

May 14, 2017

Rochelle F. Granat
Assistant General Counsel
(General Law, Ethics & Regulation)
and Designated Agency Ethics Official
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Ms. Granat:

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 Assistant Secretary for Tax Policy of the Department of the Treasury.

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 withdraw from the partnership of RSM US LLP. I currently have a capital account with the firm, and I will receive a refund of that account after my resignation. However, the firm may withhold a portion of my capital account as a reserve for account reconciliations and tax payments that the firm makes on behalf of its partners. I will receive a balance of my capital account no later than April 2018. Pursuant to the firm's partnership agreement, I will receive a payout of my partner draw account and a *pro rata* partnership share based on the value of my partnership interests for services performed in fiscal year 2017, which ended on April 30, 2017. Because I was a partner at the firm as of April 30, 2017, I will receive an additional partnership share that will be based upon my performance against my employment goals. I will receive this additional partnership share before I assume the duties of the position of Assistant Secretary for Tax Policy. 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 RSM US LLP to provide these payments, 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 two years after my receipt of these payments, I also will not participate personally and substantially in any particular matter involving specific parties in which I know the firm is a party or represents a party, unless I first receive a written waiver pursuant to 5 C.F.R. § 2635.503(c). In addition, I will not participate personally and

substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my positions with American University and Tax Analysts. 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 these entities are a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I resigned from the partnership of Ernst & Young LLP in January 2010. At the time of my resignation, my partnership agreement with Ernst & Young entitled me to tax preparation services and participation in the retiree medical plan for life. I also continue to participate in the Ernst & Young qualified defined benefit plan and non-qualified defined benefit retirement 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 Ernst & Young to provide these contractual benefits 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).

Within 90 days of my confirmation, I will divest my interests in the following entities: iShares MSCI Canada ETF; iShares MSCI India Small Cap ETF; and iShares MSCI Mexico Capped ETF. 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 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 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.

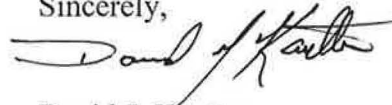
If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment 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 you during the first week of my service in the position of Assistant Secretary for Tax 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 "David J. Kautter", written in a cursive style.

David J. Kautter