

January 10, 2014

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 as a member 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 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.

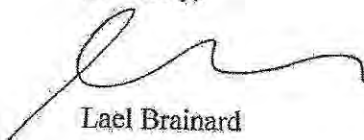
My spouse is currently Chairman and CEO of the Asia Group, LLC, a consulting firm. In addition, he serves on the board of directors of Standard Chartered PLC and MetLife, Inc. I will not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represent a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). I also will not participate personally and substantially in any particular matter involving specific parties in which any client of my spouse is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

In connection with his service as a director of MetLife and Standard Chartered, my spouse has received stock in each company. After my confirmation, but before I assume the duties of the position of Federal Reserve Governor, my spouse will divest this stock. In addition, in the event I am confirmed, he will advise both MetLife and Standard Chartered that he must not receive any equity interests as part of his director's compensation.

I understand that as an appointee I must continue to abide by the Ethics Pledge (Exec. Order no. 13490) that I previously signed, 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.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lael Brainard', with a stylized flourish at the end.

Lael Brainard