

BUSINESS, FINANCE AND AUDIT COMMITTEE:

Resolution

Whereas the United States Congress has declared that the situation in the Darfur region of Sudan constitutes state-sponsored or abetted *genocide*, and

Whereas, Sudan is on the U.S. State Department's list of state sponsors of terrorism and is subject to sanctions administered by the Treasury Department, and

Whereas, the U.S. government has imposed sanctions including banning the importing or exporting of goods and technology to Sudan, with the exception of humanitarian goods and certain agricultural products, or financially supporting Sudanese government projects by U.S. entities, and

Whereas, non-U.S. entities are not subject to U.S. government sanctions and restrictions, and

Whereas the Board of Regents of the University of Wisconsin System wishes to join in concert with other institutional investors, states and other municipalities, and the U.S. government in restricting and discouraging business activity that provides support to the current government of Sudan, or otherwise abets acts of genocide or "ethnic cleansing" occurring in that country,

Be it resolved that:

- (a) The invested assets of the University of Wisconsin System held in *separately managed accounts*, over which the Board of Regents serves as trustees and fiduciaries, shall not be invested in companies ("targeted companies") which either directly or through an affiliated instrumentality meet the following criteria:
 - i. Provide revenues to the Sudanese government through business with the government, government-owned companies, or government-controlled consortiums.
 - ii. Offer little substantive benefit to those outside of the Sudanese government or its affiliated supporters in Khartoum, Northern Sudan and the Nile River Valley; this "outside" population specifically includes the country's disaffected Eastern, Southern, and Western regions.
 - iii. Have either demonstrated complicity in the Darfur genocide or have not taken any substantial action to halt the genocide. Substantial action shall include but is not limited to curtailment of operations or public pressure on the Sudanese government. Simple company statements shall not constitute evidence of substantial action.
 - iv. Provide military equipment, arms, or defense supplies to any domestic party in Sudan, including the Sudanese government and rebels.

Non-investment in such companies will require divestment of current holdings and the screening out of such companies' securities so as to prevent future investment in them.

- (b) Investment is permissible in companies which, either directly or through an affiliated instrumentality, provide services clearly dedicated to social development for the whole country. Such entities include, but are not limited to those providing medicine and medical equipment, agricultural supplies and agricultural infrastructure, educational opportunities, journalism-related activities, and general consumer goods.
- (c) Where invested assets are held in commingled or mutual fund accounts, letters are to be submitted to the contracted investment management firms requesting that the manager consider either adopting a similar Sudan-free investment policy for the existing fund, or consider creating a comparable separate commingled fund devoid of companies targeted as a result of this resolution. In the event that the manager introduces a comparable separate Sudan-free fund, the Board shall direct that all assets in the existing fund be transferred into the newly available, Sudan-free fund.
- (d) If it is determined that a company, which had previously been a targeted company, has ceased business operations with Sudan or its instrumentalities, then that company shall no longer be subjected to divestment and/or screening.
- (e) In the event that the government of Sudan sufficiently halts the ongoing genocide in Darfur for at least 12 months, as determined jointly by the State Department and Congress of the United States, the provisions of this resolution shall expire.
- (f) In the event that the United States revokes its current sanctions against Sudan, the provisions of this resolution shall expire.
- (g) The policy established by this resolution will be communicated to the various foundations which support University of Wisconsin campuses, so that the foundations may consider adopting similar policies.
- (h) Nothing in this resolution shall alter or diminish existing fiduciary or statutory obligations and other terms, conditions, and limitations on the investment of entrusted assets for the exclusive benefit and interest of beneficiaries, participants, and donors.