

OCT 17 2017

**Ms. Ruth Vetter
Alternate Designated Agency Ethics Official
Office of the General Counsel
Department of Defense
Washington DC 20310**

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 Policy.

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.

Upon confirmation, I will resign from my positions with Lockheed Martin and its subsidiaries and affiliates. I hold unvested restricted stock units, unvested deferred dividend equivalents, and unvested performance stock units with Lockheed Martin. I do not hold any vested restricted stock units, vested deferred dividend equivalents, and vested performance stock units with Lockheed Martin. Additionally, I own stock through the Lockheed Martin salaried saving plan. I also have an unvested interest in the Lockheed Martin long-term incentive cash award program. Upon my resignation, I will forfeit my unvested Lockheed Martin restricted stock units, unvested deferred dividend equivalents, and unvested performance stock units. I will forfeit my interest in the Lockheed Martin long-term incentive cash award program, which is currently unvested. Following my appointment, I will divest all of my Lockheed Martin stock within 90 days of my confirmation. 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 this 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). 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 I know Lockheed Martin is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Within 90 days of my confirmation, I will divest my interests in the Lockheed Martin Salaried Savings Plan, the Lockheed Martin Capital Accumulation Plan, and the Lockheed Martin Non-Qualified Capital Accumulation Plan. With regard to each of these plans, until I have divested the plan, 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 that plan, 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 left the Raytheon Corporation in 2014. I will receive two more fixed annual payments from the Raytheon Corporation as part of my Raytheon Deferred Compensation Plan. 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 the Raytheon Corporation to provide this contractual benefit to me, 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 following entities: the Youth Impact Program, the US-India Business Council, and the US India Strategic Partnership Forum. 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).

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), obligations of the United States, or municipal bonds.

I will meet in person with the you and/or your designee during the first week of my service in the position of Under Secretary of Defense for Policy 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 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, appearing to read "John Rood". The signature is written in a cursive, flowing style.

John Rood