Rev 9/5/79

RESOLUTION
THE UNIVERSITY OF MICHIGAN
BOARD OF REGENTS
March 16, 1978

WHEREAS the Regents of The University of Michigan have received the Report and Recommendations of the Senate Assembly Advisory Committee on Financial Affairs (the Committee) on Investment Policies and Social Responsibility dated February 28, 1978, and

WHEREAS the Regents are in general agreement with the Report and Recommendations, and

WHEREAS the Regents agree that the issue of investments in corporations having business operations in the Republic of South Africa has become one of considerable concern to many of the University community, and involves extremely serious moral and ethical questions, and

WHEREAS the Regents believe that the system of apartheid and the oppressive practices of the Government of the Republic of South Africa related thereto are immoral and unconscionable,

NOW, THEREFORE, BE IT RESOLVED:

1. The policy reaffirmed by the Regents at their April, 1971 meeting with respect to the voting of proxies of corporations at shareholders meetings is modified as hereafter set forth.

2. When review and analysis of proxy materials and financial data indicates to the Office of the Vice President and Chief Financial Officer that it is not in the financial

interest of the University as a stockholder to vote in accordance with a management proposal, a recommendation shall be made to the Regents through normal investment review procedures concerning voting on such proposal, selling the stock, or other appropriate action.

3. If the Regents shall determine that a particular issue involves serious moral or ethical questions which are of concern to many members of the University community, an advisory committee consisting of members of the University Senate, students, administration and alumni will be appointed to gather information and formulate recommendations for the Regent's consideration.

4. The Committee having served the function of such advisory committee with respect to the issue of investment in corporations doing business in South Africa, and the Regents having duly considered its report, and the comments and concerns of other members of the University community, the following action shall be taken:

A. The Vice President and Chief Financial Officer shall send letters to corporations doing business in

BOND HOLDER, OR WHICH ARE ON THE APPROVED INVESTMENT LIST

South Africa in which the University is a stockholder

R Bondholder

stating the University's strong opposition to apartheid and racial injustice and asking for:

OR THEIR EQUIVALENT.

(1) Affirmation of the Sullivan Principles

(2) Corporate encouragement to endorse the enhancement of political, economic and social

[illegible]

rights for all of the corporation's employees in

South Africa.

(3) Regular reports, AT LEAST ANNUALLY, TO ITS SHAREHOLDERS AND THE MEDIA to publicly disclose corporate progress toward achievements in these matters.

B. The University shall vote its proxies in favor of resolutions supporting the actions of A, above.

C. The University shall withdraw its deposits from and discontinue purchasing short-term money market instruments of those banks that hereafter make or increase loans to the Government of the Republic of South Africa, EXCEPT LOANS TO FINANCE DEVELOPMENTS FOR THE BENEFIT OF SOUTH AFRICAN BLACK, COLORED AND INDIAN GROUPS. NO BANK SHALL BE REQUESTED TO DISCLOSE * ~~unless it is demonstrated that such loans are conditioned upon governmental action which shall tend to end the system of apartheid.~~

D. The Vice President and Chief Financial Officer shall report to the Regents AT THE SEPTEMBER MEETING EACH YEAR ~~within one year~~ concerning the actions taken and corporate response or lack of response thereto.

E. The Regents shall PRUDENTLY DIVEST ~~sell~~ the shares AND BONDS of any corporation which does not within a reasonable period of time take reasonable steps to effectuate the purposes of this resolution, OR THE REGENTS SHALL TAKE SUCH OTHER ACTION AS THEY DEEM APPROPRIATE.

OK

* CONFIDENTIAL INFORMATION CONCERNING ITS DEPOSITORS OR CUSTOMERS. THE INFORMATION REQUIRED TO MONITOR THIS REQUIREMENT SHALL BE OBTAINED FROM PUBLIC RECORDS IN THE UNITED STATES AND IN THE REPUBLIC OF