Financial Services Inc; Omega Healthcare Investments Inc.; Sabra Health Care REIT, Voya Real Estate Fund; Acadia Healthcare; Aceto Corp.; Akorn Inc.; Cyberonics, Inc.; FEI Co.; Lannet Inc.; Ligand Pharmaceuticals, Inc.; Moog, Inc.; VCA, Inc; First Merchants Corp.; Home Bancshares Inc.; First Financial Holdings, Inc.; and Pinnacle Financial Partners, Inc. With regard to each of these entities I will not participate personally and substantially in any particular matter that 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 these 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 divest this asset within 90 days of my confirmation and will invest the proceeds in non-conflicting assets.

4.

Renée L. Szybala

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 other ethics agreements of Presidential nominees who file public financial disclosure reports.

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert A. McDonald".

Robert A. McDonald